

MEETING OF THE PARLIAMENT

Wednesday 28 January 2009

Session 3

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Scottish Parliament

Wednesday 28 January 2009

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

Time for Reflection

The Presiding Officer (Alex Fergusson):

Good afternoon. As always on a Wednesday afternoon, the first item of business is time for reflection. I am delighted that our time for reflection leader today is the Right Rev David Lunan, the moderator of the General Assembly of the Church of Scotland.

Right Rev David Lunan (Moderator of the General Assembly of the Church of Scotland):

St John, after a lifetime of reflection, tried to explain for a wider audience, using the language of Greek philosophy, the universal significance of the Christ event—God coming to earth, God becoming human. It is all about becoming human. He wrote:

“In the beginning was the Word, and the Word was with God, and the Word was God.

All things were made by him; and without him was not any thing made that was made.

And the Word was made flesh, and dwelt among us, full of grace and truth.”

St Irenaeus later wrote:

“The glory of God is a human being fully alive.”

And it is words, more than anything else, that shape our lives and define our humanity. You and I use words a lot. They are our stock-in-trade. We need them to describe, explain, persuade and inspire. Words are powerful, for good or ill, and words are precious.

It would be an interesting lunch conversation to recall the words, the verses, the songs and the proverbs that we learned long ago from our parents and teachers but which still influence our thinking. Scotland is rich in such sayings: “What’s for you will no go by you”; “We’re all Jock Tamson’s bairns”; “He’s got a good conceit of himself”; “Keep a calm souch”; “It’ll all be the same in a hundred years.” There is also, “Look after the pennies and the pounds will look after themselves.” [*Laughter.*] I wrote this three weeks ago.

Those are not just couthy old saws; they are words that have shaped our psyche. They have a wisdom worth returning to, coming home to, worth telling our children about—“I don’t care who writes their laws, but let me write their ballads.”

And in this week, and in this year, we remember Robert Burns, who captures in words our love of nature, our spirit of romance and adventure and patriotism, our disdain for sham in church and nation—

“an honest man’s the noblest work of God”—

and expresses the universal vision of what we hope for, and God intends, for ourselves and for everyone.

“For a’ that, and a’ that,
It’s comin yet for a’ that,
That Man to Man the world o’er,
Shall brothers be for a’ that.”

The glory of God is a human being fully alive.

Let us pray.

God bless Scotland,
Guard her children,
Guide her leaders,
And grant us peace.

Amen.

Budget (Scotland) (No 2) Bill: Stage 3

The Presiding Officer (Alex Fergusson): The next item of business is a debate on motion S3M-3299, in the name of John Swinney, on the Budget (Scotland) (No 2) Bill. I remind members that the Presiding Officers no longer give a one-minute warning before the end of a speech. The debate is oversubscribed, so members must be careful to ensure that they do not exceed the time allocated to them.

14:34

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I hope that the moderator was speaking to all members of the Parliament when he said, "Look after the pennies and the pounds will look after themselves."

In the two weeks since the Parliament emphatically endorsed the general principles of the Budget (Scotland) (No 2) Bill, the Government has been working to establish the broadest consensus on its proposals. Our focus has been to produce a budget that does everything that we can do within the powers of the Scottish Parliament to support recovery from the difficult economic conditions that we now face.

In those discussions, I have been able to offer reassurance that the Government will continue to deliver on the decisions that it made last year to reduce business rates for small companies, provide the resources to freeze the council tax, put more police on our streets, tackle climate change and invest in our health and public services. Building on the concordat, we will take forward our proposals in partnership with local government in recognition of the real and effective leadership that local authorities exercise in every part of our country. That partnership will be crucial to delivering economic recovery throughout Scotland.

Our budget will allow us to continue to focus on delivering our overarching purpose of increasing sustainable economic growth in Scotland, and it is vital that the Parliament agree to it. The latest Scottish gross domestic product statistics, which were released this morning, give the clearest indication yet that Scotland is already in a serious recession. At a time of such economic difficulty, we need to get every penny of public resources into the economy as quickly as possible and, if Parliament does not support the budget, public spending in 2009-10 will be £1.8 billion lower than the Government proposes that it should be. That would mean around £600 million less for health and wellbeing and around £640 million less for local government. The people of Scotland would also miss out on all the accelerated capital

investment that we want to bring forward and that the Opposition has demanded. That would have a crippling impact on jobs and services in all our constituencies.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the cabinet secretary give way?

John Swinney: Perhaps Mr Rumbles will explain how he would solve the problem.

Mike Rumbles: Will the Cabinet Secretary for Finance and Sustainable Growth confirm that, if we do not agree to the budget bill this afternoon, he has ample time to bring back to Parliament another budget that we can vote on and which can be implemented in the new financial year?

John Swinney: If Mr Rumbles is in any way in touch with the local authority that he represents, he will know that it intends to set its council tax on 12 February to allow for its efficient collection. It is reckless to do what he is trying to do. Minority government may be a challenge, but it also places a responsibility on the other parties in the Parliament. Now is not the time to play party politics at the expense of the jobs and livelihoods of the people we serve. The people of Scotland expect politicians of all parties to be bigger than that and to do everything in their power to reach mature agreement on an effective budget that meets the nation's needs in these challenging economic times.

Patrick Harvie (Glasgow) (Green): Does the cabinet secretary not have the grace to acknowledge that some of us are not playing last-minute party political games but have been working since early October? Why are we at this last-ditch throwing back and forward of e-mails trying to make final deals? Does he not know that, even as part of a minority Government, he has the power to do a lot better than that?

John Swinney: Mr Harvie and I have been involved in many discussions for a long time—as I have been with all parties in Parliament.

I will explain to members how the Government intends to address the issues. One of the greatest challenges that we face in the months ahead is safeguarding jobs or, where that is not possible, supporting individuals who face unemployment. We are taking action to tackle that issue. The Cabinet Secretary for Education and Lifelong Learning announced a range of improvements to partnership action for continuing employment, the unique partnership initiative that helps people to deal with redundancy. Those improvements included dedicating 80 Skills Development Scotland professionals to work alongside staff in Jobcentre Plus to support people who face redundancy. We have also announced that the Scottish Further and Higher Education Funding

Council has decided to allocate £7 million so that colleges can work more closely with PACE.

In addition, I announce that the next round of applications for support under the European social fund will include commitments of up to £50 million of new resources to assist with skills development and employability initiatives. Further, I announce that, due to the Government's representations, we have secured European Union agreement to change the nature of our programmes to support people in employment who may face redundancy. That is a major achievement, which is of clear, practical benefit to the people of Scotland.

The Government is committed to increasing the number of training places in Scotland to 50,000, through modern apprenticeships and other schemes, by December 2011. In our budget discussions, the Labour Party raised the question of apprenticeships. We will do everything possible to help apprentices who face redundancy find alternative employment so they can complete their modern apprenticeship. Where that is not possible, we will ensure that apprentices can complete alternative suitable training. Effective co-operation between Skills Development Scotland and the Scottish Further and Higher Education Funding Council will provide for that.

We are also acting to protect families in the face of the current economic difficulties. We will invest further in the open-market shared equity scheme and plan to increase spending on that to £60 million to assist those at risk of losing their homes. We have made provision for extra legal advice, and I was delighted to announce a new credit union fund to assist individuals and the investment of £70 million of new money that we plan to make available to allow local authorities to freeze the council tax again in 2009-10.

For businesses, we will push ahead with our plans, with Parliament's approval, to complete the implementation of the small business bonus scheme in April 2009 and scrap the rates for many thousands more businesses across Scotland. A crucial part of our Government's economic recovery programme includes a package of accelerated capital expenditure, which is in addition to the major programme of capital investment of more than £3.5 billion this year and next. Last August, we brought forward a total of £100 million of affordable housing spending, and yesterday the Deputy First Minister announced that £17 million of that will be invested to speed up the delivery of affordable housing and help us meet the serious challenges facing Scotland's house-building industry.

On top of that investment, we plan to push ahead with spending worth £230 million in the next year to improve roads, build schools and deliver major infrastructure projects across Scotland. That

£230 million of accelerated capital spending alone will generate work and support as many as 4,700 jobs to keep our economy moving. As the country faces up to the reality of recession, those jobs will be a vital lifeline for local economies the length and breadth of Scotland. However, those jobs will be created and the projects will happen only if Parliament supports the budget today.

Margo MacDonald (Lothians) (Ind): On the additional funding to which the cabinet secretary just referred, is there flexibility in its disbursement vis-à-vis the position of local authorities that are just managing and local authorities, such as the City of Edinburgh Council, that face crises in, for example, affordable housing?

John Swinney: Ministers will of course take great care to consider the circumstances in different areas of the country—for example, the availability of housing and the challenges that individual authorities face—and we will do all that we can to ensure that affordable housing is delivered in the areas that need it most.

We recognise that we must do more than what I have set out, and I have two further announcements to make to Parliament today. First, our town centres face major challenges in this economic climate. We want to support their development and ensure that there is a positive economic and employment benefit. In their input to the budget process, the Conservatives have set out the arguments for a new fund to support town centres. I have therefore decided to bring forward in the autumn budget revision the resources required to put in place a town centre regeneration fund to assist our towns to deal with the consequences of current economic conditions. We will work with relevant partners to arrange the roll-out of the fund, which will be established in 2009-10 at £60 million. *[Applause.]*

The Presiding Officer: Order.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Will the cabinet secretary take an intervention?

John Swinney: I ask Mr Purvis to allow me to make some more progress.

Secondly, after discussions with the Scottish Green Party, I committed the Government at stage 1 to a programme of home insulation measures. According to the 2007 Scottish house condition survey, 1.8 million homes in Scotland are suitable for basic insulation measures, such as loft and cavity wall insulation. Of those, more than half a million do not have cavity wall insulation and 1 million have no, or inadequate, loft insulation. That not only represents a scandalous waste of resources but condemns many of our fellow citizens to fuel poverty.

Therefore, at the suggestion of the Scottish Green Party, we propose a radical new initiative to tackle that scandal head on. We will commit £22 million of resources from central Government as the first stage this year. That will allow us, with our social partners, to provide up to 100,000 homes in area-based schemes with energy efficiency advice and assistance and with loft and/or cavity wall insulation where that is suitable and appropriate. In the Government's view, such a scheme should be available to all homes in the areas that are initially chosen.

The Government will also produce proposals for a significant loan mechanism to improve hard-to-treat properties that do not have lofts or cavity walls that can be insulated. Our ambition is to eradicate poor insulation from the Scottish housing stock, given all the benefits that such a move will bring for family budgets and for achieving our crucial environmental targets. The initiative will also have the effect of creating valuable employment in every part of the country.

We have shown our commitment to ambitious targets in the Climate Change (Scotland) Bill. The substantial programme that I have announced will be an early step towards meeting our 10-year ambition to make the required impact on emissions by 2020—a commitment that will be enshrined in legislation in due course. In budgetary terms, the Government is committed to enhancing the initiative in order to deliver on our agreed commitments. Evaluation at the end of the first phase will enable us to work out how best to implement the remainder of the action on housing to realise our 2020 ambitions across the country. We look forward to working with the Scottish Green Party to take that forward. We want to ensure that our initiative commands support within Parliament and involvement throughout the country to transform our approach to insulation and fuel poverty.

I will fund those two initiatives by increases in non-domestic rate income that I have so far not declared and by a further tranche of capital expenditure that I have secured from Her Majesty's Treasury.

The budget that I have set out today is a budget for economic recovery to tackle the serious challenges that we face. The Government is delivering for the people of Scotland in these tough economic times, and the responsible thing for all members to do is support a budget that invests in Scotland's economy and public services. If the budget is not passed, those who vote against it will need to explain why, in turning their backs on £1.8 billion of additional public expenditure, they have said no to capital investment and the creation of thousands of jobs in Scotland. I commend the budget to Parliament.

I move,

That the Parliament agrees that the Budget (Scotland) (No.2) Bill be passed.

The Presiding Officer: Given the importance of the debate, I will allow each Opposition party's opening speaker to overrun by a few seconds, but that time will be taken off the party's closing speaker.

14:48

Andy Kerr (East Kilbride) (Lab): What we have heard is the building of consensus, but that building of consensus has been on only the Scottish National Party's terms. That has been an unfortunate aspect of all the discussions on the budget.

At stage 1 of the bill, I made it clear that the Labour Party was willing to engage with the Government in a serious debate on the budget. We did not give the budget an emphatic endorsement—as the cabinet secretary has tried to claim—but we showed willingness to work and to co-operate in producing a budget for Scotland.

In a global economic crisis, budgets are correctly seen as being a true test of Governments throughout the world. Labour's response at United Kingdom level shows that the Labour Government is meeting that global challenge. The UK Government has been acknowledged by many to be leading the world's response to the economic conditions of the day. [*Interruption.*] If Conservative members want to read the Nobel prize-winning economist Paul Krugman, they might find that he disagrees with them.

However, the Scottish Government's budget remains largely unchanged and unaltered since the economic downturn—the budget that we are considering today is not dissimilar to the original proposition. In my view, the Scottish Government's budget fails that key economic test.

At stage 1, we showed our willingness to work with the Government for the good of Scotland. I said then that we would continue to support the budget, but in discussions the Government has failed to meet any of the reasonable demands that the Labour Party has made. I had hoped that the Government would stop playing the games that we have seen it play today, and that it would produce a budget that protects the Scottish economy and people. It has failed to do so.

I said that I looked forward to "fruitful and beneficial" discussions with Mr Swinney. Sadly, my party and I have been let down in that process, so it is with regret that I advise Parliament that Labour is unable to support the budget bill, which fails to acknowledge the serious nature of the current economic climate or to match the needs of

the nation and its people. We set out our reasonable demands on behalf of those people. The Government could have met them: they were achievable, constructive and—most important—they would have made a difference.

We made proposals to address the challenges that are faced by the thousands who have recently lost their jobs, by those whose jobs are under threat and by the young people who are seeing opportunities disappear from before their eyes. As Patrick Harvie did, we set out our proposals in good time, so it is a great pity that Mr Swinney chose to focus his attention on those matters only in the past few days of the discussions. The Scottish National Party would prefer to block Labour's plans to offer opportunities for apprenticeships and help the people who face unemployment—it has put party before country, so it seems that the SNP is yet again more interested in its own narrow political interest. On every occasion on which the First Minister uses the word "consensus", he means consensus on the SNP's terms. That is not the meaning of consensus.

There is the irony of the town centre regeneration fund, which I welcome. Last year, Labour proposed measures to tackle the threatened demise of our town centres—the town centre turnaround fund. Since then, household names such as Woolworths and Zavvi have disappeared and other companies and shops have gone into administration, which is why we need action and why the SNP will have our support for that aspect of its budget, although not the collective point, which I will address later. It is interesting to note that although the town centre turnaround fund, as proposed by Labour last year, was turned down by the SNP and the Tories, the idea has been resurrected to save the embarrassment and blushes of the Tories and to ensure that they got something out of the deal. The Tories are late to the game, but I welcome their involvement in it, nonetheless.

We were right last year, and we are right again this year, about the need for the budget to address the needs of our economy. It is right that Labour has sought an extra 23,400 adult and young person apprenticeships over the next three years—opportunities that would be seized by our young people but which have been refused by the SNP. It is right that Labour has sought additional funding for partnership action for continuing employment: it is right that we support people who are facing redundancy.

Those chances have been offered but have been refused by the SNP. It is right that Labour sought to ensure that the money for our health service goes to the boards that represent communities—to respect those who are in

greatest need and get that money to the front line. That, too, has been refused by the SNP.

On apprenticeships, it is shameful that the political will could not be found to meet that request. At this time in the economic cycle, it is vital that we invest in apprenticeships. We do not want to return to the large-scale youth unemployment of the 1980s, but the SNP has not been prepared to come up to the mark. Not only has it not come up to the mark that Labour in Scotland wanted it to come up to, but it does not even compare adequately with the rest of the UK. In Scotland, just over 10,500 apprentices will start this year. In England, the number will be 250,000, and will be 250,000 in each subsequent year. The one-year rise in apprenticeship places that is proposed would do nothing to restore employer confidence in the system of apprenticeships in Scotland. Employers would not gear up to take on those apprentices. Our request was proportionate and sensible, and would address the needs of individuals and companies throughout the Scottish economy. It would have been a mixture of apprenticeships for adults and apprenticeships for those who are starting out in work. Again, the measure was opposed by the SNP.

The SNP has said in the past that Scottish workers have a better level of skills than their colleagues in other parts of the UK, but if we continue in this way we will not be saying that for much longer. We need quality training opportunities that strike the right balance between what employers want and what will benefit our people.

People in Scotland are ahead of the game because of the previous Labour-led Administration's past investment in apprenticeship schemes. That investment has now been deserted. There was a tenfold increase under the Labour-led Administration, but it is all being let go by the SNP Administration.

Labour also has a strong and proud record of developing learning at work. On this side of the chamber, we understand how important that is, so we cannot understand why the SNP has chosen not to support expansion in the number of apprenticeships. Theirs is a partisan response to a valid proposal on apprenticeships, which we find very disappointing. An opportunity has been missed, and I fear that the result will be bad for Scots and bad for our economy.

Margo MacDonald: I wonder whether the Opposition has investigated the tax increment financing scheme, to see whether it provides an opportunity for more apprenticeships.

Andy Kerr: I am currently examining that scheme and reading through the documentation. I therefore reserve my view on the issue until later.

We welcome some of the Government's partnership action for continuing employment measures, but they are simply not enough. We want more work to be done on PACE. The service—with its high-quality intervention—has to be delivered throughout Scotland. When PACE is properly funded and adequately resourced, it will be a power for good, so further investment must be made.

I have said before that we welcome proposals on the regeneration of town centres. However, it is ironic that we welcome late to the debate both the Scottish National Party and the Tories.

Much has been said about our 15-point plan. Mr Swinney has said to the media on a number of occasions that he welcomes the 15-point plan and understands its rationale. He has said that he has engaged with the plan and tried to meet some of its points. However, that plan was developed in October and this budget is for April. Yet again, the indolence of the Administration in the face of a serious economic crisis and challenge takes one's breath away.

The 15-point plan was a genuine effort by Labour to engage with the Government on how it could best address the economic challenge. Point 1 of the plan was to begin an immediate review of the Scottish budget to prioritise job creation, investment in skills and infrastructure, and support for households weathering the fall-out of the global economic crisis.

John Swinney: Does not Mr Kerr accept that I have acknowledged publicly that the Government has accepted and taken forward a number of the suggestions in the Labour Party's plan, including expansion of the Scottish manufacturing advisory service, the bringing forward of capital investment projects, and the bringing forward—without consent from Her Majesty's Treasury—of £100 million of affordable housing expenditure to boost the construction sector in Scotland?

Andy Kerr: Of course, the Government has also delayed the building of Low Moss prison for two years. That project is itemised in detail in our plan. It has also refused to address the key issues that businesses up and down the country are telling Parliament will be to the detriment of the Scottish economy—the Scottish Futures Trust and the local income tax, both of which have been ignored.

It is ironic that Mr Swinney can say in his opening remarks that the Government wants money to go

“into the economy as quickly as possible”.

For two years, the Government has had chances to bring forward a decent proposal for the Scottish Futures Trust, but the trust has yet to see the light of day. The Government's inability to make

progress with the Scottish Futures Trust is why the pipeline of projects that keeps workers in jobs and keeps businesses in operation is now empty.

Iain McMillan of the Confederation of British Industry Scotland has said that

“the Scottish Government's support for business often appears only to be skin deep”.

Those are not my words, but the words of the leader of CBI Scotland. He went on to say that

“ministers need to do much more in 2009 than they have to date to develop our economy for the long term”.

That is wishful thinking from Mr McMillan. He has been further let down by this budget today.

Although Mr Swinney claims that economic growth is the Government's top priority, I do not believe that the budget matches that ambition. The Government must ensure that it reverses cuts in education, tourism and enterprise spending, and it must deal with the six-point plan. The Government has failed to address many of the key issues that we have raised.

I could say much more in this debate, but my colleagues will address some of the key issues that Labour has raised. The Government's budget response to the downturn remains wholly inadequate. The Government remains complacent in its response to global economic conditions.

14:59

Derek Brownlee (South of Scotland) (Con): If Andy Kerr's speech has told us one thing, it is this: after yesterday's back-bench revolt, Iain Gray is not so much the leader of the Scottish Labour Party as he is the prisoner of the Scottish Labour Party.

Last month, Labour members voted against the budget. A fortnight ago, they voted for it; now, they are against it again. Labour has achieved the impossible: Iain Gray's performance on this budget makes Wendy Alexander's performance last year look like the work of a master strategist. Even the Liberal Democrats look more consistent. Having for months demanded extra spending on infrastructure, Labour will today vote against £230 million of it. Having for months demanded more support for schools and training, Labour will today vote against it. Having demanded more money for health, Labour will today vote to cut £600 million from the national health service.

If Labour votes against the budget today, Labour will impose a council tax increase of 30 per cent—£350 extra for every band D household. That is Labour's Scottish tax bombshell. Labour's recession is bad enough, but today Scottish Labour wants to make it worse by taking billions of pounds out of the economy.

There are those who argue that this should be a recession budget—Scotland's solution to the severe economic situation that we are now in. In reality, redeploying the Scottish budget cannot reverse the recession. Patrick Harvie may argue that £100 million could insulate every home in Scotland, but even £34 billion will not insulate Scotland from Labour's recession. All that we can do is seek to mitigate the impact of the recession and to ensure that we take the right long-term decisions on education, infrastructure and making Scotland as competitive as possible to enable our recovery to be stronger when it comes.

Last year, we were attacked for doing what every party has done this year—for talking with the Government and working to advance our policies. The results were clear. The Conservatives delivered cuts in business rates for small and medium-sized businesses that were worth £50 million last year and an additional £50 million this year. We delivered more police and a new approach on drugs policy. Labour and the Liberal Democrats have achieved nothing. Labour may have had little influence on this budget, but it will affect the Scottish budget for many years to come because of the mess of the public finances at UK level under Labour. Funding for the devolved Administrations will bear the brunt of Labour's cuts for the next decade, thanks to Gordon Brown.

We welcome the accelerated capital spend, but the hangover will come in 2010-11. It is to prepare for that, and for the difficult choices that will be presented by a Scottish budget that is relatively static in real terms, that the Conservatives have called for a budget review to conduct a root-and-branch examination of public spending.

Before the last election, the Conservatives called for a dedicated fund to support regeneration in small towns throughout Scotland. Our manifesto outlined plans for a fund of £20 million each year—£80 million over the session of Parliament—to improve high streets up and down the country.

Michael McMahon (Hamilton North and Bellshill) (Lab): If the Conservatives found town centre regeneration so important, why did they vote against that opportunity when it was presented in last year's budget? I have watched "Celebrity Big Brother" over the past wee while and seen Mini Me; will Derek Brownlee stop being Mini Swinney and address the Government's budget?

Derek Brownlee: I will tell Michael McMahon why we did not support Labour's proposal last year. The Labour Party's interest in our scheme was so keen that it copied it and put it in its own manifesto. However, it did not say at the time that it intended to take the money to pay for it away from councils. That was last year's scheme—that was Labour's cunning plan. It was part of a £100

million-plus raid on council budgets, which was promoted by Labour last year. Only Labour could think that cutting councils' budgets would help them to spend more on regeneration.

Some commentators were sceptical that the fund would ever be delivered. For example, during the election campaign, one said of the Conservatives:

"They will never introduce this town centre regeneration fund in Scotland. The Tories are an irrelevance."

Ironically, those were the words of one Tavish Scott who has, since 2007, elevated irrelevance to a point of political principle—the only one, it appears, that the Liberal Democrats have.

Irrelevant they may be, but even the Lib Dems, on occasion, know a good idea when they see one. Only two days after Tavish Scott pronounced that the fund would never happen, their then leader, Nicol Stephen, came up with a plan to

"breathe new life into small towns".

His plan centred on a radical new idea—a small town regeneration fund. Both Labour and the Liberal Democrats had eight years in which to turn such ideas into reality, but they did absolutely nothing. It is the Conservatives who are delivering where Labour and the Liberal Democrats failed to do so. This year, £60 million is being spent on regeneration of our town centres, which is a shot in the arm not just for communities, but for businesses and contractors throughout Scotland, who will find work in tackling the blight that affects too many of our high streets.

Our aim is not to achieve a perfect budget, but to improve the current one, as we did last year. There are aspects of the budget with which we disagree, just as there are aspects that we support, such as growth in spending on roads, the council tax freeze and funding to deliver what was promised years ago on free personal care, but which Labour and the Liberal Democrats failed to deliver.

With the town centre regeneration fund, the measures to cut small business rates will see rate bills abolished or slashed for 150,000 small and medium-sized businesses, which makes this a budget for Scotland's high streets and small businesses.

Taken together, the elements in the package of measures that we have secured in the budget total a quarter of a billion pounds. That money will put police on our streets, help shield 150,000 small businesses from the worst of Labour's recession and help to regenerate high streets across Scotland. That is what the Conservatives have achieved. Having delivered Conservative policies for the second year in a row—a quarter of a billion

pounds-worth of Conservative policies—we will support the budget today.

15:06

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Last week, the Cabinet Secretary for Education and Lifelong Learning said that at the heart of the Government's economic recovery programme is a package of accelerated capital spending. We agree with that acceleration and will work with the Government to secure much-needed investment in the key sectors of construction and infrastructure. However, it is telling that, as the Government said, that package is by and large the result of the Westminster Government's decision to accelerate capital spending.

With further news yesterday from the CBI's distributive trade survey showing the weakest forecast for retail since the survey began in 1983, David Lonsdale, the assistant director of CBI Scotland, is quoted as saying:

"Recent decisions to trim VAT and slash interest rates have yet to trump shoppers' worries ... this caution is dampening consumer demand."

The official gross domestic product figures for the third quarter of last year, which were published today, show a sharper fall in Scotland than has happened in the rest of the UK. That is deeply sobering. The UK construction sector grew by 2.4 per cent from the third quarter of 2007 to the third quarter of 2008, but in Scotland, the construction sector shrank by 3.4 per cent. In the same period, the financial services sector grew by 6.6 per cent in the UK but shrank by 4.8 per cent in Scotland. Those figures are proof positive that the decisions that have been taken by this Scottish Government, which have stalled the momentum of investment in infrastructure and construction, are hurting the Scottish economy.

The state of consumer confidence in Scotland and the profile of our economy mean that organisations such as King Sturge are forecasting that the recession will be longer and deeper in Scotland than it will south of the border. That is why the announcements about small towns and town centre regeneration—welcome as they are—are an insufficient response.

On the £60 million town centre regeneration fund, on 28 June 2007, when Mr Brownlee and I were asking the Minister for Environment, Michael Russell, for support that would progress the work that had been started by the previous Administration on the Convention of Scottish Local Authorities' small towns review, including town centre regeneration, Mr Russell replied:

"I am happy to arrange for that to happen so that we are working cross-party and in the spirit of consensus to

improve our towns throughout Scotland."—[*Official Report*, 28 June 2007; c 1281.]

That was all well and good in June 2007, but what happened subsequently was a slashing of regeneration budgets in Scottish Enterprise and no further work being done with COSLA on its town centre regeneration study. What we are being told about today is the correction of two years of failure.

The highlight of the budget, after a fortnight of negotiations, is a difference of 0.17 per cent from the budget that we discussed at stage 1. That is the result of the work of the Conservatives. Last year, John Swinney famously said that the result of the Conservatives' negotiations was the equivalent of half a day's Government expenditure in Scotland. This year, it is the equivalent of the time it will take Mr Brownlee to make Mr Swinney a cup of coffee.

Derek Brownlee: Mr Purvis mentioned a figure for the change in the budget as a result of the Conservatives. Will he confirm what percentage of the budget will change as a result of the Liberal Democrats? Is it 0.000 per cent?

Jeremy Purvis: What we argued for, as Mr Brownlee may well know, would be a substantial response to the economic situation that we are in. [*Interruption.*]

The Presiding Officer: Order.

Jeremy Purvis: What we have is the weakest and most reduced response of any national or devolved Government in western Europe. We did have a tax cut before Christmas. It was the SNP-favoured VAT cut, which it voted for in London. However, that means that, in 2011—a month before the next Scottish Parliament elections—there will be national insurance and tax hikes for everyone who works in Scotland. The Government denies it, but that is the reality.

Every SNP speaker in the previous debate on the matter, and Mr Brownlee today, said that it is impossible to reduce tax in a fixed budget. In his speech in the previous debate, Joe FitzPatrick, who is a sincere man, argued clearly that it is impossible to have a tax cut in Scotland within a fixed budget, and he listed all the areas that would be at risk. Yesterday, I received an answer to a parliamentary question that confirms that the estimated cost of the council tax freeze and business rate cuts in the current spending review period is £840 million. I wonder which hospitals the SNP is closing, which infrastructure projects it is shelving and how many council cleaners are to be sacked as a result of its tax cuts.

We are told that the Government believes in tax cuts; indeed, its response to the report from the

Council of Economic Advisers, which we debated just last week, mentions

“Scottish families sharing in a £420 million tax saving”.

Within the binding constraints of a fixed budget, we have nearly £1 billion of tax cuts from the SNP, and within the UK pre-budget measures it voted for an ineffectual VAT reduction. It is not a question of the principle—the question is whether the tax cuts are appropriate, given the state of the economy and the situation that we are in.

We began the debate in the autumn by asking to work with other parties to secure a deeper and more effective fiscal stimulus. Last week, the Conservatives helpfully and clearly argued that Scottish Water’s borrowing consent of up to £250 million could be better used to protect front-line services and put money back in people’s pockets. That is what we are arguing for, so that we have a proper response for the economy in Scotland. Today, the Scottish Parliament information centre confirmed that, under the Government’s input-output model, the direct fiscal stimulus of a 2p cut would directly and indirectly support 9,200 jobs in Scotland, even if 20 per cent of it were to be saved. We need a debate about the matter, because without proper fiscal stimulus, the Scottish economy will be in a deeper and longer recession.

The budget is woefully inadequate and has been changed by just 0.17 per cent by the Conservatives. In unprecedented times, that is why we will not support the budget later today.

15:13

Joe FitzPatrick (Dundee West) (SNP): I add my support for the budget which, as the cabinet secretary said, is vital to Scotland’s economic stability. We must recognise that economic stability should be Parliament’s top priority, given that it has been confirmed that the UK is in recession since we started this year’s budget process. To put that in context, the International Monetary Fund announced today just how bad the recession is: in the past couple of hours, it has revised its prediction that the UK economy will contract by 2.2 per cent and now predicts that it will contract by 2.8 per cent. The worst contraction of any economy in the developed world is happening on Gordon Brown’s and Labour’s watch.

I will not pretend that our constituents are crowded around “Holyrood Live” or hanging on every word of today’s debate, but we should make no mistake that what we decide today will make a huge difference to businesses and families throughout Scotland. As a result of the historic concordat with local authorities, the budget proposes a further £70 million a year to ensure

that, in these tough times, families throughout Scotland will not have a single extra penny added to their council tax bills. That is a welcome change from the days when local authorities were forced to make a stark choice between cutting services and making large increases in council tax bills. With a second year of the council tax freeze, my constituents in Dundee will have saved an average of £120 a year.

The alternative prospect is, of course, that the budget will be voted down. As local government budgets must be set in a little over a month, substantial increases in council tax bills would be needed to make up for the huge shortfall that will exist if we are forced to revert to last year’s budget.

In Dundee, the shortfall would be over £12 million, which would necessitate a 20 per cent increase in council tax for hard-pressed households. That would amount to £233 on a band D property in Dundee—or, to put it another way, a £20 a month Labour surcharge on council tax bills in the city, instead of the freeze that this budget proposes.

Today’s budget vote is a clear choice between a real-terms cut in council tax for every household in Scotland and a potential increase of hundreds of pounds. It might have escaped the attention of Mr Purvis and the Liberal Democrats, but for all their bluster about tax cuts, his party will, if it votes against the budget, be voting for a tax increase.

The budget is good news for small businesses. Phase 2 of the small business bonus scheme is set to benefit 150,000 small businesses. The Scottish Government’s proposed 2009-10 budget would mean that from April, 3,000 businesses in Dundee would have their business rates reduced to zero, and another 4,500 would have their rates reduced by up to 50 per cent.

To vote against the budget threatens the viability of small businesses the length and breadth of the country. Without the budget, those 150,000 businesses will have to navigate what is predicted to be the most economically challenging year in a generation without the lifeline that the small business bonus scheme offers. It is not going too far to say that many of those might not make it to the end of the year.

In order to address the economic downturn and to ensure that Scotland comes out the other side, the cabinet secretary gave a commitment to bring forward funding where possible. As a result, the budget proposes a £120 million acceleration in the affordable housing budget over this year and next. That will provide for Dundee £700,000 of housing investment, which has been announced for Hillcrest Housing Association. As well as providing much needed family-sized affordable housing, that

investment will help the hard-pressed construction industry to weather the economic storm. All that is at risk if the budget falls.

Members should make no mistake—there is only one budget on the table today. If it falls, we go back to last year's budget.

Jeremy Purvis: The information that I received from the clerk to the Finance Committee, of which Mr FitzPatrick is also a member, indicated that that is simply not the case. The Government would be able to introduce either an order of revision for last year's budget or a new budget. The member is scaremongering.

Joe FitzPatrick: The fact remains that we are voting for the budget today, and there is only one budget on the table. If it is not passed, the efforts that the Government wants to make to help Scotland's economy will be—*[Interruption.]*

The Deputy Presiding Officer (Alasdair Morgan): Order.

Joe FitzPatrick: The budget that has been laid before Parliament will help to mitigate the worst effects of the recession. This is no time to play politics with people's livelihoods, so I make it clear to members who intend to vote against the budget that they will be taking money directly out of the pockets of families and small businesses in Scotland. That would be reprehensible at the best of times, but it is unforgivable when it is set against the background of the current tough economic situation.

Failure to support the budget would put at risk the massive investment in energy efficiency and the £22 million package that the cabinet secretary announced in his speech. I hope that everyone pays attention to the consequences for the people of Scotland of failing to support the budget. The £230 million of capital expenditure that the UK Government has brought forward; the support for 5,000 jobs, particularly in the construction sector; and the funding that has been brought forward for the Scottish exhibition and conference centre, the Edinburgh bioquarter, the Fife energy park and road improvements throughout Scotland, would all be put at risk.

There is £50 million of additional—

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

15:19

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in the debate, which comes at an important time of economic crisis at home and abroad. On the international front, there have been 524,000 job losses in the United States; the price of oil has dropped to \$45

a barrel; and German output has slumped by 6.6 per cent. At home in the past year, 20,000 construction jobs have been lost and unemployment has risen by 13,000. Only this morning, it was announced that Scotland's GDP had contracted by 0.8 per cent.

It is clear that setting a budget at this time presents a tremendous challenge, but it also presents an opportunity to try to protect Scotland from the ravages of the recession. The UK Government proposed an economic stimulus package to support families and businesses throughout the country, but I am afraid that the Scottish National Party's budget is short of the mark.

Alex Neil (Central Scotland) (SNP): Only £18 billion of the £113 billion that the UK Government is borrowing this year is for stimulus. Perhaps a large part of the problem and the reason why we are in the mess that we are in is that Gordon Brown has misspent the other £90-odd billion.

James Kelly: When we discussed the pre-budget report, the cabinet secretary welcomed the stimulus package, which is providing a welcome boost to the UK economy, including the Scottish economy.

On the Scottish budget's priorities, I point to a couple of examples in my constituency that will resonate throughout Scotland. In the past week, 150 jobs have, unfortunately, been lost at the Vion plant in Cambuslang. Job losses are being announced regularly throughout Scotland. In such times, we should look for a package that will boost communities and jobs and lead to investment in skills. Those are priorities.

Protecting the NHS is also a priority. There are 37 general practitioners in Rutherglen and Cambuslang. That is the fourth lowest number of GPs in the 73 Scottish parliamentary constituencies. The NHS budget becomes more important at a time when we need to address health inequalities.

The Scottish Government has come up short in delivering in those areas. With respect to jobs and skills, it has not supported the Labour Party's proposal to produce 23,400 apprentices over the three-year period. Proposing that at this time is correct for two reasons. First, jobs would be boosted and our young people would be helped. Secondly, people would be skilled up for when we come out of the recession or economic downturn in the future.

The full 3.9 per cent increase in health spending will not be passed on to health boards in the budget; only 3.2 per cent will be passed on to the boards. That means that health boards will be faced with serious challenges in trying to deliver

primary care facilities and front-line services. Our NHS is not being protected.

On funding the commitments that have been made, there is a cumulative underspend of £65 million to date over the spending review period. That underspend would fund the spending that is required to meet the shortfall in NHS board budgets.

The Government should ditch the Scottish Futures Trust. For a start, that would raise £23 million from that organisation's budget, particularly from its payroll costs. To coin a phrase, film-star wages are being paid. Furthermore, if the Government is serious about boosting the economy, it should drop the local income tax proposals. Doing so would bring forward £281 million from future budgets.

The budget should be opposed. It will not meet the needs of our times; it will not lead to investment in skills or jobs; and it will not protect the NHS. The budget, which is supported by the SNP's lapdogs—the Tories—does not provide the answers and is short on hope and inspiration. At 5 o'clock, the message that should go out from the Parliament is, "Time to think again, Mr Swinney."

15:25

Nigel Don (North East Scotland) (SNP): I would actually like to talk about the budget. I will start my survey of the many areas that the budget covers with education and lifelong learning. What is that budget about? It aims to

"focus classroom practice upon the child"

and on the four capacities of education. The investment is in there. We want to

"ensure all children and young people have the best start in life and promote early intervention to protect vulnerable children and families at risk".

The budget will

"support implementation of *Skills for Scotland*"

and it will support students. It will invest £1.5 billion in further and higher education institutions in Scotland. I say that because it addresses the point that was made about the small changes that are made to any budget when it is discussed. Those are long-term measures, most of which involve fixed costs. That is the way it should be, because if we do not have the general trend of travel right in the first place, everything will be wrong.

The health and wellbeing budget states:

"The portfolio is responsible for developing and implementing effective policies and programmes that:

- protect and improve the health of the people of Scotland;
- tackle health inequalities;

- promote equality, and tackle discrimination, prejudice and disadvantage;

- provide high quality health care ...

- promote social inclusion and reduce poverty;

- increase the supply of good quality, affordable housing ...

- regenerate communities; and

- promote physical activity and participation".

Once again, we are talking about long-term measures. James Kelly told us that the budget will not protect the health service. I warn him, as he does not seem to have noticed, that if the budget is voted down, that budget heading will lose £500 million. I recall that, when we last had an election, the Labour Party told us that all the spare money would go into education, so I take it that that £500 million would not have been there anyway.

Rhona Brankin (Midlothian) (Lab): On the subject of education, will the member take an intervention?

Nigel Don: No, because I want to move on to justice. I am sorry, but I have issues to cover.

Rhona Brankin: There is a lot of reading still in there.

The Deputy Presiding Officer: Order.

Nigel Don: Under the justice heading, there is

"capital investment to support the ongoing development and modernisation of the Scottish Prison Service".

If members would like to know what condition the service was in when the Cabinet Secretary for Justice inherited it, please ask him. There is the best part of £10 million

"to deliver Firelink, a modern digital radio communication system for our fire and rescue services."

Yes, we need them. There are funds to get the courts up to date and to make

"an additional 1,000 police officers available in our communities".

There is about £30 million for better drug treatments as well as increases in legal aid funding and centrally funded police costs. If the budget is not passed, there is another £40 million under that heading for which somebody in the chamber will have to be held responsible. The Government is trying to get that kind of thing right.

I refer members to the local government portfolio. I ought to declare an interest in that, like the rest of us, I actually live somewhere—in Aberdeen. I will come to my council tax in a moment. The key spending priorities include "freezing council tax rates", as well as

"making additional police officers available"

and

“reducing or removing business rates for all small businesses”,

of which I will say a little more in a moment. The priorities also include improving the learning experience through the curriculum for excellence; expanding pre-school provision; providing allowances for kinship carers of looked-after children; and providing carer support. If you have not done the numbers—sorry, Presiding Officer, you probably have done them. If members have not done the numbers, £500 million will be lost from that budget heading if the budget is not passed.

I am sure that members would like to know what the implications are for their local community. I would like to tell my local community about that.

Rhona Brankin: Will the member take an intervention on numbers?

Nigel Don: Why not?

Rhona Brankin: Because of the SNP’s previous budget, which was supported by the Conservatives, there is supposedly a 2 per cent efficiency saving in education budgets—

Members: You wanted 3 per cent.

The Deputy Presiding Officer: Order.

Rhona Brankin: Thank you, Presiding Officer.

In fact, throughout Scotland, we are seeing cuts in education budgets of between 4 and 6 per cent. Is the member content with that number?

Nigel Don: The member will notice that the efficiency savings that this Government has introduced are being kept by local authorities, whereas they would have been grabbed back by a party that did not get itself elected. I remind the member that local authorities make their own decisions according to their local needs. That is called democracy.

I will spend my remaining minute on the figures for Aberdeen City Council and Aberdeenshire Council—I have already declared my interest in that. For those of us who stay in the north-east, there will be a 17 per cent increase in council tax, which amounts to the best part of £200 per annum for a band D property. I also point out to those who live in that part of the world that the small business bonus in this budget alone—never mind last year’s budget—is worth £18 million to that community.

If this budget is not passed today, I hope that the folk in that part of the world will understand that it is not the SNP or the Tories but the Labour Party and the Liberals who simply do not understand what they are doing.

15:31

Hugh Henry (Paisley South) (Lab): One of the things that would help us all would be to have as much information as possible about not only the budget, but current negotiations and discussions on it. To that extent, those of us who remain in the chamber are at a disadvantage. It would be helpful to know exactly what Alex Salmond said to Patrick Harvie when he called him from the chamber to further the negotiations, because that could help influence what the rest of us conclude about the value of not only the debate but the budget itself.

The cabinet secretary is absolutely right: now is not the time to play party politics. In the current circumstances, we need stability and a degree of certainty and we have to encourage improved confidence not only in the business community but in all communities throughout Scotland. It would therefore be helpful if the cabinet secretary were to remove two of the spectres that are haunting not only people in Scotland but the Scottish economy. The first spectre is the unnecessary referendum that the cabinet secretary and the First Minister are threatening. Apart from wasting money on the process, they are introducing a degree of uncertainty among the business community in particular. The second spectre is the local income tax, which has been denounced from virtually every quarter and which is causing huge uncertainty among businesses big and small throughout the country. If this budget is to have any resonance and any effect, measures such as the local income tax should be removed completely from the table.

Tricia Marwick (Central Fife) (SNP): Will the member take an intervention?

Hugh Henry: No thank you. I attempted to clarify something with the cabinet secretary earlier, but he refused to take an intervention.

One of the problems that we have in debates such as this is that there had been high hopes for a new beginning in the Scottish Parliament and for a new way of doing things, but what we have seen is the introduction of pork-barrel politics of the worst kind, which has never been seen before in this country. I do not condemn the individuals who are looking to maximise the returns for their specific interest or area, but, given the composition of the Parliament, I do not think that that process serves the greater body politic.

The budget should address a number of things. The cabinet secretary talked about accelerating capital funding. Any such acceleration is undoubtedly to be welcomed, but if the cabinet secretary was genuine about making that effective, he would surely abandon the proposals for the Scottish Futures Trust. I really do not care where the money comes from as long as it comes

quickly and effectively. A stranglehold is being put on new investment the length and breadth of Scotland because of dogmatic politics on the part of the cabinet secretary and his colleagues.

I welcome the nod in the direction of our hard-pressed town centres. That was long overdue, and I have argued for it. The Tories may laugh but even Derek Brownlee, if he looks at the record, will be able to read the joined-up writing and see that I have argued that point for a number of years. We need clarification on the potential contradiction between what the cabinet secretary said today and what Stewart Maxwell wrote on 3 June 2008:

"A new ring-fenced fund would inevitably only lead to greater bureaucracy and unnecessary micro-management from the centre."

We need a guarantee that there will be a fund, that it will be ring fenced, and that it will not be used for other purposes. If Stewart Maxwell is wrong, the cabinet secretary needs to spell that out.

The council tax freeze to which the cabinet secretary referred might well put money in the pockets of individuals across the country, and I am sure that most people would welcome any extra money that they might be left with. The cabinet secretary and his colleagues must face up to the problem of inadequate local government funding, which is having a devastating effect on quality of life the length and breadth of Scotland.

I have previously set out in the chamber some of the consequences in my area of Renfrewshire. Six nursery schools and a primary school are to be closed. Money is to be removed from the budget of every school in Renfrewshire. Probationary teachers are being used to plug holes in the supply of the teachers who should be on permanent contracts. That is the reality. Warden services are being reduced, and libraries and neighbourhood offices are being closed. The cost of children's swimming lessons has increased. Services across the country have been hit, particularly in Renfrewshire, and we are seeing the damaging consequences of the SNP's economic illiteracy.

15:37

David McLetchie (Edinburgh Pentlands)
(Con): In considering the Government's budget proposals, three key points should be borne in mind. First, Scotland is an integral part of the United Kingdom and the Scottish economy's future rests far more on Her Majesty's Government's decisions on fiscal and monetary policy than it does on any decision that is taken in the chamber today. The UK budget is £623 billion; ours is £33 billion, which is barely 5 per cent of the total. Accordingly, a sense of perspective and proportion would be welcome.

Secondly, even in a budget of £33 billion, there is remarkably little room for manoeuvre because of the substantial and on-going commitments that Governments of any political complexion must meet for the running of our public services. Those who are employed in the public sector account for more than a quarter of our workforce and despite the ludicrous claims made—now and in the past—about Scotland being turned into a public services wasteland, that never was and never will be the case, irrespective of which party is in government here or at Westminster. We still need approximately 63,000 nurses, more than 17,000 police officers and 52,000 teachers, and they and the others who work in the public sector deserve to be properly paid for their contribution to our country.

Most public finance experts reckon that the scope for change in a budget in any one year is of the order of a maximum of 2 per cent. Public finance is like an oil tanker that takes a very long time to turn around. Accordingly, the scope for changing and reprofiling the Scottish devolved budget in any given year is, in monetary terms, barely £700 million. It is against that scale of possible change that we should measure the outcomes and achievements of the various parties in this Parliament of minorities in shaping the budget that is being presented today.

Thirdly, drawing up a Scottish budget is a zero-sum game. We have no general borrowing power; that is probably just as well, given that Gordon Brown is incurring quite enough debt on our behalf as he tries to spend his way out of the Labour recession. In essence, we are debating the division of a block grant lump sum among differing public services; we have the ability to supplement that block grant by way of the levying of business rates and the increasing—or, indeed, reducing—of income tax using our limited income tax-varying power. However, given that this is a zero-sum game, any party that proposes a reduction in taxes is duty bound to come to the chamber and demonstrate how its savings will be achieved.

Having used those key points to examine the budget and the positions that the parties have adopted, what conclusions do we reach? Let us do the easy one first, which is the Liberal Democrats. The party has not a shred of credibility in respect of its proposals. Once again, the Liberal Democrats have failed to provide any specification on their £800 million spending cuts or to say how many of their £8 billion spending promises they have recanted. Until Jeremy Purvis and the absent Tavish Scott bring some order and discipline to their party on financial matters and make at least some of the sums add up, the Liberal Democrats will never be taken seriously either in the Parliament or by the wider public.

I turn to the Labour Party. How can a party that voted for a budget at stage 1, and which agrees with 99 per cent of its content, throw its toys out of the pram because it has not got everything that it wanted in terms of the other 1 per cent?

Andy Kerr: Will the member give way?

David McLetchie: I have one further point to make.

I turn to accelerated capital spending, in which regard the Scottish Government budget flows directly from the budgetary changes that Her Majesty's Government has made. How can a Labour Party at Holyrood disown the strategy of a Labour Government at Westminster? How can a party that cherishes its trade union heritage contemplate the situation whereby, if the budget were to fall, public sector staff would receive no pay increase next year and many would lose their jobs? How can the Labour Party, which ran local government in most of Scotland—at least until it committed single transferable vote *hara-kiri*—contemplate the situation whereby council services are slashed and council tax bills soar for want of increased grant allocations from the Scottish Government? That is madness on the part of the Labour Party.

Finally, I turn to the Scottish Conservatives. On business rates, police numbers and town centre regeneration, our constructive approach to budget negotiations has brought about change to the budget in the order of £0.25 billion. That is an enormous achievement, particularly if one thinks of the scope for change. It reaffirms our determination to work in the Parliament for the policies that we set out in our 2007 election manifesto.

The Scottish Conservatives have out-thought, outmanoeuvred, outgunned and outclassed Labour and the Liberal Democrats in the budget negotiations, just as we did last year. We have achieved our goals, whereas they have achieved nothing. I am in no doubt that the interests of Scotland and the United Kingdom will be best served by the Parliament passing the budget bill today.

15:43

Liam McArthur (Orkney) (LD): As the cabinet secretary said, it is scarcely a fortnight since most members participated in the stage 1 budget debate. Much has happened in the world in that time. Of course, President Obama has been sworn in as the 44th President of the United States of America. Such was the popular acclaim of that truly historic event that he was sworn in again the next day. Doubtless, that prompted Mr Salmond to cast envious eyes across the pond.

That said, much has remained rigidly unaltered since the previous debate on the Scottish Government's budget. This afternoon's stage 3 debate is the quintessential groundhog day. Members who are familiar with popular Hollywood films will instantly recall the 1993 comedy-romance in which the starring roles were taken by Bill Murray and Andie MacDowell and, of course, a small, sooth-saying groundhog named Phil.

Just as in the film, Punxsutawney John emerged from his burrow in St Andrew's house, presumably under licence from Mike Russell, to predict that we were in for many more months of economic winter. However, having accurately predicted the onset of an unprecedented storm, our bold cabinet secretary beat a retreat back into St Andrew's house. He insists that nothing more can be done without what he calls

"the normal powers of a normal nation".

In the meantime, and very much in keeping with the original film, we are left, morning after morning, tuned to our radios, only to be treated to the same old tune. The sad fact is that the housing investment funds to which the cabinet secretary referred now vie with the saltire prize to see which can be relaunched more often. Week after week, "Good Morning Scotland" is left playing the ministerial announcement equivalent of Sonny and Cher's "I Got You Babe".

During the stage 1 debate, the Scottish Liberal Democrats argued that the Scottish Government had not done enough to respond to the economic storm that it rightly predicted. Like the SNP's Treasury spokesman at Westminster, Stewart Hosie, we believe that tax cuts form part of the solution—putting money back into people's pockets when they most need it. As Mr Hosie recognises, many small businesses in this country pay personal tax and would benefit greatly from such a fiscal stimulus. However, SNP ministers have shown depressing unwillingness even to engage in the debate about how that might be delivered.

Ministers' response to our proposals since the autumn has been interesting. First, we were condemned for not telling them how to introduce such a change—a condition that is happily waived in the context of discussions with the Tories and Greens. Then it was the fault of HM Revenue and Customs for saying that they had run out of time to introduce a tax cut this year. Finally, we were told at stage 1 that Mr Hosie's plea could not be answered in the Scottish context because it is impossible to introduce tax cuts within a fixed budget. As Jeremy Purvis highlighted, that position is rather undermined by the Government's actions hitherto. On each of the occasions in question, we were asked to accept ministerial assurances that

tax cuts were not only possible but could be achieved without any threat to front-line services.

Joe FitzPatrick: It has been said not that it is impossible to introduce a tax cut within a fixed budget, but that it is impossible to do so without major cuts to services. Where would the £800 million of cuts that the member proposes fall, especially in his Orkney constituency?

Liam McArthur: As Joe FitzPatrick will recall, ministers insisted that tax cuts were impossible within a fixed budget, yet they have already introduced tax cuts worth £840 million.

Although the Government has been unwilling to engage in a meaningful discussion about tax cuts, it has claimed to be more forthcoming in other areas. The stage 1 debate was characterised by a stated willingness on the part of Mr Swinney to strain every sinew to find common ground with other parties. It would appear that that willingness has produced mixed results. Indications are that it has been impossible to find common ground with the Labour Party on skills and apprenticeships. However, fortunately for the Government, this year the Tories have again proved themselves to be a cheap date for ministers.

Last year Mr Swinney rather ungallantly described the concessions that he had made as “really marginal”. This year, after tough negotiations by the Tories, he has agreed not to take away the concessions that he made 12 months ago—which, as he admitted at stage 1, were never under threat. This afternoon there has been much merriment on the Tory benches about town regeneration funds—that from a party that was happy to sanction the slashing of the enterprise network budgets, which threw regeneration across the country into disarray for months. Perhaps the answer lies somewhere in Margaret Mitchell’s statement that the Tories are “on the same wavelength as the SNP”.

She added rather helpfully, “it’s a coalition government”. It is no surprise that, in keeping with the earlier film theme, Mr Brownlee’s response to Mr Swinney’s impassioned appeal for support was a simpering, “Minister, you had me at ‘hello’.”

At least the Greens appear to have played rather harder to get. That said, according to press reports on 9 January,

“after talks with Ministers yesterday, Holyrood’s two Green MSPs revealed they were on the brink of agreeing the inclusion of a £100 million-a-year scheme”

for insulation. After their assertions that they are “not here to prop up the SNP”,

it will be interesting to see whether the commitment that the cabinet secretary has given is enough to sway their support.

Ministers and SNP back benchers have lined up to offer dire predictions of what will happen if Parliament does not vote for the bill. Almost without exception, those have been exaggerated for effect by a Government that is unwilling to respond fully to the scale of the economic circumstances that we now face. Talk of budgets freezing, Governments falling and capital expenditure being lost stands the rules governing the Parliament on their head.

Needless to say, in the fine Hollywood tradition, Bill Murray finally manages to break the curse of groundhog day by responding genuinely to the circumstances in which he finds himself. There is still time for the Holyrood remake to work out in similar vein, but that time is running out.

15:49

Alex Neil (Central Scotland) (SNP): That was yet another wasted opportunity for the Liberal Democrats to tell us where their £800 million-worth of cuts would come from. I listened to Jeremy Purvis—something that I do on a regular basis. He said that he wanted a fiscal stimulus for Scotland from the budget, and that he wanted to get it by reducing tax by 2p and cutting spending by £800 million. Does he not know that, to get a fiscal stimulus, a net injection into the economy is required? We cannot get a stimulus by robbing Peter to pay Paul. The Liberal policy, far from being a net injection, is more like a lethal injection for the Scottish economy. However, let us not waste too much time on irrelevancy—

David Whitton (Strathkelvin and Bearsden) (Lab): Will the member take an intervention?

Alex Neil: Talking of irrelevancy, I will allow Mr Whitton to intervene.

David Whitton: I think that we have been listening to irrelevancy. For the record, if Mr Neil wants a fiscal stimulus, why does he support local income tax, which would take £800 million out of the Scottish economy?

Alex Neil: Because if we consider the revenue raised, it involves a deliberate cut in revenue and a fiscal stimulus to the Scottish economy, to make us the lowest-taxed economy in the whole of the United Kingdom.

Let us consider Labour’s record on this budget. At 10:33 on 11 January, Andy Kerr, the economic guru of Scottish Labour, ably assisted by Arthur Bleak Midwinter, told us in a press release:

“The Supporting Documents for the Scottish Budget Bill show increase in staff spending of over £20 million”.

Just over an hour later, at 11:40:08, the same Andy Kerr, the guru of mathematics and economics, put out a news release in which he said:

"The Supporting Documents for the Scottish Budget Bill show increase in staff spending of over £15 million".

According to Andy Kerr, we are cutting bureaucracy at a record level—£5 million-worth an hour.

Andy Kerr: Was that really worth it?

Alex Neil: Today we had a press release from Iain Gray, although no doubt it was approved by Jim Murphy, the real leader of Labour in Scotland. Mr Gray criticises the SNP for not increasing the health service's share of the budget by more than we propose to do. What a short memory Mr Gray has. Labour Party policy was that the additional money that Westminster gave us only 18 months ago was all to be spent on education, with not a penny going to the health service. Had Labour been re-elected along with its Liberal poodles—*[Interruption.]* The Liberals are good at that; they have had a lot of practice. If Labour had been re-elected, the health service would have had millions less than it has.

Mike Rumbles: Will the member give way?

Alex Neil: I will let the member bark, because I know that he will not bite.

Mike Rumbles: Does the member's speech epitomise what the cabinet secretary described as an attitude of co-operation and encouraging cross-party support on the budget?

Alex Neil: Of course it does. I am always co-operative, especially when the member speaks common sense, which is a rare commodity for a Liberal Democrat. In a week when we are celebrating Rabbie, my message to the Liberal Democrats is:

"O wad some Pow'r the giftie gie us
To see oursels as others see us!"

It wad frae monie a stupid budget free us an' foolish notion.

I have been analysing the suggestions in Labour's plan, "Helping Scotland weather the international economic storm". If Labour wants to help, suggestion 1 should be to sack Gordon Brown. It is interesting that the Labour Government in London yesterday announced a package of £2.5 billion for the car industry south of the border but will not give a penny to the new Forth crossing north of the border. Is interesting that the Labour Government in London will spend millions of pounds on bailing out the banks but will not let us inject into the Scottish economy our own £120 million from the fossil fuel levy. In suggestion 8 in its plan, Labour has the cheek to call for measures to help the banking system and HBOS, when the attitude of Gordon Brown and Alistair Darling to the HBOS takeover is costing 40,000 jobs throughout the UK—

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

15:55

Margaret Curran (Glasgow Baillieston) (Lab):

This is indeed a defining moment for the Scottish Government. Alex Neil's speech illustrates the problem that we face: instead of the consensus that the Government promised, we get sectarian attacks and instead of an acknowledgement that we live in a period of profound economic dislocation, in which countries throughout the west and beyond are in the grip of a serious economic downturn—

Alex Neil: On a point of order, Presiding Officer. I hope that the member will clarify her comments. At no point have I ever made a sectarian remark.

The Deputy Presiding Officer: That is not a point of order.

Margaret Curran: I hope that that intervention is added on to my time, Presiding Officer, because I understood that it was a point of order. Alex Neil made a party sectarian remark. There is no doubt about that.

We are in the grip of a serious economic downturn but, instead of rising to the occasion, the SNP gives us diatribes—noise rather than substance. How the Parliament responds will shape the lives and opportunities of many people in Scotland, and it is disappointing that Alex Neil did not focus on the people whom we represent.

What is on the table today is critical. It would be a significant understatement to call the budget that John Swinney and the SNP propose a disappointment in the face of such an economic challenge. There was clear evidence that all parties were willing to work together beyond party interest in these serious circumstances and put Scotland first but, as illustrated by Alex Neil, the SNP has determinedly blown that unique opportunity. We have a First Minister who says that the answer to a global economic crisis is the homecoming campaign—and a badly managed one at that. People are worried about their jobs, housing and families but, instead of rising to the occasion, the SNP makes a deal with the Tories—the last thing that Scotland needs—and a political fix.

I will give members one illustration of the political fix. I ask the SNP not to insult my intelligence by telling me that it is persuaded of the needs of Edinburgh all of a sudden. We all know that if Margo MacDonald was the MSP for Ecclefechan, John Swinney would propose a fund for Ecclefechan. I admire Margo MacDonald, but let us not pretend that the approach in the budget is rational, right or fair.

Margo MacDonald: Will Margaret Curran give way?

Margaret Curran: I very much regret that I do not have time.

Some of the SNP members have short memories. I wonder whether anyone can guess which member of the SNP said of the skills gap in Glasgow in a previous budget debate:

"If the problem is not tackled ... we will not be able to tackle the social deprivation that mars Glasgow."—[*Official Report*, 30 October 2003; c 2796.]

Why not address rationally the needs of all our cities, as Labour did? Why recognise Edinburgh's perfectly legitimate needs but ignore Aberdeen, Dundee, Inverness or Stirling? How can Nicola Sturgeon, the author of that quotation, sit on her hands and not give Glasgow the money that it needs? How can the SNP Government say yes to Edinburgh and no to Glasgow? That is yet another example of the divisiveness and conflict that is inherent in the SNP style of government.

Margo MacDonald: Does the member accept that such matters are normally decided on need and that Edinburgh's need is greater because of the banking sector's dominance of the city?

Margaret Curran: That goes to the core of the problem. That is the analysis that has been offered to Glasgow, Aberdeen and Dundee. All our major cities have needs and they should all be addressed in the budget. That is what is wrong with it.

What could have been a budget for jobs is a partnership with the Tories. What could have been a budget for front-line services is a package of cuts. What could have been a budget to meet social and economic need is a political fix. What a profound waste the budget has been.

Let me close on a controversial note. Derek Brownlee made a good and revealing speech because he hit on a fundamental truth—what he told members is that this is a Conservative budget. That is why Labour will not vote for it.

16:00

Patrick Harvie (Glasgow) (Green): I begin with an apology to you, Presiding Officer, and to the Presiding Officer who was in the chair at the beginning of the debate. I am aware that the Presiding Officer asks members who wish to participate in a debate to be present throughout it. It is a mark of the lateness of the work that has to take place in this budget process that I was unable to be present for part of the debate. I apologise for that.

Hugh Henry: If Patrick Harvie could enlighten us as to what was discussed when the First

Minister called him from the chamber earlier this afternoon, it would help the rest of us who have been in the chamber to reach a conclusion come the end of the debate.

Patrick Harvie: This is my speech to outline my position on the budget. If Hugh Henry wants to talk about gossip, he can ask me afterwards.

I want to say something about how we got here. In the previous session, when my party had more members—but apparently less influence—and the Administration had a majority, there was already discussion about whether our budget process cut the mustard and whether parliamentary scrutiny of changing budget lines from year to year could be effective and efficient. In documents commissioned by the previous Administration there was discussion whether a coalition agreement, regardless of which political parties were involved, was likely to lead to a coherent economic or financial approach in a Government's programme.

Those criticisms were made; then we were suddenly thrown into a minority Administration and we are still trying to do the job with a scrutiny system that was not even up to the previous scenario. Whatever happens at 5 o'clock tonight, I ask every political party to agree that an urgent process must be undertaken to ensure that we never again find ourselves in this situation. The eyes of not just the Scottish but the UK media are watching this last-minute process in which MSPs run about, firing e-mails back and forth between the political parties, trying to reach agreement minutes before the debate begins—even after the debate begins. Written statements are being provided, promises are being offered and people are hum-ing and ha-ing and wheeling and dealing. This is an inadequate process, whatever happens at the end of the day.

Hugh Henry: Do not keep us guessing. Tell us.

Patrick Harvie: The clock says that I have two minutes and 47 seconds left, Mr Henry.

I will say something about the proposal that we put to the cabinet secretary on 1 October last year. It was not a vague concept, but a detailed proposal, which we believed would cost in the region of £100 million a year, for a 10-year programme to insulate Scotland and provide a retrofit programme for hard-to-treat houses. I do not need to remind members that we had support from the construction industry and non-governmental environment organisations. We had positive comments in committees. Even the Government's Council of Economic Advisers recognises the need for a transformation in the level of home insulation.

Our estimate of the cost was £100 million a year. If the cabinet secretary had been able to put

numbers on his estimate of the cost, even more than six days ago, we would be in a much better position than we are now. As it stands, a proposal to undertake the work at £22 million a year seems inadequate to me, and I will not be able to vote for that.

Our proposal is not a last-minute, unrealistic, impossible or unwise demand, such as slashing the level of the variable income tax in Scotland, with all the knock-on effects that that would have on public services. Pretty much every political party other than the Liberal Democrats recognises that their demand is unrealistic and unwise. Our proposal is proportionate and economically beneficial, given the short payback time, and it would support jobs and cut emissions and people's fuel bills.

I do not believe that anything less than 50 per cent more than what the Government has offered would allow us even to make a start on things. The Scottish Government's initial suggestions during negotiations were for little more than a pilot exercise. We already have pilot exercises; the time for those has passed. Another pilot exercise will not even generate the data that we need on the efficiencies of scale and cost savings that will be achieved by working area by area, street by street and door by door. That is the nature of our proposal. I believe that nothing less than a 50 per cent increase on what the cabinet secretary proposed in his opening speech would allow us even to make a start.

So that is where we stand. At the moment, I am unable to support the budget and—I can inform Mr Henry—I will vote against it unless those changes are promised in the cabinet secretary's closing speech. I recognise how difficult it is to make a last-minute change of that nature, but I am afraid that that is the situation with which he is faced.

16:06

Margo MacDonald (Lothians) (Ind): Any minority Administration seeking to get its budget passed is subject to pressure from all sides. If the Administration is not prepared to make concessions, it will fail.

By the way, what we call a budget is in fact just the decision on how to distribute a block grant, which is a very different thing. We can call it a budget as long as we do not forget that it is not the real thing. We must resolve to embed a proper budgeting process into our work as soon as possible.

A minority Government cannot satisfy every demand from whatever quarter. If it did so, its budget would have no economic theme or social coherence. Such a budget would be a pick-and-mix of spending commitments lacking any sense

of priority or direction. Parliament must accept that a minority Government, in trying to be a good Government, will have the same objective as Governments with comfortable majorities: the production of a budget that reflects its priorities and that fits those priorities into a coherent programme. In trying to maintain that coherence, because of the limits placed on the ability to manoeuvre by the constraints of devolution that Mr McLetchie mentioned, the finance secretary has very little leeway to meet demands from other parties.

However, whether they are faced by a minority or majority Government, Opposition parties and individuals must try to persuade the Government to incorporate some of their ideas and policies. Like every other member, I issued a manifesto and was elected on that manifesto. That gives me some right to try to pursue it. Last year, I persuaded Mr Swinney to incorporate a capital city supplement to help to defray the cost of the extra services and facilities that the City of Edinburgh Council must provide to meet the duties and demands of Edinburgh's role as our capital city. For that recognition of the special status and responsibilities of the capital, Mr Swinney has my sincere thanks.

However, in the same way as the Arbutnott formula for sharing out NHS spending recognised that need in the then Greater Glasgow Health Board area was greater than in other health board areas, I suggest that we need to look at the share-out of the moneys that are made available by the cabinet secretary. Whereas health expenditure in Edinburgh ended up being underfinanced, we made no complaint because we accepted that Glasgow had a greater need.

Margaret Curran: Is the member not persuaded that the cities growth fund in previous years better allowed the diverse needs of our cities to be recognised? The city of Edinburgh properly received an allocation from that fund, but so did other cities.

Margo MacDonald: Unfortunately, although I supported the cities growth fund, the fund did not prove adequate to Edinburgh's needs because the city's population growth was much greater than anyone had anticipated.

It was right that need was the determining factor in deciding how much money went to the NHS in Glasgow. As I have said, the Edinburgh region's share of NHS spending is less per head than elsewhere.

However, the general economic situation is changing in the region that I represent. The need for affordable housing is growing probably at a faster rate than in other local authorities, with 145 people chasing every council or housing

association house that comes up for rent. Because of the Edinburgh region's reliance on financial services, economists are now confirming the fears that I have voiced to Mr Swinney both in this chamber and elsewhere when I have bumped into him. The shortage of affordable rented accommodation could produce a housing and homelessness crisis because of the high percentage of people made redundant by the banks, who could find that their mortgage repayments are now impossible to meet.

While I welcome the recent moves by the Government to direct money into housing associations to buy up property that the private sector is unable to sell—an idea that I floated with house builders in Edinburgh before the summer break because it will make more social housing available—unfortunately the number of houses announced yesterday by the other cabinet secretary, Ms Sturgeon, will not be enough.

I am aware of the limitations of the money available to the finance minister. There are statutory obligations that must be met, and certain essentials that the Parliament committed him to, such as care for the elderly and free bus passes. Those and other spending items severely restrict the amount of free spending room he has. However, I and other MSPs who represent Edinburgh and Lothians must not allow our sympathies for his predicament to blind us to the fact that, if the prognosis of serious economists is correct, we face an avalanche of job losses and repossessions, with all that that implies, such as broken families and a substantial rise in the number of people who need social housing. I sincerely hope that those economists are wrong.

There is a lot riding on the G20 meeting in a few weeks' time in London. If there is genuine co-ordination of policies designed to pull us out of recession around the globe, and the trend towards protectionism is defeated, things might turn out better than we presently fear. However, if that is not the case, the Government will have to respond to what will be a social tragedy for many families, which will create a demand for more social housing as a matter of priority. I hope that the finance minister can assure me that he will respond with an adequate financial package, taken from contingency or adjustment within the discretion built into the budget, for example a share of the moneys earmarked for housing that currently are not allocated to Edinburgh and Glasgow.

16:12

Jackie Baillie (Dumbarton) (Lab): If anyone happened to turn on the radio this morning, they would be forgiven for thinking that members of the Scottish Parliament were lining up for an almighty

square go, and that, like children in a school playground, we were falling out with each other and making new, but perhaps temporary, friends. There has been a lot of sound and fury from Mr Swinney and his right-hand man, Derek Brownlee, and a touch of the amateur dramatics from our resident panto dame, Alex Neil. We have the vision of Alex Salmond scurrying out of the chamber as he pushes negotiations to the 11th hour, 59th minute. I have much sympathy with Patrick Harvie's comments in regard to the process. However, we must not let John Swinney blind us with his assertions, no matter how loudly he makes them and how much he thumps the table. What the Parliament needs is facts.

The Parliament takes its responsibility on the budget very seriously. As a member of the Finance Committee, I know that to be the case across the parties. The truth is, though, that if the Government does not get support for its budget tonight, it can introduce another budget bill with a shortened timetable. It does not mean any overall loss of funds to the Scottish budget, that capital spending, which has been accelerated, will somehow vanish, or that local government will suffer.

I remind Mr Swinney of legislation introduced in previous sessions of Parliament. Legislation to deal with the Noel Ruddle case took a couple of weeks, as did legislation to deal with the sickness absence of the Lord President. Please, let us not have any nonsense about the budget process.

Joe FitzPatrick: Does the member acknowledge that local councils throughout Scotland are well down the road to finalising their budgets, which they intend to set in just two weeks' time?

Jackie Baillie: The date, 12 February, is not a statutory date; it is merely an administrative date. If the member waits until the end of my speech, he will hear my suggestion for how we should deal with that.

I turn to the substance, and deal with health first. In general terms, the health budget achieved a 4.3 per cent increase last year. However, the initial allocation to health boards amounted to 3.3 per cent. That might not sound like a great deal of difference, but kept at the centre was something like £350 million across all boards. Glasgow lost £77 million, Lothian lost £41 million, and Grampian lost £28 million, and so on. This year, I understand that that problem occurs again, and that not all money will be passed to health boards. We know that budgets are tight, and we know that some boards are using efficiencies to make real cuts. They are starting to experience real pain in the delivery of front-line services. It is incumbent on us to ensure that every penny reaches those who need it most. I am therefore disappointed that the

finance secretary was unable to convince the health secretary that that was the right thing to do.

I listened carefully to Mr Swinney and there was no mention of hospital-acquired infections. I regard that as woeful, as will the families of those who have been affected by *Clostridium difficile*. The 15-point plan to tackle hospital-acquired infections was not drawn up by me or by people on this side of the chamber; it was shaped with the assistance of Hugh Pennington, who is an emeritus professor of microbiology, and Professor Brian Toft, who is one of the UK's leading experts on patient safety. But, oh no—the Government knows better.

The plan is supported by the families. It was offered to the Government and to the Parliament so that we could take action. I know that the Parliament cares about the issue. The plan represents a comprehensive approach, not a piecemeal approach. At a time when C diff is rising, when new 078 strains have been identified and may be in our hospitals, and when C diff is in our care homes at levels that we do not yet know; and at a time when this is the main challenge for the health service, I have invited the cabinet secretary to make 2009 the year when Scotland got serious about C diff. The response is silence.

Why does the cabinet secretary not adopt some of the measures that have been proposed? Why does he not cut C difficile rates in hospitals and make our hospitals cleaner and safer? Why does he not ensure that we collectively reduce mortality rates from C diff? I acknowledge the will of Parliament to take measures forward; it was evidenced yesterday by the Public Petitions Committee's unanimous support for the families' call for a public inquiry.

At the end of the day, this budget is about the economy. It is about jobs, skills and training, and about accelerating investment in infrastructure. It is about protecting local people. The current budget does not recognise the scale of the challenge that we face.

The budget line on accelerating investment in infrastructure contains £90 million for local government. That is welcome, but it is spread thinly over 32 local authorities. It will not have the impact that it could have.

No pipeline projects are coming through from the SNP Government. All the approvals have been for projects that were started under the previous Government. How is that stimulating construction? Unemployment in my area has doubled in the past few months. People and families have been devastated by this recession, and I want the Parliament and the Scottish Government to do more in the interests of those people.

Much has been said about what will happen next, and I want to finish on that point. The budget

can come into effect for 1 April provided that a bill is passed by 14 February. There is therefore sufficient time for public bodies to know their spending allocations and for the bill to achieve royal assent. The bill can be reintroduced; it can be reintroduced this evening. There can be a shortened parliamentary process. I think that that can work.

If the Budget (Scotland) (No 2) Bill does not come into force on 1 April, there are emergency provisions in section 2 of the Public Finance and Accountability (Scotland) Act 2000. Those provisions will come into play, and the allocations from the previous year will move forward. The challenge for us in the chamber is to co-operate and to improve the budget, to make it the best that we can for the people of Scotland in testing economic times.

16:19

Keith Brown (Ochil) (SNP): While listening to the debate, I have tried to discern points of principle in the Opposition arguments against the budget—except, of course, in the case of the Lib Dems, because there was not much point in looking for principles in the first place.

The Greens have put their arguments consistently, and their arguments have been consistent with their principles. For them, the debate seems to be about the scale and pace of the change that they seek.

Last year, Labour members voted for an amendment to the budget. Then, when that amendment was agreed to, they voted against the budget or abstained from the vote. This year, as we have already heard, Labour has been against the budget, then has been for the budget, and is now going to vote against it. Labour has chopped and changed. It has provided no alternative budget and lodged no amendments. I think that we can conclude that there is no principle behind what Labour is doing today.

That point was confirmed by Andy Kerr when he characterised Labour's view of the budget process as a game. It is not a game to council tax payers in Clackmannanshire, who will face a 29 per cent increase in council tax unless there is additional support for council tax freezes. It is not a game to people who would lose investment in infrastructure across Scotland. It is not a game to small businesses across the country that would lose the money from reduced business rates that is helping jobs. It is not a game to people who would lose their jobs without that assistance.

It is not a game to town centres such as that of Alloa. Shortly before the election in 2007, there was a report on some of the worst-affected town centres in Scotland, in which Alloa was prominent.

I am delighted that there is to be a town centre regeneration fund, and I very much hope that Alloa will benefit from it.

It is also not a game to all those people throughout Scotland who are currently very worried. We heard a great deal from Jackie Baillie about the different methods by which another budget could be produced, but whether or not it was true, it missed the basic point. One of the biggest problems that we face just now in the economy is a lack of confidence. If the Parliament fails to vote through the budget, councils throughout the country will be unable to budget with any certainty. Jackie Baillie's understanding of how local government finance works is a wee bit short of what it should be if she thinks that councils' budgets can be changed as readily as she described.

Jackie Baillie: Will the member take an intervention?

Keith Brown: No, I will not.

At a time when there is so much uncertainty in the economy, she seriously underestimates the effect on confidence of not voting for the budget tonight and of public bodies not knowing their allocations or having any certainty in their planning for the future.

There has been remarkably little principle in this debate. Last week, we had a debate about borrowing powers. On Sunday, Wendy Alexander said that it was urgent that the Scottish Government did this and that. However, when asked about borrowing powers and whether the Calman commission should look into them quickly, she said, "That is for the future." What a difference we could make with this year's budget if we had borrowing powers—we could use hundreds of millions of pounds for infrastructure investment.

Ms Wendy Alexander (Paisley North) (Lab): Can the member explain why the Scottish Government has failed to make submissions to the Calman commission on borrowing or on any other matter? Can he also explain why the scale of procurement through the private finance initiative, public-private partnership and the non-profit-distributing model has slumped from more than £1.3 billion to less than £500 million?

Keith Brown: On her first point, Wendy Alexander well knows that, from the very start, the Calman commission ruled out the SNP's option of independence. It is a bit rich to ask for our involvement afterwards.

On her point about investment and her preferred method of PPP, she may have seen a report in *The Times* yesterday that showed that funding for PPP throughout England and Wales has dried up. For example, the M25 projects will not proceed

because the private finance for them cannot be raised. That is Labour members' preferred method and it is falling down around them.

It is in Scotland's interests that we have borrowing powers. We could make a huge difference, perhaps a greater difference than anything else in the budget could make, if we had borrowing powers—and there does not seem to be a great deal of opposition within the chamber to such powers. The Calman commission does not have to meet every three months or so; it could meet quickly, reach a decision and make a recommendation. Why is that not being done? Why is there no urgency in dealing with that if there is so much urgency around the other measures that Labour members say they want?

Burns has been mentioned a couple of times today, first by the moderator of the General Assembly of the Church of Scotland. To my mind, Andy Kerr and Iain Gray are far less men of independent mind and much more wee, cowering, timorous beasties. They should grow up and support the budget.

16:23

Marilyn Livingstone (Kirkcaldy) (Lab): This afternoon's debate is crucial to all of Scotland's people. It is vital that we get it right and do what is best for those we represent. We are all aware of the economic climate in which we are operating, and we must set a budget that will allow us to pursue our medium and long-term objectives of achieving sustainable economic growth while putting in place measures that will allow us to sustain and develop the competitive advantage that a highly skilled workforce brings. The budget must ensure that we develop and protect that advantage and put in place measures that will allow us to maintain it.

Like my colleagues, I am very concerned that the budget does not recognise the challenges that we need to meet together. The spending allocation that is before us is out of date and not fit for purpose. The one major change to the budget compared with the one that was published more than a year ago is the result of Westminster action that has enabled the Scottish Government to accelerate £227 million of capital spending to support 4,700 jobs. That is just not good enough. Although that change is very welcome, it is incumbent on the Scottish Government to produce measures that will help those who need help the most in all of Scotland's communities.

Tricia Marwick: Will Marilyn Livingstone explain to me—and, more important, to the people of Levenmouth, whom we both represent—why she is prepared to vote against a budget that includes

additional investment in Methil energy park, which is so important for the future of that area?

Marilyn Livingstone: I say to Tricia Marwick that if I vote against the budget this evening, it is because I want the best for that area. I will make the decision that I think will support my communities, and I will explain why.

I want to concentrate on two important issues. It will come as no surprise to anyone that the first is our need for a highly skilled workforce, because I have talked about that in practically every speech I have made in this chamber. The second issue is town centre regeneration. Town and city centres are, as Margaret Curran noted, important to the social and economic wellbeing of our communities. They are the engine houses of the Scottish economy and are under threat from changing retail patterns. They need investment in their physical fabric. Plans such as the Kirkcaldy town centre master plan are good, and I am pleased with today's announcement about town centres. However, what will the Scottish Government do to make the funding available as quickly as possible to support sustainable economic growth?

Our request for 23,400 new modern apprenticeship places over three years is proportionate, sustainable and, indeed, sensible. I am very disappointed that the cabinet secretary will not accept that very achievable proposal. If the Government was serious about seeking consensus, it would know that everyone in the chamber could support that policy.

The budget must be about helping Scots to meet the challenges that they face. As convener of the cross-party group on construction, I am all too aware of the significant skills gaps that existed before the current economic slowdown. It is crucial that we invest for the industry's future. We must fully support skills and training to ensure that we can take full advantage of the future economic upturn.

Earlier, the cabinet secretary said that every attempt will be made to find alternative employment or training for apprentices who have lost or will lose their jobs. Will the cabinet secretary clarify whether that support will be retrospective, and state how much additional funding will be made available to support people who find themselves in that worrying position? Investment in our young people is achievable. It is vital that we invest in apprenticeships for our young people and adults.

Like Tricia Marwick, I am from a mining community, and I can remember all too well the devastation that my community and communities across Scotland faced in the 1980s. We cannot allow a return to the scale of youth unemployment

that we saw then. That is why I support the Labour position and ask the cabinet secretary to change his mind. The construction industry estimates that it will need an average of 5,000 new construction apprentices each year. Today, the Economy, Energy and Tourism Committee considered the issue of improving housing standards in our communities, and concluded that we face a major skills gap. Building the skills base for our future is vital to our economic success, as well as our social wellbeing.

In April, the SNP Government scrapped adult apprenticeships in tourism and hospitality, which it says are key sectors. The SNP talks about the importance of tourism to Scotland, but surely cutting apprenticeships without proper consultation with the industry is unsustainable. Duncan Macleod, the director of a training business in Stirling called YouTrain, said:

"The SNP talk about the importance of vocational qualifications and lifelong learning, but really has treated the work based learning providers with some contempt. Can you imagine funding for a whole swathe of academic qualifications being withdrawn on no notice and with no consultation?"

I am genuinely concerned that the budget could lead to job losses, particularly in the public sector. Schools throughout Fife face cuts that will affect our most vulnerable young people. The Government's budget does not recognise the challenge that Scotland faces and it does not address the current economic situation. Importantly, it does not help ordinary people up and down our country to get jobs to help them through these challenging times.

16:29

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Joe FitzPatrick, who is, regrettably, no longer in the chamber, argued that this is the only possible budget for Scotland. The Conservatives are satisfied to settle for £60 million—out of a budget of £30 billion—for a scheme that they know has cross-party support.

Both the cabinet secretary and SNP members have argued that there is only one choice and one chance, and that any member could have sought advice on procedure during the budget process, but they know that the Government can bring forward a further budget if this one is defeated. Indeed, guidance that was issued when the Parliament was established states that it is good practice for the budget bill to be passed by the Parliament by 14 February each year. If the Parliament decides that the budget is insufficient given the economic crisis that we face, there is an opportunity for the Government to come back next week or the week after with a new budget. Indeed, the Parliament could meet during the recess.

The SNP's argument today is one of a minority Government with a majority ego. This, seemingly, was the argument from Patrick Harvie, until he introduced his "Price is Right" comments this afternoon—

Margo MacDonald: Will Mr Purvis give way?

Jeremy Purvis: I will in a moment.

Patrick Harvie said that a £22 million scheme that was presented to Parliament not in an amendment at stage 3 but in a minister's speech was insufficient, but that a £33 million project that was not in an amendment that the Parliament could scrutinise but which is in a summing-up note that has just been presented to the cabinet secretary is sufficient. We are led to believe that the budget now hangs in that balance. That is inconsistent with the rest of Mr Harvie's comments.

Patrick Harvie: Will the member give way?

Jeremy Purvis: I promised to give way to Margo MacDonald, but as I named Mr Harvie I will give way to him.

Patrick Harvie: I am grateful. Will the member at least acknowledge that our figures were not presented at the last minute? We have been presenting our case to the cabinet secretary in detail for months. That is a far cry from the Liberal Democrats' position, which is to put a figure on not one bit of their £800 million tax cut.

Jeremy Purvis: Mr Harvie chose not to take part in the debate on our proposals that we brought to the Parliament in the autumn. I recognise that he has argued for his proposal—indeed, he has done so in *The Herald* most days for the past couple of weeks. The problem is that we are in the stage 3 process of the budget bill. The Government should lodge amendments and seek agreement. The budget should not hang in the balance because of the content of summing-up speeches or an £11 million difference in a £33 billion budget.

The issue is not necessarily the £11 million that may well swing it this afternoon. Mr Harvie and others should understand that, if the Parliament thinks that the budget is insufficient, the First Minister should get the other party leaders together and next week bring to the Parliament a budget that has overall support.

Margo MacDonald: If the budget is brought back, will Mr Purvis be willing to drop his main demand?

Jeremy Purvis: I refer to the point that I made to Mr Harvie about what will happen if the Parliament decides this afternoon that the budget is an insufficient response. If the First Minister acts in the spirit of the remarks that he made when this

session of Parliament was opened, he will bring all the party leaders together for discussions and bring back a proper budget next week.

We do not have a situation in which there are no amendments, because commitments worth £60 million and £11 million have been made in a speech. Margo MacDonald should understand that, in a stage 3 debate on the budget, changes that are worth £71 million in a £33 billion budget are not a sufficient response. Mr Harvie and Mr FitzPatrick should know that the guidance from the clerk to the Finance Committee is perfectly clear—indeed, we should all appreciate that.

David McLetchie and others argued about the percentage of the Scottish budget that can be altered. In unprecedented times for the Scottish economy, we hope that the Government will use the flexibility that we have to the hilt. Beyond that, however, Mr McLetchie and I part company, because he thinks that the maximum change that can be made amounts to 0.17 per cent of the budget. I do not think that that is sufficient.

Some Government back benchers remarked that a tax cut is inconceivable and impossible. When Mr Neil replied to Mr Whitton, however, it seemed that a tax cut was possible. Mr Neil said that a local income tax would indeed represent an £800 million tax cut, but he did not say how many cuts would be made in front-line services. The principle of a fiscal stimulus that would directly and indirectly support more than 9,000 jobs is the important issue.

We should not think for a moment that all businesses and families in Scotland are not going through their finances and examining every area of spending to make savings or get better value for money. The Government seemingly is unwilling to do the same, and is letting those people down. That is why it is better for the budget to be brought back next week. I hope that Mr Harvie and other members accept that we might be able to get more than £11 million.

16:35

Gavin Brown (Lothians) (Con): Through sensible negotiations, the Scottish Conservatives have sought to secure a sensible budget for the people of Scotland. From the beginning, we had two main aims in our discussions: pushing for the inclusion of Conservative policies and arguing for measures to help the economy and mitigate Labour's recession. With that in mind, we are pleased by the cabinet secretary's announcement about our proposals for a town centre regeneration fund. We particularly welcome the size of the fund, which stands at £60 million for the next financial year. It is a good, strong Conservative policy that will help the economy throughout Scotland.

Andy Kerr: I have a question, in order to clarify one point for the record. Does Gavin Brown agree with his colleague Derek Brownlee that it is a Conservative budget that is being approved today?

Gavin Brown: We do not think that the budget is perfect, but we have sought to shape it to the extent that we can vote for it.

We have campaigned vigorously on the issue of a town centre regeneration fund since January 2007, and that it can proceed this afternoon is a great result. Our towns and villages are the lifeblood of our local communities, and many of them the length and breadth of Scotland have been at a competitive disadvantage for a number of years. Sometimes all it takes is a few boarded-up shops, graffiti and crime to lead to a downward spiral for one part of a town. The announcement is a booster that can help to put our towns back on an upward spiral and build some momentum in regenerating them.

Jeremy Purvis: Does the member accept that the sum in the budget that the Conservatives have agreed to is broadly the same as last year's cut in enterprise network regeneration funding, which his party supported?

Gavin Brown: Mr Purvis needs to be a little less Hollywood and to spend a little less time reading *Hello!* magazine with his colleague Liam McArthur and more time looking at budgets. Yes, there was a cut to the enterprise networks, but the money was transferred to all 32 local authorities in Scotland. So it was not a cut, it was simply a transfer, so that local regeneration could be handled by local authorities while regional and national regeneration continued to be handled by Scottish Enterprise, as Mr Purvis well knows.

We welcome today's announcement, which comes on the back of what we argued for last year: 1,000 extra police to prevent and fight crime, an acceleration of the small business rates cut, and a drugs strategy with an emphasis on recovery instead of the damage limitation and damage maintenance that we had for eight years. We look forward to those policies improving lives across Scotland.

The small business bonus scheme will benefit small and medium-sized businesses everywhere. More than 150,000 of them, which make up the backbone of our economy, will benefit. Even better, more than 120,000 small businesses will pay no business rates at all from 1 April. Best of all, those business rates cuts do not have any strings attached: businesses can decide what best to do with the saving. I hope that the Minister for Enterprise, Energy and Tourism will take on board the fact that we need to ensure maximum take-

up—it would be wrong for even one business that is entitled to the bonus to miss out.

I turn now to the contributions—if they can be called that—from members of some of the other parties in today's debate. The Liberal Democrats blew it once again: for the sixth month in a row, on being asked by every single speaker, they have failed to tell us where the £800 million of public service cuts would come from. They said that their proposal was popular with business and good for the economy, but, once again, they failed to mention a single Scottish business organisation that supports it.

Of course, that proposal goes with the £8 billion of spending commitments that the Liberal Democrats have proposed since September 2008. They have made 90 separate proposals, which is more than one for every sitting day of Parliament since then. I am therefore excited to learn what the Lib Dem spending proposal for today is.

Mike Rumbles: Will the member take an intervention?

Gavin Brown: Perhaps Mr Rumbles will say at this late stage what that proposal is.

Mike Rumbles: I would like to ask the member a question. Will he tell us where cuts in the budget will be made to get the £60 million that the Conservatives have apparently secured for regeneration?

Gavin Brown: It would be better to stay in the chamber during debates and listen instead of storming out, as Mr Rumbles typically does during debates, committee meetings and just about every other type of meeting.

The Labour Party is still in denial about Gordon Brown's culpability for the Labour Party recession. It talks about the global recession, but our recession will be deeper and longer than those of other countries. We should consider the weakness of sterling, which is at a 25-year low against the dollar and has hit a record low against the euro. The Labour Party talks about green shoots of recovery. The only green shoots of recovery in Labour's Britain and broken economy are for pawnbrokers, pound shops and pizza delivery companies.

The Conservatives have taken a sensible and responsible approach. We want regeneration and business rates cuts, which is why we support the budget.

16:41

David Whitton (Strathkelvin and Bearsden (Lab): Two weeks ago, when the budget bill passed stage 1, negotiations were still taking place with the SNP over its final shape. Since

then, there have been a number of meetings and telephone calls, but Mr Swinney has, sadly, failed to live up to his reputation this year as the SNP's financial Mr Fix-It.

Two weeks ago, I said that it is important to emphasise that

"this is a Parliament of minorities"

and that there would have to be

"some give and take, and ... even an acceptance that another policy ... is better than"—[*Official Report*, 14 January 2009; c 13974.]

one's own. The Tory theft of our town centre regeneration fund proposals is proof that our policy is better than that of the Tories.

David McLetchie: Will the member take an intervention?

David Whitton: No, I will not. We have heard enough from Mr McLetchie.

In the meetings that I attended with my colleagues, Mr Swinney seemed to be listening to Labour. However, we know now that it was a dialogue with the deaf.

My colleague Mr Kerr talked about our suggestions in his speech. As we did last year, we want more modern apprenticeships to be created—23,400 more over the next three years—because we believe that improving the skills of our workforce is vital, and we want to offer learning opportunities to those who are leaving school and second chances at learning to those who missed out first time round or who could lose their job but want to change their career now. Mr Swinney has not offered any suggestions yet.

At the launch of the SNP's economic strategy last year, the First Minister said that the focus of the strategy would include

"the alignment of investment in learning and skills with other key priorities; a supportive business environment; investment in infrastructure and place".

That is a typical Salmond soundbite. It turns out to be meaningless. His and his Government's actions do not come close to matching their rhetoric.

There is some good economic news on the front page of today's *Scotsman*. Scottish shipyards are to recruit 1,000 new apprentices. There are supportive quotes from Scott Ballingall, who is a third-year apprentice and one of 70 out of more than 1,000 applicants to be selected for an apprenticeship. Gaining a trade as a fabricator is great for him and I wish him well, but what about the other 930 applicants? What are they doing now? Labour members believe that everyone should have an equal chance to make something of themselves, which is why we have asked for a massive step change in modern apprenticeship recruitment. We have also asked for an apprentice

guarantee scheme so that no one is left in the position of not being able to complete their training. Our colleagues at Westminster are working closely with the Scottish Government to get agreement on that. I hope that they will get it.

We have focused on what can be done for people who have lost their jobs or who will lose their jobs this year. Partnership action for continuing employment teams do a great job, but they will need much more investment. So far, Mr Swinney has been unable to tell us how much that investment will be. There is to be a PACE conference early next month. I hope that the Cabinet Secretary for Education and Lifelong Learning will tell us then about new levels of investment, but why are we not being told about that now? I am afraid that it appears that she does not know the difference between a training place and a modern apprenticeship or where there are skills gaps in the Scottish economy, which may explain why we still do not have a skills strategy from the Government that is worthy of the name. What a dereliction of duty by a Government minister, but Ms Hyslop is not alone in that regard.

Mr Swinney mentioned accelerated capital investment that could be at risk if his budget falls. He did not mention the chaos that is being caused by his refusal to drop plans for the Scottish Futures Trust, a fact that my colleague Hugh Henry mentioned. The plan was supposed to be so good for infrastructure investment that it would replace all other methods, but what has happened to date? Absolutely nothing. As Mr Kerr said, the construction of Low Moss prison in my constituency has been delayed, because the SNP still does not know how to pay for it. The same is happening with other projects. As a result, thousands of construction-related jobs are being lost now. Mr Swinney and the SNP should spare us any crocodile tears about possible lost capital spending—they are responsible for those job losses that are happening today, right now.

What did Labour suggest to the SNP in our 15-point plan? Point number 2 states:

"Unblock the public building pipeline by putting the Scottish Futures Trust on hold and reverting to PPP and traditional procurement practices."

Perhaps Mr Alex Neil should speak to John Swinney occasionally about the plan because, unlike Mr Swinney, he has described it as being very helpful. Never mind not listening to Mr Neil, Mr Swinney is not even listening to the CBI, the Federation of Small Businesses, the Scottish Trades Union Congress, Scottish Chambers of Commerce or the Scottish Building Federation, all of which have criticised the SFT and the delay in public projects.

"Real change is not being delivered as promised and we now begin to see some sloth appear on the agenda."

Those are not my words but those of David Watt of the Institute of Directors Scotland.

Of course, those organisations are not the only ones that have realised in the past year that the SNP is full of empty promises. Many local authorities now know to their cost what the real impact of the historic concordat is turning out to be. My colleague Mr Henry gave graphic details of the cuts that are taking place in his area. In my constituency, difficult decisions will have to be made as East Dunbartonshire Council tries to find £7 million of savings.

Mr McLetchie asked how we could support the budget at stage 1 but vote against it now. Keith Brown made the same point. For the record, I will quote Mr Kerr, who said:

"we will allow the budget bill to proceed today, but that is in order to allow the Government to improve ... its budget. We cannot, of course, give any guarantees or assurances whatever about the position that we will adopt at stage 3".—[*Official Report*, 14 January 2009; c 13934.]

Let us talk about responsibility. It is the SNP Government's responsibility to produce a budget that the Parliament can support. It has had weeks and months to do that but, today, it has chosen instead to indulge in the worst kind of brinkmanship, scaremongering and downright deceit, culminating in the shameful sight of Mr Swinney trying to pull budget rabbits out of the hat on his feet in the chamber, and of the First Minister—who is now sitting at the front—skulking round the back of the chamber pleading with other parties to get him off the hook. Who knows, Mr Swinney might try to pull more rabbits out of the hat in his closing speech. That is no way to deal with the future of young Scots or of those who might be facing redundancy. The budget does not contain the PACE funding, the town renewal funding or the energy efficiency measures that Mr Swinney has tried to pull out of his sleeve. If the SNP is now willing to improve its budget, it should withdraw the present one, do the responsible thing and come back tomorrow with a budget that it believes is right for Scotland and that the Parliament can support. Anything else would be playing games.

Mr Swinney said on the radio this morning:

"The duty for me is to put forward a budget that convinces Parliament."

He has failed in that duty. He has not convinced me or my colleagues and we will find out shortly whether he has convinced anyone but those members who are sitting behind him. If we are short of apprentice places next year, we will blame John Swinney; if there is not enough money for PACE teams to deal with job losses, we will blame John Swinney; when the NHS and local councils see front-line services faltering, we will blame John Swinney; and if the budget is not passed

today, there is only one person who can be blamed—John Swinney.

16:49

John Swinney: The debate has brought to a conclusion a budget process and dialogue that has involved Parliament, ministers and all shades of opinion. At stage 1, I gave Parliament a commitment that I would engage in discussion with all shades of opinion across the political spectrum to ensure that we secured agreement in Parliament at stage 3.

I had brief discussions with the Liberal Democrats about their views on the budget. The point of principle that the Liberal Democrats advanced was that we should reduce income tax by 2p in the pound. Given the resultant impact of a reduction in spend on public services of £800 million, I did not judge that that was the correct way to proceed. My judgment of the balance of opinion in Parliament is that Parliament agrees with that into the bargain. I have seen no appetite in any of the debates in which I have taken part for anyone, other than the Liberal Democrats—parties are of course free to express their opinion—to articulate a case for an £800 million cut in public expenditure.

I have taken forward a number of discussions with the Labour Party covering a range of issues. It is quite wrong to characterise what happened as our having no ability to reach agreement. Today, I have announced that important guarantees about apprenticeships are being put in place.

John Park (Mid Scotland and Fife) (Lab): Will the cabinet secretary confirm that the Government would have announced that anyway, regardless of the budget process?

John Swinney: Mr Park has now got down to an absurd level of splitting hairs. The Government has announced it; he should have the good grace to accept what the Government has said. He should equally have the good grace to accept what the Government has said about improving the PACE organisation. If the town centre turnaround fund was such a Labour idea, why does Labour not have the good grace to accept that I have announced it today and that I have put it in place for the benefit of our communities?

While we are at it, Labour should accept the assurance that I have given, on behalf of the Deputy First Minister, that the moneys that are held centrally in the health service to support Jackie Baillie on hospital-acquired infection will be made available to the relevant health boards, as they always are.

It is absurd for the Labour Party to come here and complain about the local government finance

settlement when it has not raised a whimper about it in any of the discussions that we have had about the funding of public services in Scotland.

In the course of the discussions with the Labour Party, I have attempted to find common ground, but we have not been able to do that.

Of course, I have engaged with all political groupings and individuals within Parliament. I have honoured the commitment that I made to Margo MacDonald in the budget process last year that we would introduce a capital city supplement to reflect the unique issues with which Edinburgh, as our capital city, has to wrestle.

I say to Margaret Curran that Glasgow still benefits from the resources that are available through the cities growth fund, which exists for the other cities in Scotland, too, and which is incorporated into the local government finance settlement. Into the bargain, the Government is taking a whole host of decisions, not least of which are the decisions to increase the local government finance settlement for Glasgow; to take forward the M74 contracts, which the previous Government was not able to do; to take forward the Southern general hospital; and to give financial support to the Commonwealth games.

The Government is entitled to due credit for the resources that it is putting in place. I say to Margo MacDonald, who raised the issue of housing in Edinburgh, that ministers are aware of the issues around affordable housing in Edinburgh. The City of Edinburgh Council has applied to the council house construction fund for support for a particular application. That is currently being considered by ministers, so it would be inappropriate for me to make any judgment about it. Of course, the issue will be considered properly by ministers.

Margo MacDonald: Will the cabinet secretary give way?

Mike Rumbles: Will the cabinet secretary give way?

John Swinney: I will give way to Margo MacDonald, given that I mentioned her.

Margo MacDonald: Will the cabinet secretary say whether he could run a couple of pilots in Glasgow and Edinburgh for the scheme that I spoke of earlier—tax increment financing? I know that that has support in the councils and I know that they have been in touch with them.

John Swinney: We are already involved in discussions with the city council about tax increment finance. I think that it is an idea that has many strengths. Of course, I will take forward those discussions with the city council.

Patrick Harvie raised issues relating to the home insulation fund that the Government has put in

place and which I announced to Parliament today. In my opening speech, I said that we will commit £22 million of resources from central Government for the first stage of the programme this year. That will properly insulate 66,000 properties in Scotland. I went on to say that, with our social partners, we will be able to cover up to 100,000 houses in area-based schemes. To do that, we will commit to leveraging in resources from our social partners to bring the total spend up to £33 million. In the same way, we will work with our social partners to lever into the town centre regeneration fund additional initiatives to maximise the economic impact that can arise from the initiatives that we are announcing in Parliament today.

Jeremy Purvis: Will the cabinet secretary give way?

John Swinney: No, I am going to close my remarks in a moment.

Patrick Harvie: Will the cabinet secretary take an intervention?

John Swinney: I will give way to Mr Harvie.

Patrick Harvie: I am grateful to the cabinet secretary for giving way rather than taking a chance. Will he make a commitment that, if social partners are unable to provide that additional funding, the Scottish Government will?

John Swinney: The Government has said what it has said, and it will ensure that that happens. I make it clear to Parliament today—[*Interruption.*]

The Presiding Officer (Alex Fergusson): Order.

John Swinney: It has been suggested that voting down the budget today will have no consequences; of course there will be consequences. Our local authorities intend to set their council tax rates shortly. The health secretary wants to give health boards due notice of the expenditure that they can incur. The Government wants to ensure that there is an orderly stewardship of Scotland's public finances so that we can properly invest in Scotland's public services. It is absurd for people who have demanded that the Government accelerate capital expenditure to take a reckless decision not to support a budget that will deliver that capital expenditure. That is what the Government delivers, what the budget is about and why the budget should be supported at decision time.

Business Motions

16:57

The Presiding Officer (Alex Fergusson): We have a number of procedural decisions to make before we come to decision time.

The next item of business is consideration of business motion S3M-3314, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

The Minister for Parliamentary Business (Bruce Crawford): I would like to formally move motion S3M-3314, on behalf of the Parliamentary Bureau.

I move,

That the Parliament agrees the following programme of business—

Wednesday 4 February 2009

2.30 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Scottish Government Debate: The Local Government Finance (Scotland) Order 2009
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 5 February 2009

9.15 am Parliamentary Bureau Motions
followed by Scottish Liberal Democrats Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time
 Education and Lifelong Learning;
 Europe, External Affairs and Culture
 2.55 pm Scottish Government Debate: Early Years Framework
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 11 February 2009

2.30 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Scottish Government Business
followed by Business Motion
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 12 February 2009

9.15 am Parliamentary Bureau Motions
followed by Scottish Government Business
 11.40 am General Question Time
 12 noon First Minister's Question Time
 2.15 pm Themed Question Time
 Health and Wellbeing
 2.55 pm Stage 1 Debate: Sexual Offences (Scotland) Bill
followed by Financial Resolution: Sexual Offences (Scotland) Bill
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-3315, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a timetable for stage 2 of the Flood Risk Management (Scotland) Bill.

Bruce Crawford: I am happy to formally move motion S3M-3315, on the Flood Risk Management (Scotland) Bill.

I move,

That the Parliament agrees that consideration of the Flood Risk Management (Scotland) Bill at Stage 2 be completed by 27 March 2009.

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-3316, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a timetable for stage 2 of the Health Boards (Membership and Elections) (Scotland) Bill. I call Bruce Crawford to move the motion.

Bruce Crawford: Again, Presiding Officer, it gives me great pleasure to be able to move business motion S3M-3316, on behalf of the Parliamentary Bureau.

I move,

That the Parliament agrees that consideration of the Health Boards (Membership and Elections) (Scotland) Bill at Stage 2 be completed by 13 February 2009.

Motion agreed to.

Parliamentary Bureau Motions

16:59

The Presiding Officer (Alex Fergusson): The next item of business is consideration of a Parliamentary Bureau motion. I ask Bruce Crawford to move motion S3M-3317, on the office of the clerk. Time is no longer a problem, Mr Crawford.

Motion moved,

That the Parliament agrees that, between 1 September 2009 and 31 August 2010, the Office of the Clerk will be open on all days except: Saturdays and Sundays, 27 November 2009, 24 December (pm), 25 and 28 December 2009, 1 and 4 January 2010, 2 and 5 April 2010 and 3, 28 and 31 May 2010.—[Bruce Crawford.]

The Presiding Officer: The next item of business is consideration of motion S3M-3318, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on parliamentary recess dates.

The Minister for Parliamentary Business (Bruce Crawford): I have particular pleasure in moving this motion, Presiding Officer. [Laughter.]

I move,

That the Parliament agrees the following parliamentary recess dates under Rule 2.3.1: 12 – 25 October 2009 (inclusive), 21 December 2009 – 4 January 2010 (inclusive), 15 – 21 February 2010 (inclusive) and 29 March – 11 April 2010 (inclusive).

The Presiding Officer: The next item of business is consideration of motions S3M-3319 to S3M-3321, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on approval of Scottish statutory instruments.

Motions moved,

That the Parliament agrees that the draft Further and Higher Education (Scotland) Act 1992 Modification Order 2009 be approved.

That the Parliament agrees that the draft International Organisations (Immunities and Privileges) (Scotland) Order 2009 be approved.

That the Parliament agrees that the draft Private Landlord Registration (Modification) (Scotland) Order 2009 be approved.—[Bruce Crawford.]

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

Decision Time

17:00

The Presiding Officer (Alex Fergusson): As all the business managers have been advised, we will get the votes on the Parliamentary Bureau motions out of the way before we move to the vote on the Budget (Scotland) (No 2) Bill.

The first question is, that motion S3M-3317, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on the office of the clerk, be agreed to.

Motion agreed to.

That the Parliament agrees that, between 1 September 2009 and 31 August 2010, the Office of the Clerk will be open on all days except: Saturdays and Sundays, 27 November 2009, 24 December (pm), 25 and 28 December 2009, 1 and 4 January 2010, 2 and 5 April 2010 and 3, 28 and 31 May 2010.

The Presiding Officer: The next question is, that motion S3M-3318, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on parliamentary recess dates, be agreed to.

Motion agreed to.

That the Parliament agrees the following parliamentary recess dates under Rule 2.3.1: 12 – 25 October 2009 (inclusive), 21 December 2009 – 4 January 2010 (inclusive), 15 – 21 February 2010 (inclusive) and 29 March – 11 April 2010 (inclusive).

The Presiding Officer: The next question is, that motions S3M-3319 to S3M-3321, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, on the approval of Scottish statutory instruments, be agreed to.

Motions agreed to.

That the Parliament agrees that the draft Further and Higher Education (Scotland) Act 1992 Modification Order 2009 be approved.

That the Parliament agrees that the draft International Organisations (Immunities and Privileges) (Scotland) Order 2009 be approved.

That the Parliament agrees that the draft Private Landlord Registration (Modification) (Scotland) Order 2009 be approved.

The Presiding Officer: Members should pay attention. The final question is, that motion S3M-3299, in the name of John Swinney, on the Budget (Scotland) (No 2) Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen North) (SNP)
Ahmad, Bashir (Glasgow) (SNP)
Aitken, Bill (Glasgow) (Con)

Allan, Alasdair (Western Isles) (SNP)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Campbell, Aileen (South of Scotland) (SNP)
 Carlaw, Jackson (West of Scotland) (Con)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Goldie, Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMillan, Stuart (West of Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)

Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 64, Abstentions 0.

It is a well-established convention here and elsewhere that Presiding Officers cast in favour of the status quo. As the passing of the bill would result in a change to the present position with regard to the budget, and as I advised all business managers, I cast my vote against the motion.

Motion disagreed to.

The Presiding Officer: The Budget (Scotland) (No 2) Bill therefore falls.

Margo MacDonald (Lothians) (Ind): On a point of order.

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): On a point of order.

Iain Gray (East Lothian) (Lab): On a point of order.

The Presiding Officer: Order. I will first take the point of order from the cabinet secretary.

John Swinney: In light of the vote that has just taken place and the serious position in which that leaves Scotland, the Scottish Government will not delay in seeking to resolve the budget issues for next year. I give notice to Parliament that I will reintroduce the 2009-10 budget bill to Parliament at the earliest possible opportunity, and certainly within a matter of days.

The Government recognises its important obligation to put in place a budget that is effective for the people of Scotland from the start of the financial year. That is why we will take early action still to achieve that for 2009-10. We all have an interest in considering the matter as soon as Parliament's processes allow. The Government will introduce such a bill at the earliest possible opportunity.

The Presiding Officer: I thank the cabinet secretary for that statement. I will now take the point of order from Iain Gray.

Iain Gray: I welcome the cabinet secretary's point of order, which—initially—was not dissimilar to mine. There has been much wild talk of the consequences of a no vote this evening, and we have now arrived at that point.

Presiding Officer, will you give further clarity on what the standing orders say on the introduction of a new budget bill and exactly how quickly that can happen? My second point is similar. Will you clarify what the standing orders say on the lodging of a motion of no confidence in either ministers individually or an Administration collectively?

The Presiding Officer: I will take the second point first. If there is to be a motion of no confidence, that is up to members; it is not up to me.

On the procedure from now on, my intention is to seek to call a meeting of the Parliamentary Bureau tomorrow to take forward the potential timetable for the new legislation.

The Minister for Parliamentary Business (Bruce Crawford): On that point—

The Presiding Officer: I will bring in the Minister for Parliamentary Business.

Bruce Crawford: In light of what has just happened, Presiding Officer, it is obvious that the business programme for next week, which was set out in a business motion that we have just agreed to, can no longer go forward. The Local Government Finance (Scotland) Order 2009 cannot be taken before the budget has been agreed. I will therefore seek urgent discussions with my fellow business managers on lodging a revised business motion for Parliament to consider at 5 o'clock tomorrow, if that is what they wish to do.

The Presiding Officer: That is very useful. Thank you, Mr Crawford.

I will now take the point of order from Margo MacDonald.

Margo MacDonald: On a point of order, Presiding Officer. As this is a learning process for all of us, I wish to question whether your vote was cast according to the status quo convention or whether, under our standing orders and "Erskine May", it would be preferable, given that the motion is of such importance, for the matter to be decided by the whole house.

The Presiding Officer: As I explained, my vote was cast in terms of the status quo convention. The position is clear; it is the same as the position that I took last year. All business managers were informed of that position.

It might be difficult for members to leave the chamber quietly, but it would be greatly appreciated if they could do so.

Knightswood Youth Theatre

The Deputy Presiding Officer (Alasdair Morgan): Members who are not participating in the next debate should leave the chamber and discuss matters outside.

The final item of business today is a members' business debate on motion S3M-3073, in the name of Bill Kidd, on Knightswood Youth Theatre, which was announced a winner in the Philip Lawrence awards. The debate will be concluded without any question being put.

Motion debated,

That the Parliament offers its congratulations to Knightswood Youth Theatre, which was announced a winner in the Philip Lawrence Awards, a prestigious national awards scheme that celebrates outstanding contributions made by young people to their community; commends the Knightswood Youth Theatre for bringing together young asylum seekers and refugees with young people from the local area to talk and share feelings, and commends its use of drama as a medium to increase mutual understanding and help the wider community gain a better understanding of young people's views and aspirations on a wide range of controversial issues, including dawn raids, racism, alcoholism, divorce, bullying, teen suicide, friendship and romance.

17:06

Bill Kidd (Glasgow) (SNP): It is my pleasure to lead tonight's members' debate and to congratulate Knightswood Youth Theatre on its well-deserved win of a Philip Lawrence award.

It may be helpful if I explain a little about the awards. Last year saw the 12th anniversary of the Philip Lawrence awards, which were established in memory of the headmaster of a school in north London. In his three years at the school, Mr Lawrence was able to turn around its poor academic record and worked to improve its problems with violence. During a fight involving an attack on one of his pupils, whom Mr Lawrence went to protect, he was, sadly, stabbed in the chest; he later died. Mr Lawrence was a brave man who was dedicated to improving the lot of young people in local communities, and the awards are a fitting tribute to him.

Knightswood Youth Theatre received its Philip Lawrence award at a presentation hosted by Sir Trevor McDonald at London's Bloomsbury Theatre on 2 December last year. It won the award for using drama to bring together young asylum seekers and refugees with young people from the local area in order to develop and enhance mutual understanding and friendships. We should remember that the awards are made by young people's peers—the judging panel is made up of representatives of previous winners, who get

together to choose those who embody the spirit of Philip Lawrence.

The theatre group works closely with the LINKES project, whose name is a combination of Lincoln and Kestrel, the names of the streets that border the high flats where the project is based. There are also connections with Kingsway and Drumchapel groups, through the west integration network. Football, a pensioners club, a gala in summer and the national obsession for cooking that has erupted recently are all catered for at the LINKES base at 200 Lincoln Avenue.

We are here especially to commend Knightswood Youth Theatre for its success in bringing together a range of young people from varied backgrounds and giving them a direction through drama. The theatre's work strengthens the whole community and provides those young people with opportunities that they would not otherwise have enjoyed. Some of those who won the award cannot be here tonight, as they have since moved on to drama education; that speaks volumes for the group. However, those who recently performed the collection of short plays entitled "Windows on Our Lives" at Knightswood Congregational church feel that that the work of Knightswood Youth Theatre and youth group—and the friendships and enjoyment that they get from belonging to those groups—go on. That work includes visits by high school student members to local schools to bring back new recruits, spurred on by the enthusiasm and confidence that those inspirational young people bring to all that they do.

Even though members of the group are under threat of deportation from this country, they are young Scots. Wherever they originate from, they work together and support one another to deliver a message of hope for all of us.

I am sure that the members of the group want me to mention a few names—I do not know whether I should do so, because I might miss someone out. However, I mention Aileen Ritchie and Euan Girvan, who planted the seed that blossomed, everyone at Knightswood Congregational church, and Rhona Dougall, who told me how the youth theatre was paired with Lochaber youth centre at the National Theatre of Scotland youth exchange in Stirling in July. It was a great honour for both groups to work together and enhance each other's work.

Rhona Dougall also told me that everything has been achieved on limited finances. Funding and sponsorship are always sought. I must ask the Minister for Europe, External Affairs and Culture whether I can come to her for guidance on the matter at some point—I am taking it for granted that she will meet me and I thank her.

Glasgow has always been a place where hard work and fun go together, and Scotland has always had people of whom it can be proud. Knightswood Youth Theatre encompasses all that. Its members, past and present, deserve all the praise that we can give them. I thank them for the honour that they have brought to Glasgow.

17:11

Bill Butler (Glasgow Anniesland) (Lab): I thank Bill Kidd for securing the debate and place on record my congratulations to the members of the award-winning Knightswood Youth Theatre on their success in a national—that point should be remembered—competition.

I am the member for the Glasgow Anniesland constituency, which includes Knightswood, so I am particularly thrilled that the area and its young people make such a positive impression on the national stage. The youth theatre's Philip Lawrence award and the continued success of the Dance School of Scotland, which is based at Knightswood secondary school, show how much creative talent there is in the area.

As Bill Kidd said, the project brings together asylum seekers, refugees and indigenous Scots from across the west of Glasgow. Its work touches on a range of issues, including racism, addiction, bullying, loss, friendship, love and, perhaps most sensitive, dawn raids—a practice that I and others have spoken out against on a number of occasions inside and outside the Parliament. Even in the context of the sharp decline in dawn raids in Glasgow, I will continue to oppose the practice, always and everywhere.

Youth theatre members have given several newspaper interviews since receiving their award. They have spoken passionately about the effect of the group and its work on their lives. No one who reads those testimonies could fail to be struck by how the young people regard the group as a force for good in their lives that has boosted their self-esteem and confidence and allowed them to make new friends and develop new skills, such as learning to work in a team. Perhaps most important, the young people have learned how to listen to one another, which has enabled them to understand as much about other people as they have discovered about themselves. By channelling those discoveries through their performances, the group has shared its unique insight with audiences.

Winning the Philip Lawrence award demonstrated that the group has utilised theatre as a means of connecting not just with one another but with the wider community. Since its inception, I understand that Knightswood Youth Theatre has taken part three times in the National

Theatre of Scotland exchange festival and has performed as part of the Scottish Refugee Council's refugee week programme. It has taken shows across the country, to Stirling, Edinburgh and Inverness, making new friends, raising smiles and pricking a few consciences along the way. I also understand that members of the group are working on new material and plan to take work to new venues and locations. I am sure that I am not alone in looking forward to finding out what new ideas that work contains.

I derive particular satisfaction from seeing such a fusion of indigenous Glaswegians, asylum seekers and refugees do so tremendously well. As a Glasgow city councillor, I was party to the decision to welcome asylum seeker families and offer them refuge in the city. The council took the correct course of action a decade ago, and I am proud that I was part of Glasgow's move to welcome new Scots to the city.

The decision was taken because the council realised that asylum seekers and their families would be an asset and not a liability—they are, after all, our brothers and sisters. That view is shared by the young people of Knightswood who go along to take part in the theatre group's activities, but it is worth noting that Glasgow City Council remains the only local authority in Scotland to take such a step. In her closing speech, the Minister for Europe, External Affairs and Culture could perhaps update members on what discussions the Scottish Government has held since it assumed office to encourage other local authorities to play their part in supporting asylum seekers. I also ask her whether I may accompany my colleague Bill Kidd to make representations on funding. I am sure that we will make a formidable team.

Once again, I offer my sincere congratulations to Knightswood Youth Theatre on winning the award. I strongly suspect that there will be many more prizes to come in the years ahead. The group is a successful model of community engagement and participation. It is a credit to Knightswood, Glasgow and Scotland.

17:16

Bill Aitken (Glasgow) (Con): Sometimes, there is a positive outcome from the most tragic and unpleasant events. The murder of Philip Lawrence was most tragic, but the fact that we now have an annual award is a positive feature that has emerged from it.

The local positive feature is the spectacular manner in which the youngsters in Knightswood Youth Theatre have won the award. I am tempted to reflect that, with their keen interest in drama, the members of the group who are present in the

gallery must have enjoyed the unprecedented drama in the Parliament this afternoon. Perhaps they enjoyed the experience just as much as the people of Knightswood have obviously enjoyed their input into so many events over the past months and years.

I looked at the issues that the group has raised and on which it has been in dialogue with the local youth. They are typical of the issues that concern young people today—leaving aside dawn raids—and include alcoholism, divorce, bullying and tragic instances of teenagers committing suicide. We also see the positive aspects: friendship and romance. I hope that, in their stay in Scotland, many of the group members have found friendship and that they will, in the times ahead, find romance.

Knightswood Youth Theatre has made an exceptionally positive contribution, not only to the district of Knightswood and the west end of Glasgow generally, but to the city as a whole. I encourage the youngsters involved to maintain their interests and to continue with what they have learned. The future may hold no parameters for them if they continue on the route that they have taken with the same level of success. I wish them that success and congratulate Bill Kidd on bringing the debate to Parliament.

17:18

Sandra White (Glasgow) (SNP): I congratulate Bill Kidd on securing the debate and extend our welcome to the members of Knightswood Youth Theatre in the gallery. The award that the group has won is prestigious—it was established in memory of Philip Lawrence, who died a tragic death.

Despite its many well-documented challenges, Glasgow has always been a friendly and welcoming city in which great importance is placed on community and community spirit. I have visited the areas that Bill Kidd mentioned, such as Drumchapel and Knightswood, and there is certainly great community spirit in them. It is a fantastic endorsement of those values that, even today—after much upheaval and change to communities—an overriding sense of togetherness and friendship is alive and well in Glasgow, irrespective of what other people say.

That is of special significance when we consider that those involved in the Knightswood Youth Theatre comprise a mix of young Glaswegians, asylum seekers and refugees, who are trying to understand one another in these challenging and changing times. By exploring contentious and diverse issues such as dawn raids and friendships, they empower the whole community with a sense of who they are now and who they

will be in the future, which will obviously be an inclusive and tolerant future for those communities. I hope that they will live and grow together in that spirit.

All too often, we read or hear about negative stereotypes of young people or about the impending breakdown of communities, but the Knightswood Youth Theatre story and many others show us that, despite our fears, many young people are ready and willing to listen to and understand one another, and to stand up for what they strongly believe is in the best interests of their communities.

Another fine example of the wonderful work that is being done in Knightswood, Drumchapel and throughout Glasgow is the work of Jean Donnachie and Noreen Real, joint winners of this year's *Evening Times* Scotswoman of the year award, who set up a local network in the flats at Kingsway in Scotstoun, which is not far from Knightswood and Drumchapel, to warn of any impending dawn raids. They successfully took on the Home Office and won by helping to end the dreadful and barbaric use of dawn raids, to which Bill Kidd's motion refers.

I hope that those examples from Glasgow, which show the power of working together for the community, will serve as an example for similar projects across Scotland. We have a lot to be proud of in Glasgow. We should certainly be proud of our young people, who should be praised for the work that they do throughout the city. I praise Knightswood Youth Theatre in that regard.

All too often, we hear dire reports in the press about the terrible things that young people do, but the press should listen—I do not see any members of the press listening in the press gallery—to the kind of news that we have heard in the debate. I hope that some would listen to the view that young people should be praised highly for the work that they enter into with good spirit. The work of Knightswood Youth Theatre is a good example, and the kids involved—some of whom are in the public gallery—have led the way. I wish them well and all success for the future.

17:22

The Minister for Europe, External Affairs and Culture (Linda Fabiani): I will take the very serious points first. I am always happy to meet Bill Kidd and am happy to include Bill Butler and Bill Aitken in such a meeting. It struck me that they could be called the three Bills.

I do not want to go into detail at the moment, but we should note that the Scottish Arts Council supports and promotes youth theatre. I understand that Knightswood Youth Theatre is in discussion with the SAC.

Bill Butler asked about discussions with other local authorities on issues that are related to the topic of debate. I recently attended an interesting conference with the Convention of Scottish Local Authorities and some local authorities. I am sure that other ministers with direct responsibility for the issues to which members have referred have also attended such conferences. However, that is a discussion for another time.

I do not tonight want to take any time away from congratulating Knightswood Youth Theatre on winning, and celebrating its winning, the Philip Lawrence award. That is an exceptional achievement that celebrates both the standard of citizenship that those involved have shown, and the outstanding contributions that the theatre group has made to its community. It really is inspiring. When we think of the remarkable work that has been done in the theatre group's short existence, it is even more inspiring.

I have a particular delight in taking part in the debate, having heard from our four colleagues who all represent the Knightswood area, because I was born in Lincoln Avenue in Knightswood and lived most of my teenage years just round the corner in Baldric Road. I therefore know the area where all the youngsters in the theatre group come from.

I know the problems that the group has faced over the past few years and I know how people have worked to make Knightswood a community that stands up to be counted. Those efforts have been made by the young people involved and those who have taken the time to organise, teach and support the group. It is a great example of community spirit. Sandra White mentioned the influence of the group from the Lincoln Avenue flats on things that are so important to us. Again, that is to be celebrated.

Aileen Ritchie needs a special mention, although, as Bill Kidd said, it is always hard to mention individuals. However, she deserves to be mentioned again for her continued support for the arts in Glasgow.

We should never forget that the award that the youth theatre has won was set up in memory of Philip Lawrence. What happened to him was tragic, and it highlighted problems that are faced by the nations in the United Kingdom. What has happened in his name shows the great courage that citizens can have when they care about their communities. Philip Lawrence was an inspirational figure whose legacy continues in the annual awards. His deep-seated conviction was that all young people are capable of achieving great things, as the members of Knightswood Youth Theatre have shown.

Knightswood Youth Theatre is also a great example of how the arts can tackle a huge range of realities in young people's lives by using theatre for expression. As Bill Aitken said, serious issues such as racism, bullying, friendship, alcoholism, romance, divorce and teenage suicide have all been addressed in a way that allows the young people involved to be heard.

In bringing together local residents, Knightswood Youth Theatre gives Glasgow's asylum seekers, refugees and young people a chance to tell each other their stories, to share experiences and to celebrate the differences that make each of them interesting. Collectively, such differences give something very special to an area. The youth theatre's approach is great because it leads to improved understanding of different belief systems and encourages young people to overcome difficulties. Such activities are part of real community development, whereby folk take the initiative and grow something that really matters to them.

The Scottish Government is committed to supporting community development. The recently published "Culture: Culture Delivers" encourages the use of culture as an important way of advancing local and national wellbeing and, indeed, prosperity. The cashback for communities initiatives also continue to run throughout the country. Those projects—which are funded by money that has been confiscated from convicted criminals—include a range of partnerships with Scottish sporting, arts and business associations that encourage young people to see that they can choose different paths and have different aspirations. As Bill Kidd said, Knightswood Youth Theatre has also received support from LINKES, which is a project that is run by and for people in the area. LINKES has received funding from the Government's fairer Scotland fund.

I reiterate that the success that Knightswood Youth Theatre has attained in its short history is nothing short of outstanding. From a series of pilot workshops in early 2007, the youth theatre went on to sell-out nights at Glasgow's Tron theatre in 2008. Audiences have talked about its performances—I have not yet had the privilege of attending one, but I shall—which have, I understand, reduced some to tears of sadness and of joy. That is great talent that these young folk have exhibited. For the third year running, the National Theatre of Scotland has invited Knightswood Youth Theatre to perform at the exchange festival, which again demonstrates the quality and impact of the group's work.

Another wonderful outcome of Knightswood Youth Theatre's work so far is that, as well as providing enjoyment and sharing stories with the community and with the whole of Scotland, the

group has uncovered several talented performers. The youth theatre's approach has allowed its members to have the confidence to perform, to act, to write and even to direct. It has been able to nurture the talent and gifts that each individual has within them. In particular, I congratulate Marlene Madenge on being offered a role alongside a professional cast in the National Theatre of Scotland's production of "365" at the Edinburgh festival last year. I saw that performance, which was a very moving piece of theatre. I am sure that the performance was a great experience for Marlene and for those whom she took along with her to enjoy both the play and the recognition that was given to Knightswood Youth Theatre.

I thank Bill Kidd for lodging the motion, which has provided us with the opportunity to congratulate Knightswood Youth Theatre not only on its success in the Philip Lawrence awards but on its continuing work, which has helped a community to come together. The use of drama is very powerful in confronting the difficult challenges that face many individuals and communities. I wish the group continued and increasing success in its future productions. I know that some of its members are in Parliament today—I see them sitting in the gallery—so let me say that I very much look forward to meeting them.

Meeting closed at 17:29.

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