

# **MEETING OF THE PARLIAMENT**

Thursday 5 February 2009

Session 3

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## Scottish Parliament

Thursday 5 February 2009

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

### Borrowing Powers

**The Presiding Officer (Alex Fergusson):**

Good morning. The first item of business is a Liberal Democrat debate on motion S3M-3383, in the name of Tavish Scott, on borrowing powers for the Scottish Parliament.

09:15

**Tavish Scott (Shetland) (LD):** This debate is not about constitutional change; it is about Scotland having powers for a purpose. We face a recession, rising unemployment and the worst gross domestic product figures in recent times. The lack of fiscal powers confines the Scottish Government's ability to respond to changing circumstances. With no borrowing powers and a total budget determined at Westminster, the options for change are limited. The choice between making tax reductions for low and middle-income families, increasing public spending or bringing forward public sector investment needs to be fully available to this Parliament. There can be no doubt that additional powers would enhance the Parliament's autonomy and accountability.

Today, we Liberal Democrats have initiated a debate in our time to develop those political and economic arguments so that we can tackle the recession and find new ways to fund the Forth estuary crossing and further road and rail investment across Scotland. I recognise the Scottish Government's welcome change of position, not on powers but on how to get there. This week has been politically significant and economically progressive. The First Minister, the Cabinet Secretary for Finance and Sustainable Growth and their colleagues have recognised that being part of a coalition for change, and arguing the case through the Calman commission, is the best way to deliver the additional responsibilities that we need.

I hope that Labour and Tory members will raise their game from yesterday's pitifully low level. They appear to be impaled on the fence of conservatism. *[Interruption.]* There is no better example of that than Mr Whitton. However, there are voices of reason and change in those parties. Wendy Alexander and Murdo Fraser have much to contribute, which I entirely welcome. I hope that

the breadth of their approach rubs off on their colleagues. As always, I live in hope.

Borrowing powers would give the finance minister of the day more fiscal latitude and more political and economic choice. How would additional borrowing powers work? The Treasury could agree specific applications for borrowing consent, which would amount to the same prudential borrowing regime that is used by local government in Scotland. A better approach would be for the Governments of the United Kingdom to agree a framework of rules and broad principles for the use of borrowing powers. By definition, a Scottish Government cannot bankrupt the UK. There needs to be a broadly defined and agreed fiscal approach, but the rules must be agreed by the national states of the UK; they must not come through Treasury diktat.

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):**

I am grateful for Mr Scott's recognition that, as part of the debate on borrowing powers, there must be a fundamental change in the dynamics of how devolved Administrations interrelate with the UK Government and, in particular, with the Treasury. Does he accept that the devolved Administrations need to be viewed as being in a different category from Whitehall departments? Unfortunately, that is not how they are currently viewed.

**Tavish Scott:** As a politician who believes in a federal approach to the United Kingdom, I fully agree—acceptance of that point is implicit in the Liberal Democrats' approach to change. I am sure that the cabinet secretary deals with the present position day in, day out, just as former finance ministers in previous Scottish Governments did. As a former junior finance minister, I acknowledge the point that the cabinet secretary makes about the manner in which that engagement takes place. There are a number of mechanisms that we could work through in the coming years to enhance and improve that relationship. I do not think that that is a constitutional point in particular, although it involves a bigger and broader constitutional issue. There is a practical element to the approach that we must adopt.

We favour the Governments of the UK working together to agree a framework on the use of borrowing powers. It is inevitable that there will be disagreements—that is the nature of such debates. We advocate the setting up of a finance commission for the nations and regions, which would not be a UK Government body but would be created from the constituent parts of the UK. It would be jointly owned by the nations of the UK on a federal basis. That might not happen immediately following the recommendations of the Calman commission, but it is the approach that we should seek to adopt in the longer term.

Borrowing powers must be additional to the Scottish budget and should not be used to fill any funding gap. What should they be used for? It would be reasonable to borrow for current expenditure on capital projects, but there should be flexibility. As Chancellor of the Exchequer, Gordon Brown said that his golden rule was unbreakable, but first he changed the cycle over which it was judged and then, in the face of financial meltdown and recession—among many other factors—he ripped it up completely. Although it was the current chancellor who had formal responsibility for that, it was Gordon Brown's golden rule that was shattered beyond redemption. As the nations of the UK negotiate the operating parameters with the Treasury, flexibility must be built in. The argument that such golden rules are sacrosanct is not credible.

Where would a Scottish Government borrow from? Again, there are two choices. It could approach the international finance markets through the UK Government, or it could approach the markets directly.

**Derek Brownlee (South of Scotland) (Con):** Do the Liberal Democrats propose to allow the Scottish Government to issue bonds, such as patriotic bonds?

**Tavish Scott:** I am not into the application of patriotism to matters of finance, although I am sure that Mr Brownlee makes a serious point about the bond market. That is an aspect that would be explored through the structure that we envisage.

The proper answer to the borrowing question is that both avenues would be open to the Scottish Government. It would be necessary to adopt the approach that provided the better deal for the taxpayer, and flexibility would have to be enshrined in whichever approach was adopted.

Yesterday, I held discussions with the German ambassador—I am sure that you did, too, Presiding Officer—in which I asked about the Länder system. He pointed out that the German Länder have no borrowing limits but are limited by their ability to cover their borrowing proposals financially. In other words, there is a market discipline. The ambassador observed that that can lead to the Länder having more financial discipline than the federation. Some say that if the Parliament had borrowing powers, the reality would be profligate borrowing, but I counsel against such scaremongering.

There would be a significant international upside to the adoption of a prudent and careful approach in Scotland.

**The Presiding Officer:** You must close, please, Mr Scott.

**Tavish Scott:** I will be blunt: this country must rebuild its shattered reputation for financial expertise, probity and integrity in international circles. The banking crisis has seen to that.

The approach that I have outlined is the right approach. I hope that it commends itself to other parties, and I commend it to Parliament.

I move,

That the Parliament believes that the acquisition of borrowing powers would enhance the autonomy and accountability of the Scottish Parliament and improve the Scottish Government's ability to respond to changing economic circumstances; notes that borrowing powers would allow the Scottish Government to phase the funding of major capital projects such as the new Forth Replacement Crossing sensibly and efficiently, and therefore welcomes the Scottish Government's commitment to give permission for civil servants to engage fully with the Commission on Scottish Devolution to assist the delivery of borrowing powers for the Scottish Parliament.

09:23

**David Whitton (Strathkelvin and Bearsden) (Lab):** I speak in favour of the amendment in the name of my colleague Andy Kerr.

At the outset, it is fair to say that we in the Labour Party are interested in discussions on borrowing powers for the Scottish Parliament. Indeed, one reason why we established—with the support of the Conservative party and the Liberal Democrats—the Calman commission was so that it could consider how this institution, which is now in its 10<sup>th</sup> year, is funded. I suppose that I might be accused of being tongue in cheek when I say how delighted we are that the Scottish National Party has now abandoned its ideological opposition to the concept of strengthening devolution, given that, as of yesterday, it will participate in the work of the Calman commission.

**John Swinney:** It is clear that Mr Whitton has not raised his game.

**David Whitton:** Oh dear. A night's sleep has not done much for Mr Swinney.

**John Swinney:** Nor for Mr Whitton.

**David Whitton:** Touché.

Furthermore, Scottish Government civil servants will be allowed to engage fully with that work, which is a good thing.

Devolution has delivered for Scotland, as has the Barnett formula. As we celebrate the Scottish Parliament's first decade, it is a good idea to review how it is working and to find out whether any adjustments are needed, particularly in how it is funded.

As I mentioned, Labour has engaged positively with the Calman commission from the outset. I

was particularly intrigued by the report of the independent financial experts group, which is chaired by the eminent professor Anton Muscatelli. The group made it clear that as the Parliament's powers, including its financial powers, are intertwined with its accountability, they should be considered together rather than in the piecemeal fashion that the Liberal Democrats are suggesting today.

A key observation from Professor Muscatelli's group, which also includes Professor David Bell, the adviser to the Finance Committee—

**Tavish Scott:** When does the Labour Party in Scotland plan to submit any evidence to the Calman commission?

**David Whitton:** I am interested to hear that Mr Scott takes such a keen interest in the workings of the Labour Party. We will make our observations known to the Calman commission in due course.

**John Swinney:** Shortly or soon?

**The Presiding Officer:** Order.

**David Whitton:** Shortly or soon—Mr Swinney can use whichever word he likes. He will no doubt read with interest all the observations when they arrive.

Professor Muscatelli's group said that the powers of an institution—the Parliament, for example—are fundamentally connected to the constitutional model that one believes in. The Liberal Democrats are federalists. That is a perfectly reasonable position to take, but it has always been a minority view in Scotland. Labour believes in strengthening devolution within the union, and as such we want to identify the principles that should underpin any financial changes that the Calman commission might come up with.

The debate that the Liberals have brought to the chamber today is taking place too early. It is about only one element of potential financial powers for the Parliament, and as the Calman commission's final recommendations have not been published, the Liberal motion puts the cart before the horse.

During various debates and at question time, we have of late heard a growing chorus of members who highlight the fact that the Northern Ireland Executive has borrowing powers—

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** Will the member give way?

**David Whitton:** I ask Mr Purvis to allow me to finish.

The Northern Ireland Executive has borrowing powers, as do Scottish local authorities. My colleague Peter Peacock will say more about local authorities in his speech.

As Mr Purvis has my sympathies following his change in policy yesterday, I will give way to him.

**Jeremy Purvis:** Will the Labour Party make a submission to the Calman commission before it makes its final recommendations, or would that be jumping the gun?

**David Whitton:** I will just ignore that point, which I have answered. Mr Purvis's intervention is a reworking of Mr Scott's intervention, just as Mr Purvis reworks Mr Scott's policies.

The cry is that if those powers are good enough for another devolved Administration in Northern Ireland, why are they not good enough for us? Keith Brown—who I see is in the chamber—and Alex Neil both made that point in yesterday's debate, and if Keith Brown speaks in today's debate, he will no doubt make the same point. However, they did not mention the fact that the Northern Ireland Executive has to pay back what it has borrowed from its annual budget. It is not really extra money, and the Northern Ireland Executive's borrowing powers—such as they are—simply reflect the different constitutional arrangements that exist there. The Executive may have borrowing powers, but local government in Northern Ireland has very limited powers and responsibilities. It is a case of horses for courses.

It is wrong of the Liberals and the SNP to present the idea that granting the Scottish Parliament borrowing powers would somehow be a silver bullet that would resolve not only the current economic challenges that Scotland faces, but the issue of constitutional change. Labour is interested in debating borrowing powers as part of the Calman commission's deliberations—*[Interruption.]* It is amazing to get applause from the Opposition halfway through my speech.

We will not support parties that want to divorce borrowing powers from the wider debate. There are attractions attached to the Parliament having borrowing powers, but there are wider implications. As in Northern Ireland, any money that was borrowed would have to be paid back, unlike what happens under our existing capital arrangements, which are supported by the Barnett formula.

Paragraph 6.81 of the Calman commission's first report states:

"Borrowing is sometimes suggested however simply as a way in which to add to the spending power available to Scottish Ministers. This needs more careful thought."

A bit more careful thought from the Government and from Liberal members might do wonders.

The Muscatelli report considers case studies involving sub-national finance in five countries: Australia, Germany and Canada, which have federal systems, and Switzerland and Spain,

which are unitary states that have decentralised government. Members will be pleased to hear that time does not allow me to go through each of those in turn, but I am sure that any members who have an interest in the matter will have read the report carefully.

I commend the Muscatelli report to Mr Swinney, if he has not already read it, but for now it is sufficient for me to say that the key lesson is that most systems in other countries are more complex and often blur lines of accountability. As we know, the financial arrangements for Scottish devolution broadly continue the pre-devolution system, with the addition of tax-varying powers.

The Liberals should, by all means, make a contribution to the Calman commission, but the time to have a proper debate about borrowing powers is when the final outcome of the commission's work is known.

I move amendment S3M-3383.2, to leave out from "believes" to end and insert:

"welcomes the examination of the use of borrowing powers by all the parties and the Scottish Government's willingness to engage with the Commission on Scottish Devolution."

09:29

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

As we see at a United Kingdom level, borrowing is not the answer to every problem—indeed, it is the cause of many of them. In the context of the management of public finances, borrowing can play an important part in providing flexibility for the public sector, but if it is overused or mismanaged, it can prove to be a millstone.

The Conservatives do not believe that borrowing powers are a panacea, nor do we believe that they should be ruled out. They ought to be considered seriously by the Calman commission as part of the review of devolution, but such consideration would be more sensible if it was carried out in the context of the broader review of other financial measures that the commission is considering, rather than in isolation.

Alex Neil made that point in yesterday's budget debate, when he said:

"the debate on borrowing powers is not a naked debate, because it relates to powers over taxation."—[*Official Report*, 4 February 2009; c 14685.]

He was making a serious point, which the Muscatelli report also raises. The report makes it clear that a Government that is more dependent on tax revenues and less dependent on block grant is automatically more likely to need borrowing powers. The scope and scale of borrowing powers will inevitably be set in some context by the other financial powers that are

available to the Scottish Government. It is right that we consider those issues in the round, because it is clear from the report of the independent financial experts group that the Calman commission is, at the very least, considering issues that relate to fiscal powers.

We have heard mention of the borrowing powers that are available to the Northern Ireland Assembly, which are set at £200 million a year for 10 years. In addition, provisions in the devolution legislation grant a power for temporary borrowing—albeit at the discretion of the relevant secretary of state—at a level that is set for Northern Ireland at £250 million and for Scotland and for Wales at £500 million.

The £2 billion borrowing powers have various strings attached—as far as I recall, they are linked in some way to the flexibility in the regional rate in Northern Ireland. However, they show that there is scope for different arrangements within the UK and the devolution framework, and I concede that there is scope for borrowing powers to be granted without any other change being made to the fiscal arrangements for Scotland. Nevertheless, as the Calman commission is considering broader changes, it is sensible to consider everything at the same time.

As Tavish Scott conceded, there are other issues around borrowing powers. For example, would external borrowing be permitted, or would the money come from the UK Government? Would the borrowing be restricted to borrowing for capital investment, or would it cover the ability to borrow for unexpected pressures on spending or a decline in revenues? A Parliament that had a greater dependence on fiscal measures would arguably have a greater call on borrowing to cover any shortfalls.

Mr Scott also raised the issue of the limits that the UK Government could or should be able to impose on the level or the terms of borrowing. I was interested to hear what he said about the German Länder, but even if we get past the hurdles of the legal power to borrow and Treasury controls, there is a further issue. In the current climate, we need to consider what scope there is for borrowing, on what terms we can borrow, and how borrowing ranks in relation to other financing options. We need to address those fundamental questions.

Our amendment invites the Government to make a submission to the Calman commission not only on borrowing powers, but on all the aspects that are under consideration. We are concentrating on the financial aspects, but I extend an invitation to the Scottish Government to include consideration of the non-financial aspects, on which it could make a useful contribution. Mr Swinney, in his intervention on Mr Scott, raised the

idea that the Scottish Government is treated as merely another Whitehall department. That is, in the context of Mr Swinney's statement of funding policy, an area in which the Scottish Government can make a valuable contribution to the Calman commission, and I strongly encourage it to do so.

I move amendment S3M-3383.1, to leave out from "would enhance" to end and insert:

"could enhance the autonomy and accountability of the Scottish Parliament and improve the Scottish Government's ability to respond to changing economic circumstances; notes that borrowing powers could allow the Scottish Government to phase the funding of major capital projects such as the Forth Replacement Crossing sensibly and efficiently and therefore welcomes the Scottish Government's commitment to give permission for civil servants to engage fully with the Commission on Scottish Devolution on the issue of borrowing powers for the Scottish Parliament; also notes the consideration by the commission of other financial and non-financial powers that might be made available to the Scottish Government, and calls on the Scottish Government to confirm that it will permit civil servants to engage with the commission on all such matters."

09:33

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** In my constant role as the most generous-spirited member of the Government, I say to Mr Whitton that he should listen carefully to the way in which I approach these issues, so that he can broaden his perspective to include other members' views.

As I listened to Mr Whitton's speech, I heard all the usual excuses being trotted out about why we should not do something and why there are so many obstacles and barriers to overcome before we have an open, commonsense and—as Mr Scott said—practical debate about whether the Parliament has all the responsibilities and the powers that would allow it to operate in an efficient and effective financial fashion.

I welcome the Liberal Democrats' motion on borrowing powers. On many occasions, the Government has made clear our belief that there is a compelling case for greater fiscal autonomy for the Scottish Parliament, and that the ability to manage our own budget is vital in ensuring that we are able to respond swiftly and effectively to changes in economic circumstances.

I part company with Mr Brownlee on his point that we should consider such powers only in the context of the action that we could take in the current economic downturn, or in any other economic scenario. He misses the point about Parliament being equipped to deal with whatever emerging economic situation presents itself. Obviously, we are presented with a particularly acute scenario today.

I was pleased with our discussions with the Liberal Democrats in recent days on how we can make progress on the question of borrowing powers, on which the Government will, of course, submit material to the Calman commission.

When we discuss borrowing powers, we have to look at the financial framework within which we operate. Unless we get the arrangements for borrowing powers correct within existing United Kingdom financial frameworks, they will not deliver the flexibility that we require. If, for example, the Treasury were to maintain the same approach that it takes today to constructing the departmental expenditure limit on the total financial commitments of the Scottish Government and the Scottish public sector, there would be enormous constraints on the effective use of borrowing powers.

There are other examples. Members have cited the situation in Northern Ireland and have referred to the prudential borrowing regime in local authorities, which provides greater flexibility than the Scottish Government has at its disposal. The key point, however, with reference to Northern Ireland or local authorities is that there is an obligation on the relevant authority to act prudentially and with wise financial judgment in exercising its borrowing powers.

**David Stewart (Highlands and Islands) (Lab):** What is the minister's assessment of current borrowing powers under section 66 of the Scotland Act 1998? That provides for the exercise of £0.5 billion of borrowing powers, with the agreement of the Secretary of State for Scotland and the chancellor.

**John Swinney:** The value of those powers is to provide cover for

"a temporary excess of sums paid out of the Scottish Consolidated Fund over sums paid into that Fund".

It is a completely limited cash-flow power that does not allow us to use it to invest in capital infrastructure, which would be the wise and sensible thing to do, or—if I may deal with the lofty economic analysis that Mr Whitton gave a few moments ago—to commit ourselves to pay back a sum of money over the longer term. I do not think that those powers are effective; we need additional borrowing powers. I welcome the Liberal Democrats' contribution to the debate.

09:37

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** As I said in the economy debate two weeks ago, although I support the introduction of borrowing powers for the Scottish Parliament, we have to consider them as part of the more general debate on fiscal powers. We also have to beware of regarding them as a panacea.

There are two obvious but important reasons why borrowing powers cannot be a panacea. First, we would have to pay back any borrowing from what will inevitably be tighter budgets over the next few years. Secondly—the SNP might not be happy about this—any borrowing that we undertake would be part of UK borrowing, which cannot expand without limit, partly because of our membership of the European Union and partly for sound macroeconomic reasons.

We benefit substantially from UK borrowing at the moment. It is important to say that in this debate because the impression might be given by some people that because we do not have borrowing powers we cannot benefit from borrowing. The reality is that because of the UK Government's borrowing, which the Conservatives have been so critical of, Scottish consumers, Scottish banks and Scottish public services are benefiting, as we heard once again in the budget debate yesterday.

The Liberal Democrats will be pleased to hear that the Scottish Labour Party will make a submission to the Calman report, so they do not need to intervene during my speech to ask about that. My view is that we should support borrowing powers for Scotland, but only as part of a package of fiscal changes. Individuals can contribute their views to that debate, but I believe that we need a combination of fiscal changes that would involve some assigned taxes, some devolved taxes and some remaining grant for this Parliament. If Calman produced a package of that kind, we would need borrowing powers to smooth over revenue fluctuations. Obviously, one of the purposes of borrowing powers even at the UK level is to deal with declining tax revenues.

As the Calman report implies quite clearly in the section on borrowing powers, the main purpose of borrowing powers is to benefit capital spending. The Forth bridge is the example that has been quoted most recently. The debate is important in the context of public-private partnership projects going on balance sheet, but the effect of that move on the Scottish budget is perhaps not as simple or as stark as the Scottish Government has been saying. We have not yet had the Treasury guidance on that, but it would be helpful if it were produced as quickly as possible.

**John Swinney:** I am grateful to Mr Chisholm for his acknowledgement that it would help the Government if the Treasury were able to share with us not just the rules on how the international financial reporting standards will be treated but the implications that that will have for the structure of the Government's budget. That is the material piece of information that we still require.

**Malcolm Chisholm:** I agree that that guidance would be helpful, but the corollary is that the

Scottish Government should not speak publicly as if it knows for certain that the move will have the drastic effect that it has described.

I have only half a minute left in which to say that there has been a significant change since 1998. David Stewart referred to the limited provisions in sections 66 and 67 of the Scotland Act 1998. Since then, the growing awareness of the need for more financial powers for this Parliament and other, related developments, such as prudential borrowing for local authorities, mean that the time is right for the Parliament to have some limited borrowing powers. However, they must be considered in the round and in the context of the Calman commission.

09:42

**Rob Gibson (Highlands and Islands) (SNP):** I had hoped that this morning's debate would be the start of a new chapter in the development of Scottish democracy. It is long overdue and, having waited during 10 years of devolution, we have to move on more rapidly than at the pace set by the Calman commission, which is sending out mixed messages.

The basic right to democratic borrowing powers should be available to all levels of government. That is a natural condition in most countries—but not this one. Although such powers would be constrained by our ability to meet the overall borrowing requirements and constraints of the state in which we work, it is essential that we are able to deploy them at this time.

Yesterday John Swinney said in his budget speech:

"Challenging economic times require a country to draw on all the mechanisms at its disposal to assist recovery."—*[Official Report, 4 February 2009; c 14652.]*

We have only a few of the mechanisms that we require to assist the full recovery of Scotland—or, indeed, to run the country in normal times.

I will offer a couple of examples that concern me and demonstrate the problem. This morning, I read that Councillor David Alston, the Liberal finance spokesperson in Highland Council, deplores the potential need for 111 job cuts in the council due to budget constraints. He said that he would prefer a "modest increase" in the council tax, although that goes against the historic concordat to which he agreed. Nevertheless, those budget constraints are due to the excess charges for PPP that were racked up by a system that was forced on the council by the forms of borrowing used by central Government. That is the real culprit in this case.

Another example is the debate on the Forestry Commission's estate and our need to contribute to

tackling climate change. The Minister for Environment has proposed that we raise money by letting out parts of the estate to bring in cash for planting new trees. That is a classic case of the constraints of devolution forcing us down a route that we might not have wished to take, but which could be productive. Nevertheless, it is a problem.

There has been so much misinformation about the Scottish Futures Trust that we ought to look at it again in the context of today's debate. We must have aggregated borrowing requirements that make it possible to deploy our borrowing ability in the best way that we can. That part of the debate about borrowing requirements will not go away.

Although the SNP believes ultimately in tax-raising powers—natural borrowing powers are part of that picture, too—we recognise that the public sector has triple A credit ratings. If that is so, it need not be a constraint; indeed, it is a great benefit to be able to use that as the means to move forward.

The wider debate on the constitutional future of our country has taken place—through Calman, to an extent, but to a greater extent through the national conversation. There has been huge public involvement. People want us to have more powers so that we are able to live a normal life. As it is, having one hand tied behind our back every time we go out in the morning to try to deal with the government of Scotland makes the task very difficult indeed. That is why I am keen for non-profit distributing models to be part of the debate on borrowing powers.

The Scottish Parliament should have borrowing powers; we should build on them from the base up. That would be a strong step forward for the democracy of Scotland. It is essential that we move forward as fast as possible.

09:46

**Helen Eadie (Dunfermline East) (Lab):** I welcome the opportunity to contribute to the debate. My mind is open to all the arguments that will be expressed as the debate develops both in the Parliament and throughout Scotland.

I am always interested to learn how other major nations deal with such issues and I note that the expert group headed by Professor Muscatelli has studied Austria, Spain, Germany and Canada.

The Barnett formula gives Scots £1,600 per head more of public spending than the UK average. I am concerned to learn what impact any financial changes might have on the formula. Until now, the block grant has provided certainty and unparalleled levels of public spending. Would that be affected in a way that was detrimental to the people of Scotland?

In our response to the Calman commission, we will have particular regard to opinion throughout Scotland, especially from the trade unions, such as the GMB, Unite and Unison, the Scottish Trades Union Congress, the churches and the voluntary sector.

We all know that when we borrow we sacrifice future spending opportunities in the requirement to service the debt. That means that the funding to build new homes and hospitals and carry out other public sector works would have a question mark against it. The benefits and disbenefits need to be weighed carefully in the balance.

**Robert Brown (Glasgow) (LD):** Will Helen Eadie's version of the Labour Party's contribution to the Calman commission be the same as Malcolm Chisholm's version?

**Helen Eadie:** The Labour Party will make its response and we, as individual members of the Labour Party and MSPs, are also able to submit our views—indeed, I have already made known to the appropriate people some of my views on particular aspects of the Calman commission's work.

I am interested to learn why the SNP wants borrowing powers, instead of using the Scottish Futures Trust, which it trumpeted so much in opposition over the years. Why is the SFT disappearing like snow off a dike at the first opportunity—the need to finance Scotland's biggest project in recent decades? We agree that a new Forth crossing is badly needed. Why, then, has so much effort been put into pursuing borrowing powers to finance the project and why has so little effort been put into discussing funding from Europe? At a recent meeting with Fife Council, John Purvis, the Tory MEP, explained that when he asked Scottish Government officials why they had not discussed European funding for the project, they replied that it was not worth the effort. I cannot believe that someone could say that discussing financing one of Scotland's biggest projects for years through European funding, as part of the trans-European road network, was not worth the effort.

I have a major problem with the proposition that the Labour Party is not open-minded on this subject. We have an open mind and we want to hear people's opinions. I will listen to those opinions before I reach a conclusive view on where we go.

09:49

**Bill Wilson (West of Scotland) (SNP):** I apologise for missing the first couple of minutes of the Liberal Democrats' opening contribution. I welcome the motion but, at the risk of offending the Lib Dems—something I should never dream of

doing—I point out that the Proclaimers put a similar message rather more effectively in their song “Cap in Hand”:

“I can’t understand why we let someone else rule our  
land  
We’re cap in hand  
  
We fight—when they ask us  
We boast—then we cower  
We beg  
For a piece of  
What’s already ours”.

How is it possible that we can let someone else rule our land even to the extent of denying us borrowing powers? That the Northern Ireland Executive is better trusted to look after its finances is, at the very least, anomalous. That local authorities in Scotland should be trusted to control their borrowing, but the Scottish Government is not, is peculiar. That English parish councils should be allowed to borrow, but the devolved Government of a nation is not, is ludicrous.

Would any other nation or people tolerate such a situation? Could we imagine asking a Norwegian or a Swede, “Do you think that your nation should be allowed borrowing powers?” It wad gar ye gyte. Of course, I do not suggest that the superior economic performance of Sweden and Norway is solely a product of their borrowing powers. After all, the UK has borrowing powers and, if the International Monetary Fund is correct, the UK has the worst-managed economy in western Europe.

On consideration, perhaps my earlier comments were a little unfair. Perhaps it is not peculiar that councils and the Northern Ireland Assembly can borrow. Perhaps the only peculiarity is that Westminster can borrow. Look what it wastes the money on: foreign wars, nuclear weapons and building large data sets that it promptly loses.

I am a reasonable man, so let me suggest a compromise. In order to avoid the proliferation of borrowing powers, let Westminster surrender the power to borrow to the Scottish Parliament and the National Assembly for Wales.

The truth is that the present situation cannot be described as anything other than bizarre. Not only are we not allowed to borrow on our own account, the UK Government appears to take a perverse pleasure in turning down our requests to spread the costs of borrowing on major infrastructure projects. Who benefits from its refusal to let Scotland spread the costs of a new Forth road bridge over 20 years? More bizarrely, it not only refuses our request for public borrowing but suggests that we should use PPP. Yes, we might still be able to spread the cost over 20 years, but it would be at a much higher rate of interest than would otherwise be necessary. It is irrational to refuse us borrowing powers and then decide that

we can borrow, but only if we accept an obscenely expensive option such as PPP.

The UK Government’s response is even more incomprehensible when we consider the effects of the change in financial rules that will come into play in April. The UK Government’s attitude looks rather like childish gamesmanship. Westminster should cease to seek conflict with the Scottish Government and, instead, start to work with the Scottish people for the wellbeing of the Scottish people.

**Jeremy Purvis:** Will the member take an intervention?

**Bill Wilson:** No, sorry, but I have only a short time.

A Scottish Government with borrowing powers might be able to work to reinflate the economy without lining the pockets of the already wealthy, which is the primary purpose of PPP and the private finance initiative. However, a Scottish Government without the powers of taxation, the powers to amend the social security system and the powers of an independent nation cannot truly tackle poverty and its resultant ills.

In the past 50 years, 17 European nations have declared independence. In the past 50 years, 17 European nations have taken control of the basic economic levers, such as the power to borrow. In the past 50 years, not one European nation has surrendered its independence or its power to borrow.

It is anomalous, peculiar and irrational that Scotland cannot borrow. The only problem with that statement is that, having used the words “anomalous”, “peculiar” and “irrational” to describe Scotland’s lack of borrowing powers, it is difficult to find suitable words to describe Scotland’s lack of independence.

09:53

**Peter Peacock (Highlands and Islands) (Lab):**

I will make my speech from the perspective of someone who has had the opportunity in his political career to be a council leader, a finance convener of a regional authority, and a finance minister for about three years. As a council leader, I had borrowing powers but, as a finance minister in the Scottish Executive, I did not. Some might find that entirely paradoxical, but I did not, for reasons that I will set out. I do not approach this argument from a constitutional perspective, as Bill Wilson does, but do so from a purely practical perspective.

When I was a local authority leader with borrowing powers, there were the heavy controls of borrowing consent. There was a process of constant debate and negotiation with the central

Government of the day to extend those borrowing powers. They were never sufficient for all that we wanted to do, partly because we wanted to do more, but also on occasion because we had huge items of expenditure that created a bulge in our pattern of expenditure and we required additional borrowing consent to overtake it. We even got into the system of trading consents with some authorities that were underspending their borrowing consents while others were overspending them. The situation was dynamic and fluid and we were in constant negotiation.

My point is that any system of borrowing involves limits and controls, whether the borrowing powers rest with local or national Government. In Germany, although there are no specific limits for the Länder, as Tavish Scott said, consensus has been reached between the Länder and the federal Government about that. In Switzerland there is a form of the golden rule. In Australia there is a loan council of the six states. In the context of the Maastricht agreement and the convergence criteria that were thrashed out in relation to the euro, there are in effect borrowing controls on every national Government in the EU.

There is no escaping the rules. Borrowing powers are not a panacea and do not produce extra cash; they permit a drawing forward of cash, which must be paid back, with interest, and interest payments eat into capacity on the revenue side of the account and affect services. No one should think that borrowing powers offer a free ride.

When I was a minister I never felt the need for borrowing powers. The issue did not arise in the context in which we were operating, so I was not bothered about it. That was partly because local authorities, which were delivering a large part of the services and infrastructure, had borrowing powers so that they could build schools, roads, social work establishments and so on. It was perhaps also partly because we did not have to find a huge sum of money for a large national project. Situations in which sums for such projects are needed highlight the practical challenges to do with the instruments that are at ministers' disposal.

**Tavish Scott:** Does Mr Peacock accept that, when he was a finance minister, public expenditure was rising remorselessly, which affected the circumstances of his tenure?

**Peter Peacock:** I absolutely accept that.

In the context of a large national project or a series of such projects, borrowing is just one potential solution. We must also consider how public expenditure is scored and whether it all counts in one year, irrespective of when borrowing took place. There are many nuances and subtleties that must be addressed.

Is what I have said an argument for having no borrowing powers in the Scottish Parliament? Absolutely not. It is clear that there is an argument to be made for borrowing powers for the Parliament and that there needs to be a debate on the matter. We need to keep an open mind—that is true of my party as much as it is true of the nation as a whole. We must also enter into the debate with our eyes open. Borrowing powers are not a panacea or a free ride and we cannot escape control systems. However, it is worth having the debate.

09:57

**Gavin Brown (Lothians) (Con):** The debate has been interesting and members of all parties have made intelligent speeches. Peter Peacock's speech, in particular, was thoughtful.

Derek Brownlee outlined the Scottish Conservatives' approach: we are open-minded on and have no strong ideological objections to borrowing powers. Derek Brownlee also said that in the context of the Calman commission, which is considering the devolution settlement, borrowing must be considered in the round. As Alex Neil said in the Parliament yesterday, the debate on borrowing powers should not take place in isolation.

The Conservative amendment would replace the word "would" in the motion with "could". The difference might seem small to some members, but it is important. The acquisition of borrowing powers has the potential to lead to better accountability but would not necessarily do so.

A number of members said that, given that councils can borrow money and the Northern Ireland Assembly has borrowing powers—albeit that there are the caveats that members mentioned—the Scottish Parliament's inability to borrow money is an anomaly. The Chartered Institute of Public Finance and Accountancy made that point in its submission to the Calman commission. It is a fair point and a reason for considering the situation. The Liberal Democrats have made a fair point in raising the issue.

The timing is apposite, as I think that Mr Scott said during an intervention. We had double-digit growth for quite a long time after the devolution settlement and the budget doubled over eight years, to the extent that the Scottish Executive was unable to spend £900 million. We are in different times now. The financial settlement is tighter and is likely to remain so for some time. There is also the important matter of the replacement Forth road bridge, which is the most important economic infrastructure project for Scotland. I say again to Mr Swinney that the offer is open from the Conservative shadow Treasury

team to discuss ways forward on the issue. Perhaps Mr Swinney will agree to a meeting when he speaks later in the debate.

I offer a word of caution. We are in the middle of a debt-fuelled crisis, so piling on more debt cannot be the entire answer. The UK Government is facing national debt of £1 trillion. Therefore, the word “could” in our amendment is important. The acquisition of borrowing powers might well lead to more autonomy and accountability, but it might well not do so—it would depend entirely on how the borrowing powers were exercised. We need only consider the Audit Scotland report “Review of major capital projects in Scotland: How government works”, in which 43 infrastructure projects over a seven-year period were considered. Almost all the projects were delivered late and about two thirds of them went over budget. If we are to borrow money to fund infrastructure projects, we must do so very sensibly indeed, just as a consumer must consider carefully an offer of a credit card that would give them short-term flexibility on spending but perhaps less flexibility in the medium and long term—I appreciate that that is a crude analogy.

We have no great ideological objection to the acquisition of borrowing powers. It is critical that the issue be considered in the round as part of the devolution settlement and we wait with interest to hear what the Calman commission has to say.

**The Deputy Presiding Officer (Trish Godman):** I call David Whitton.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** You do not have to say anything, Mr Whitton.

10:01

**David Whitton:** I—

**Bill Wilson:** That’s enough.

**David Whitton:** That was a sedentary intervention from the “reasonable man” of the SNP, which showed how reasonable he is.

As Gavin Brown said, we have had an interesting debate, which was no doubt the first of many on the topic. I refer members again to paragraph 6.80 of “The Future of Scottish Devolution within the Union: A First Report”, in which the Calman commission said:

“A number of suggestions have been made that the Scottish Government should be able to exercise borrowing powers. Some evidence on this has been drawn together by the Independent Expert Group and the Commission wishes to give further consideration to this.”

Indeed. The Liberal motion is fairly unequivocal and makes claims for borrowing powers that are as yet only a matter of opinion. The claims are

untested. Indeed, an eminent group of experts in financial matters would question whether the statements in the motion are accurate. The issue is a mebbes-aye-mebbes-naw question.

Let us consider some of the views that we heard in the debate. Rob Gibson seems to think that the Scottish Parliament, with its budget of £34 billion, is operating with one hand tied behind its back. Heaven knows what he would do if his hand was untied. Bill Wilson, the “reasonable man” of the SNP—heaven help us—has a peculiar take on the relationship between the UK Government and the Scottish Parliament, but I am sure that he will not be surprised to learn that I do not share his view.

The best contribution was from Peter Peacock, who explained in his wise speech what can happen and what dynamics are involved when a finance minister has to struggle with the borrowing powers of local government. I have not had the pleasure of having such a role and maybe I never will—who knows?

Some issues have been missing from the debate. The Liberal Democrats made no mention of their much-vaunted policy of a 2p cut in income tax, which was dropped so suddenly. There has been no mention of the local income tax policy, whereby a 3p tax increase would be dropped on the people of Scotland. There has been no mention of the Scottish Parliament’s ability to use existing powers to raise and lower income tax. Such issues should be part of a debate about financial powers for the Scottish Parliament.

As things stand, the Scottish Parliament operates within the UK’s macroeconomic framework. Our being in that framework led to the £37 billion bail-out for our two biggest banks. Questions about how to finance the building of a bridge should not be used as an excuse to force through an agreement about borrowing powers.

I assume that the Liberals agree with the findings of the Steel commission, which recognised that any Scottish Government borrowing would need to be done within the UK macroeconomic framework. I would be interested to hear what rules and limits Mr Scott would suggest for Scottish borrowing. Perhaps he will tell us in his summing up.

As I said in my earlier speech, we on this side of the chamber believe that the debate, worth while as it is, has come too soon. We will continue to co-operate with the Calman commission. No doubt, we will return to the issue of borrowing powers at a later date, once the commission’s final report is published.

10:05

**The Minister for Enterprise, Energy and Tourism (Jim Mather):** I commend the Liberal Democrats for lodging the motion for debate. I note that George Soros would probably agree with it, as he said recently:

“the current system favours countries in control of the international financial institutions”.

He made the point that the unfairness of the system is demonstrated by the fact that problems that originated in the US and London are doing more damage elsewhere. He went on to say that elsewhere

“Governments will also need long-term financing to enable them to engage in counter-cyclical fiscal policies.”

I agree with him on that. Indeed, we can see it happening across Europe, where countries such as Portugal and Italy are giving fiscal autonomy to autonomous areas such as the Azores. It is also happening with Gibraltar. There is also the example of Northern Ireland's borrowing powers and its claim of right for a 12 per cent corporation tax, which remains to be retrieved from the long grass.

The debate continues. The Scottish Government started the dialogue with the people of Scotland on our constitutional and fiscal future through the national conversation. Our position on borrowing powers is crystal clear: we should move to a position in which the Scottish Government and Scottish Parliament are responsible for all public spending and revenue in Scotland. There is growing support across the political spectrum for greater fiscal autonomy, which would, of course, create the opportunities to give the Scottish economy a competitive edge and boost growth. For example, Scotland could lower corporation tax and respond to changes in economic circumstances such as the economic downturn.

The experience of small independent countries such as Norway and the financially autonomous areas of Spain, including the Basque Country and Navarre, demonstrate the significant advantage of fiscal autonomy. Those areas can tailor fiscal policy to enhance strengths and address weaknesses. Of course, Scotland does not have those tools, but the Government has consistently demonstrated its commitment to use all the available levers to support economic growth.

Nevertheless, it is now clear that the Scottish economy will follow other countries into recession. Scottish GDP figures for the third quarter of 2008 show that Scottish output declined by 0.8 per cent on the previous quarter. The latest labour market figures also show a decline in employment of 13,000 between September and November and a rise in the Scottish unemployment rate to 5.2 per cent, albeit that that is better than the experience

across the rest of the UK. With greater fiscal autonomy, the Scottish Government could have deployed the full range of economic and fiscal levers that it needs to tackle the economic downturn in the way that is best for Scotland and without having to rely on decisions that are taken elsewhere.

The Government has agreed to submit evidence to the Calman commission on extending the powers of the Scottish Parliament. We are prepared to set out not only for the commission but for the Treasury and other bodies the unanswerable case that the Scottish Parliament needs the full range of financial and borrowing powers that would allow us to manage our finances more effectively and efficiently than we can at present. We are happy to co-operate with the Liberal Democrats on the formulation of a Scottish Government presentation to the Calman commission and other relevant bodies.

I welcome the Liberal Democrats' long-standing commitment to debating greater fiscal autonomy for the Scottish Parliament. I welcome in particular their stance on borrowing autonomy for the Parliament, which is an issue that is now of even greater significance in light of the recession and the introduction of the international financial reporting standards. We want borrowing powers not only to address whatever changes in economic climate lie ahead but to enable us to achieve our goal of increasing sustainable economic growth.

Borrowing powers would also be used to address Scotland's clear infrastructure needs more quickly; not least, they would enable us to progress with critical projects such as the new Forth crossing. If the Scottish Government had the ability to borrow, its borrowing would be cheaper and more transparent than under alternatives for funding infrastructure investment.

We believe that the case for increasing the borrowing powers of the Scottish Parliament is unanswerable. The lack of such powers inhibits transition and growth and is a glaring omission. We have to ask which successful countries and nations have not used borrowing powers to effect change. That crystallises the case. At the moment, the Scotland Act 1998 prevents Scotland from borrowing, albeit that—as Peter Peacock so eloquently said—our local authorities have the power to borrow, as do our colleagues in Northern Ireland. The Scottish Government has no such power.

The debate is an important milestone on an important journey. We have the wholesome aspiration that acquiring the power to borrow will move us yet further towards a position in which Scotland can release its full skills and assets and become a genuinely thriving, competitive and sustainable 21<sup>st</sup> century economy. It will help us to

come through the recession fitter, leaner, more competitive and more able to move forward. We will do everything that we can to achieve that end, including continuing to use all the levers that are available to us. For that reason, the Government welcomes the Liberal Democrat motion and looks forward to the continuing debate on the constitutional and fiscal framework for the future of Scotland.

10:10

**Robert Brown (Glasgow) (LD):** As Gavin Brown rightly said, this has been a good debate in which many excellent speeches have been made. In closing for the Liberal Democrats, it is proper for me to say that we welcome into the debate the voices that we have heard today. However, the kindest thing that I can say about David Whitton's two speeches is that I hope that the voices that we hear in future from the Labour Party on the subject are those of Malcolm Chisholm and Peter Peacock.

There are occasions on which the subject matter, cause or issue has a wider resonance than the party divisions in the chamber, because it chimes with the public mood and hits a wider core of recognition that it is an idea whose time has come. So it was with the debates on the establishment of the Scottish Parliament, on the Iraq war and on free personal care, and so it is for today's debate. Borrowing powers for the Scottish Parliament are an idea whose time has come. A home-rule Parliament manifestly ought to have such powers in order to carry out its functions effectively. Borrowing powers are a weapon that should be in the toolbox of fiscal and economic powers, which the Liberal Democrats have rightly described as "powers for a purpose".

The immediate occasion for today's debate was offered by the challenges of the Scottish budget and the financial and economic crisis that darkens all our doors. Like the Parliament itself, borrowing powers are something that has been inevitable from the beginning. I stress that the Parliament assuming the power to borrow is neither a licence to print money nor a get-out-of-jail-free card for every project on our wish list, as others have wrongly suggested that it is. It does not provide a load of lolly for nothing. As Tavish Scott said earlier, borrowing powers must be exercised within a responsible framework and within rules about what we can afford and what we can use them for.

Borrowing powers for the Scottish Parliament are relevant to the fiscal responsibility of the United Kingdom; indeed, they would impose fiscal responsibility on us all. In some ways, their exercise would call for greater partnership with Westminster than before. We would need to jointly develop new rules on how and when they would

be used. Liberal Democrats have long proposed the establishment of a joint Exchequer board with the UK Government—a finance commission, ideally of the nations and regions of the UK in a more developed federal system. However, even if that were to be a development of the current Scotland Act 1998 settlement, it must be a proper constitutional arrangement between partners and not some form of diktat from the Treasury.

I did not agree with most of what Bill Wilson said, but he made a good point in asking in whose interest it is to refuse powers to borrow for the new Forth bridge.

Of course, the strategic challenge is how to get from where we are now to a position where the Scottish Parliament acquires borrowing rights. In that respect, the bridge is the Calman commission. The Liberal Democrats, Labour and the Conservatives have already signed up to the Calman process. As part of the budget discussions between the Liberal Democrats and the SNP minority Government, we now have signed up to the Calman process by the SNP on the objective of obtaining borrowing powers.

**David Whitton:** If, as Mr Brown says, the Liberal Democrats are signed up to the Calman commission process, why did they not wait until it reports before coming forward with the debate?

**Robert Brown:** I am sorry that I gave way to Mr Whitton. He should read the motion. That is the context in which the debate is being taken forward.

It is significant and important that the SNP Government is now signed up to the Calman process. Potentially, we have a powerful coalition of the major political parties in Scotland that can give informed evidence—I use the word "informed" in response to David Whitton—to Calman, backed by the Government and the civil service, on an issue on which Sir Kenneth and his team have said they are interested in taking further evidence.

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

**Robert Brown:** I had better make some progress.

We did not expect Labour and the Tories to sign up fully to the concept today, and the amendments that they have lodged are equivocal. As so often on the constitutional question, it falls to Liberal Democrats to be the brokers and catalysts for progress. I hope that soon we will be joined on that important journey by others and that the faint hearts in some other parties will draw vigour and inspiration from the points that have been made in today's debate. We can achieve a majority in the chamber today, but they can make that majority the voice of Scotland. That is an important point.

We Liberal Democrats are committed both to acquiring borrowing powers for the Scottish

Parliament and to Calman's fundamental concept that a partnership exists between the constituent parts of the United Kingdom. I am not sure whether SNP back benchers knew that, in agreeing to give evidence to Calman on borrowing powers, they were signing up to a concept of United Kingdom partnership, but I make the point to them that that is rather better than their current policy of sticking with the pound sterling in an independent Scotland, which would tie them into United Kingdom monetary policy and the Treasury rules.

The Scottish Government has already encountered severe challenges in seeking a means of funding the new Forth bridge that does not have a damaging impact on other much-needed infrastructure projects. Paying for such projects over 30 years or so, as we would our houses, is not a particularly revolutionary idea. A united Scottish view to that effect would be a powerful and irresistible driver towards securing a positive outcome from the UK Government.

I will finish where I began. Borrowing powers for the Parliament are an idea whose time has come. A number of speakers have made the point that there is much work to do on the detail and on securing widespread political and professional sign-up to the principle. However, yesterday's agreement with the Scottish Government and the existing majority support for the Calman process are the building blocks for a process that can and must achieve success on a reasonably urgent timescale. I have great pleasure in supporting the Liberal Democrat motion this morning.

## Financial Sector Jobs Task Force

**The Deputy Presiding Officer (Trish Godman):** The next item of business is a debate on motion S3M-3384, in the name of Jeremy Purvis, on a financial sector jobs task force.

10:17

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** It is not hyperbole to say that the banking and financial services sector in Scotland is going through the most significant period of concern in its history. The 1772 banking crisis, which led David Hume to suggest to Adam Smith that he insert a new chapter in "The Wealth of Nations", was perhaps less significant than the tumult that we have experienced since last summer—a contagion in the USA that spread across the Atlantic but which sprang from a culture on both sides of the ocean. That culture was highlighted to me best by the fact that, when Lehman Brothers went into administration, its salary bill was £4 billion but its bonus pot stood at £20 billion, skewing almost entirely not only the bank's business culture but the model of financial services in the western hemisphere, which was shared across the sector and across the ocean. Somehow, the sector had forgotten that it had the ability to say no to potential borrowers. When Lehman Brothers went down, the salary of its boss was \$484 million.

In Scotland, the collapse of Lehman Brothers was matched by one of our two biggest and most socially and economically important companies, the Royal Bank of Scotland, reporting what will be the biggest loss ever in corporate history in this country. We need to look at some of the consequences of that for our local communities and for the local, regional and national economies of Scotland. The significance of the sector to the Scottish economy cannot be overestimated, whether it be in Perth, Glasgow, Aberdeen or Edinburgh. My colleague Margaret Smith will speak about her constituency, where so much of the country's financial services sector is based. Other members will talk about their local circumstances.

Given the turmoil that has affected the sector, it is critical that we look to the future. A third of financial services firms in Scotland intend to make cuts of 5 per cent or more this year, with investment operations players the most likely to reduce head count. Recruitment is not completely dead in the water. Financial services recruiters estimate that a fifth of the sector's companies in Scotland are likely to increase head count by up to 10 per cent this year, but that compares with more than half of those surveyed in 2007 and a record 82 per cent that forecast growth in 2006. The

decline is stark, but the number of companies recruiting has not fallen to zero. I was interested to note that some areas in which there has been depressingly bad news, such as the insurance market and banking, have also been buoyed.

Discussing the shortages that exist, one recruiter stated:

"It's a vicious circle. Job-seekers think there are no jobs, so don't take a look at the market, in turn firms who are recruiting for niche skills can't recruit."

Such niche skills are mainly at the senior end, with companies struggling to find management-level hires. Scottish Enterprise says that there are still some opportunities across the sector. In areas ranging from distribution to senior asset management, there is considerable concern about the skills mix, as well as potential job losses.

Scotland has contributed to the world's financial sector, and now we are being buffeted by the world's financial storm. Employment in the sector has grown exponentially over the past decade. Last summer, we proposed the establishment of a proactive, fully fledged task force for the sector that would include its partners—unions, local authorities, colleges and universities. Today, we seek all-party support for that proposal. The task force would play a key role not only in securing support for the sector in the future but in guarding against the significant impacts that the current situation will have in local areas. Growth in my area of Tweeddale and the north Borders has been dependent on the growth of the financial sector in Scotland.

It is not necessary or desirable to establish a new structure. The Government continues to argue that the Financial Services Advisory Board is the correct structure. FiSAB was established by Jim Wallace in 2005 to oversee the financial services strategy, but that was during the boom time. Although we welcome the fact that FiSAB will meet next week, its previous meeting was in September. We argue that now its structure should provide for a more direct approach.

**Gavin Brown (Lothians) (Con):** The member will see from our amendment that we are sympathetic to his proposal. Have the Liberal Democrats had any offline discussions with FiSAB members to seek their views on what they can do and whether the proposed task force would be an effective way of combating the downturn?

**Jeremy Purvis:** I welcome the Conservatives' welcome today for the establishment of a specific group—it is disappointing that yesterday they ridiculed the proposal. My discussions with FiSAB members and others who are involved in the sector have brought sharply into focus the need for a more specific grouping that would look at the skills set of existing staff, the context of

unemployment in the sector and the consequences of that for local authority areas. Just before Christmas, I had an interesting discussion with a senior person in the sector in Edinburgh, which focused on the fact that this recession may be different in type from those that Scotland has experienced in the past, given the significant growth in the financial services sector that has taken place recently. In that context, an active group with clear criteria for judging its success and a proper, proactive path forward would contribute to the future success of the sector.

As I indicated, FiSAB last met in September. That is not a sufficient response to the developments in this critical sector. The sector includes a diverse range of jobs, from distribution to asset management. A more specific policy response is needed to address the impact of the current situation on higher-salaried individuals entering the labour market and its knock-on effect, both in Edinburgh and other cities and in the travel-to-work areas around them, given the discretionary and disposable income that those individuals have had. The City of Edinburgh Council and Scottish Enterprise have had discussions, but we believe that the issue must be brought into sharp focus immediately, to allow for a more proactive approach.

Scottish Financial Enterprise is also looking to a more positive future for the sector. It is seeking more proactive co-ordination of public bodies, private sector bodies, unions and councils, both as part of a preventive approach for the sector and to offset the considerable damage that will be caused if our worst fears come to fruition. The sector has a positive future, but we need a much stronger, more critical way of supporting the staff who are involved in it. That is why we have brought our motion before the Parliament today.

I move,

That the Parliament notes the importance of the financial services industry to the Scottish economy; believes that the Financial Services Advisory Board (FiSAB), set up to be the custodian and advocate of the strategy for the industry in Scotland during a time of economic boom, should now be given more powers and a new purpose to focus on protection for this major Scottish industry during the current banking crisis and recession; notes the Scottish Government's commitment that FiSAB should be adapted to deal with the challenges in the sector and should meet more frequently than the present position of twice a year, and calls for the urgent formation of a finance sector jobs taskforce within FiSAB to work proactively to help the staff with essential skills who are losing their jobs and for ministers to report to the Parliament on its work.

10:25

**John Park (Mid Scotland and Fife) (Lab):** It is a pleasure to speak on behalf of the Labour Party in this debate. We have debated the issues facing

the financial services sector and banking on many occasions, particularly since the emergency debate on the HBOS-Lloyds TSB merger. It is right that we do that as a Parliament, and it makes our business relevant to what is happening outside. We support the motion and the amendments.

We are now at the stage of debating what we as a Parliament can do here in Scotland, and what the Scottish Government can do under the existing structures—as well as enhancing them—to help and support the workers in particular, but also to assist the organisations in the financial services sector with the problems that they face.

The proposal to have FiSAB meet more regularly is constructive and welcome. The suggestion that we create a financial sector jobs task force is also sensible, and I hope that we get some ideas from the debate about how to pull it together.

I am a little bit worried about the breaking out of consensus over the past 24 to 48 hours—although Mr Whitton tries his best, now and again, to break it. I am sure that normal service will be resumed next week. However, on important issues such as this one, we should try to work together across the chamber to find a way ahead that will make a difference for people outside the Parliament. There needs to be collaboration. We need organisations to come together in difficult times.

The motion is right to note that FiSAB was established at a time of definite growth in the financial services sector, but the challenge now is somewhat different. Our amendment seeks to highlight the role of trade unions and to complement the Liberal Democrat motion. We believe that the trade unions have a unique perspective on our financial services sector, particularly when it comes to employment. They would complement any sub-group and provide a valuable two-way conduit between the workforce and the wider industry.

I am in regular contact with Unite and Accord, and I encourage other members to speak to those unions' representatives. We must remember that, ultimately, those organisations will have to deal with the shake-out. We might think of full-time paid officials when we speak about such organisations, but, in reality, local trade union representatives are unpaid volunteers who have worked in the industry and whose own jobs might be at risk. It is they who have to do the work and deal with issues on a daily basis. I encourage members to engage with local representatives when they can.

I have seen Unite's financial charter, much of which focuses on what might be done through regulation at Westminster, but a lot of it relates to what we can do here. I raised the matter with the First Minister a couple of weeks ago, and I

understand from a meeting that I had with the FiSAB member Rob MacGregor—it was one of the offline meetings that Gavin Brown alluded to in his intervention—that the board's next meeting will involve some dialogue with the First Minister on the financial charter. I also mentioned our debate today in that meeting. Such discussion is an important step forward. We should be looking for ideas not just from within the Parliament but from outwith it, too.

If we are being honest with ourselves, we should acknowledge that the issue ultimately concerns the people who are working in the sector. Understandably, they have been concerned about their job security, which is why we tried to secure measures in the budget over the past few weeks in relation to apprenticeships. We have also considered the matter of retraining. The banks are trying to take a sensible approach to employment issues. In the discussions that I have had with senior bank executives, they have indicated that they will have to reshape their businesses and to take some costs out of them. They will want to do that in a sensible way, with the minimum impact on employees. We have an opportunity to ensure that that is the case.

I support interventions from the Government, such as those on apprenticeships. The work of partnership action for continuing employment is important when people leave the financial sector and we need to find other sectors for them to move into. Mr Swinney made an announcement about green jobs this week, and I am sure that skills from the financial services sector could complement growth in that area. The creative industries is another area of growth in the Scottish economy. We need to help people to make the change. Where the financial services sector previously took up the slack from the manufacturing sector, we need to find other areas of the economy that Government interventions can help to grow so that people who come out of the financial services sector have the opportunity to work in them.

One of the key problems that we need to address is a lack of understanding in industry more widely about the skills that exist in the financial services sector. I co-convene the cross-party group on skills with Gavin Brown, and we will certainly consider that issue at the group's next meeting. We will have discussions with Owen Kelly from Scottish Financial Enterprise and Simon Thompson from the Chartered Institute of Bankers in Scotland about how we might get a structure together, how we might get people to understand the skills that are available in the financial services sector and how we might provide opportunities for people.

The Conservative amendment is sensible. We need to see the wider picture to understand where we are now, and we could use the resources of the Parliament and the Government for that. If we take a snapshot now and see where we are, the Parliament can try to complement the good work that has been done by organisations outside. We can consider how to develop FiSAB and make it responsive to the needs of the people who work in the financial services sector.

I move amendment S3M-3384.2, to insert after "year":

"and believes that there should be continued workforce representation at the meetings in the shape of the recognised trade unions".

10:31

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

John Park has just made a pertinent point about jobs. All of us know constituents, and many of us have friends and family, who work in the financial services sector. Even those who are not immediately faced with the prospect of redundancy are feeling uneasy. There is a great deal of uncertainty and concern in the industry about what the situation means for people's jobs, homes and families. That concern will remain with us for some time.

I echo what John Park said about the approach of the banks. So far, they have taken a responsible approach in dealing with the inevitable concerns. We are all realistic, particularly in relation to the banks that are undergoing strategic change, that there will be reductions in head count. That is inevitable, and it means real people losing their jobs. That needs to be handled very carefully. So far, the banks have taken a sensitive approach.

We are all aware of the importance of the financial services sector to Scotland. Even with the recession, and even if the impact of the recession on the financial services sector proves to be significant, it will be very important to Scotland in terms of employment and its contribution to the economy. It is important not to lose sight of that. I get frustrated with some of the media, and indeed some politicians, given their approach to the financial services sector. A year ago, it could do no wrong. People were lining up to heap praise on Scottish banks, saying how amazing they were and how great their strategies were. Now, in many cases, the very same people are turning tail and criticising them, pretending that they knew all along that their strategies were terribly flawed. It is a bit rich that so many commentators are happy to take pot shots at businesses that are struggling and happy to take credit when they are doing well. That said, we now need to move on and deal with the situation that we face.

When FiSAB was set up, it was undoubtedly in the context of a financial services sector that was growing at a significant rate, faster than the rest of the economy. Nonetheless, at the time, the strategy documents that FiSAB released acknowledged some of the challenges that the financial sector faced. Key among them was the fact that the strength of having a large financial sector in Scotland could be a challenge in difficult circumstances. That is exactly the problem that the Scottish economy faces now. We have become very reliant on the financial services sector because it has done well, which is positive, but when there are difficulties in the sector we are more exposed to the downturn. We are also more reliant on headquarters for other services, including professional services.

The Labour amendment is entirely sensible. FiSAB was indeed set up with involvement from the trade unions, and it is entirely appropriate, particularly when we are considering the impact on jobs, for trade union involvement to be included. I am happy, on behalf of the Conservatives, to accept the Labour amendment.

Turning to our own amendment, we think that it is important to monitor what is happening in employment in the financial sector. There has perhaps been too little emphasis on the contribution of the financial sector in the past, but it is important that we are all aware of the contribution that it makes and of changes in employment throughout the sector as we go through the recession. It might take many years to reach the end of the difficulties for the financial sector, and it is important that all of us in the Parliament are aware not just of the number of jobs in the sector but of the many jobs that rely upon it indirectly.

We should perhaps reflect on FiSAB's ability to make a significant difference. We are dealing with a major financial situation that is leading to significant changes across the sector. The Government should do what it can to help, but let us not kid ourselves that FiSAB or anyone else can wave a magic wand to get rid of the challenges. The task of Government is surely to mitigate the impact and to do what it can.

I move amendment S3M-3384.1, to insert at end:

"and for such reports to include the latest estimate of the number of jobs in the financial sector in Scotland, direct and indirect."

10:35

**The Minister for Enterprise, Energy and Tourism (Jim Mather):** The Scottish Government agrees with the motion and will propose that a finance sector jobs task force be established

within the context of the existing FiSAB arrangements. That will be discussed at the forthcoming FiSAB meeting on 10 February and at the SFE dinner that is planned for 16 March. The discussions will also consider how the sector will adapt to address the current challenges. We agree that FiSAB should meet more frequently—twice a year needs to be improved on—and that the task force that is to be established should also have frequent meetings.

I congratulate the Liberal Democrats on selecting this important matter for debate and I thank Jeremy Purvis for setting the scene so well. His comments were augmented by those of John Park and Derek Brownlee, who provided a very clear idea of the challenges that face us.

The global financial services industry is experiencing unprecedented change and challenge, the scale of which few could have foreseen. Because of the effect on the banks, which have such a pivotal role in Scottish society, the changes are affecting many people in Scotland in all walks of life. The issue is personal and very close to all of us.

The key point is that the financial services sector in Scotland is resilient: it can adapt, evolve, endure and grow. I saw that personally 20 years ago, when I worked on secondment with a company called Origo Services, which was set up by the totality of the United Kingdom's life and pensions sector to manage the migration from batch processing and central quotations to broker self-sufficiency and the creation of a much more cohesive industry.

I am convinced that it is right that the Parliament contributes to a similar process now by contributing ideas and collective effort to mitigate the potential impacts of the major changes that Scotland's financial sector faces. In particular, we need to be prepared to roll up sleeves and work closely with the industry. In facing difficult times, in a situation in which no one clearly knows when the current exceptional financial instability will end, we know that things will end better if industry and Government face the issues together. We need to work to ensure that the industry comes out of the current phase tougher and more resilient by evolving to offer different and more relevant services. The industry will need to operate on a better basis, with the moral hazards, risks and rewards properly managed.

We know that we can do that in Scotland because our financial services sector—a bit like our renewables sector—is already very diverse. It covers lots of bases and all the main sectors are well represented. That diversity is strength, especially if we want to evolve and move to a better set of circumstances.

An especial strength is our unique collaborative partnership in FiSAB. The membership of FiSAB includes not only a wide range of the industry's sub-sectors but representatives from the union Unite, Universities Scotland, Scottish Enterprise and Scottish Financial Enterprise. That is what makes FiSAB a unique collaboration. The Scottish Government has shown its commitment to the industry not just by designating it as a key sector but by fully engaging in FiSAB, of which the First Minister is chair and both John Swinney and I are members of the board.

Over the past decade, Scotland's financial services industry has been highly successful. In 2006, the industry contributed approximately £7 billion to Scottish output. The industry has also maintained a good level of employment, which stood at 91,600 people in 2007. As others have mentioned, banking continues to employ a large number of people. With other parts of the sector such as life and pensions and asset management being highly material to the Scottish economy, the industry still accounts for a significant part of the picture. In 2007, banking accounted for 54 per cent of employment in the sector, with life and pensions at 15 per cent and asset management at 13 per cent respectively. Those are the major babies in the bath water.

We are determined to ensure that the impact of the current financial services crisis is handled not only with concern but with focus, so that we achieve the most positive outcome and mitigate the impact on the wider Scottish economy. That is why we have taken action to help households and businesses that are bearing the brunt of the financial crisis.

I reiterate that the Government's primary purpose remains the creation of a more successful country with opportunities for all to flourish. Increasing sustainable growth was right in May 2007 and it is even more right today. In making that statement, we recognise the difficulties that we and countries across the globe face. We are facing up to those difficulties. We have shown our willingness to work with the UK Government and Europe to maximise and guide Scotland's potential to emerge successfully and solidly from the crisis.

The cohesion that is evident in the Parliament today is also a key element. Our approach in the meantime sits comfortably with the proposed finance sector jobs task force, in as much as we seek to lift the totality of Scotland's economy by ensuring that our financial services jobs are strengthened and resilient. We want the financial services sector to emerge with greater strength that plays to the strengths of the other sectors of the wider Scottish society and economy. That will continue as we go forward.

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

10:41

**Helen Eadie (Dunfermline East) (Lab):** I welcome the chance to contribute to this debate. I rise to support the amendment in the name of my colleague John Park. I strongly believe that, at a time of global financial problems caused by the sub-prime mortgage market in the United States, it is vital that not only the financial sector but the trade unions are round the table with the First Minister and his colleagues.

In reading the minutes of the most recent FiSAB meeting, three things struck me. The first was the absence of trade union representation, which I have already covered. The second was that only two women were listed as members—of which only one attended—among the long list of clearly male names of the representatives of the different companies. The third was the lack of any sense of the financial crisis in the banking industry, which really amazed me. The minutes of the October meeting refer to the fresh talent initiative—an important subject—and to concerns about the impact on the industry of the bill to provide compensation for pleural plaques. However, there is little reference to the global financial crisis. In reading the minutes, I was surprised that there was no sense of urgency about the global credit crunch, the finances of all our industries and the jobs that are being lost. I hope that that will be remedied in future meetings.

I agree that there must be urgent action and that the frequency of FiSAB's meetings must be increased. It is good to hear Jim Mather confirm that that will happen. We need to review the make-up of the board's membership so that it includes not just the trade unions but, given that we are dealing with such a national emergency, the leaders of all the Opposition parties. They should be round that table, too.

On the Liberal Democrat motion, I must say that, for me, actions speak louder than words. Here in Edinburgh, there are fine words from the Liberal Democrats; where the Lib Dems have the opportunity for action, such as in my constituency, there is patent inaction. In Fife, the Liberal Democrats are in power in a coalition with the Scottish National Party. I can bear witness to the fact that the Lib Dems—in the shape of Willie Rennie, Jim Tolson and their colleagues—have blocked efforts that would generate £0.5 billion of investment in financial services opportunities at the Rosyth waterfront project, which is partly in my constituency and partly in Jim Tolson's.

I challenge the Liberal Democrats firmly to say why they are displaying such hypocrisy this

morning. Why did more than 100 jobs disappear at Centron in Dalgety Bay? On behalf of my people, I am angry at the Lib Dems, and that anger is firmly and squarely focused on Willie Rennie, Jim Tolson and the precious few members who are sitting on the Liberal Democrat benches this morning. If the Lib Dems had secured that £0.5 billion of investment, Fife would have gained precious opportunities in the banking and insurance sectors of the financial services industry. My friend Jim Spowart, who founded Intelligent Finance, has spearheaded work in that connection. We have heard fine words from the Lib Dems, but they are hypocritical.

Returning to FiSAB, I agree that the board must be supported. However, the Liberal Democrats must have regard to the fact that we want not just lip service and fine words but action.

10:44

**Angela Constance (Livingston) (SNP):** As we have heard this morning, the importance of the financial services sector to the Scottish economy is unquestionable. Between quarter 1 of 2001 and quarter 1 of 2007, the financial services sector in Scotland grew by 60 per cent, whereas over the same period the overall Scottish economy grew by 14 per cent and the United Kingdom financial services industry grew by 47 per cent. It is therefore clear that the Scottish financial services industry punches well above its weight and is well worth fighting for.

The concern is that the economic downturn will impact greatly on the Scottish economy, but it is feared that the financial services sector will bear the brunt, so I welcome the motion, because it is essentially about jobs and the need to protect major Scottish industries during the current banking crisis and the worst recession in 60 years.

As has already been intimated, one in 10 Scottish jobs is in the financial services sector—up to 100,000 people are directly employed by it. However, as Derek Brownlee indicated, the approximately 100,000 people who are employed in support services are also important.

Edinburgh is, of course, Scotland's financial services centre, but financial services make a crucial contribution to local economies. That is indeed the case in my constituency, which has regrettably seen jobs contract in HSBC and Intelligent Finance—that is even before we consider the consequences of the Lloyds TSB takeover of HBOS, with predicted job losses of 3,000 to 4,000 across Scotland.

Financial sector jobs are important for two reasons. First, they mean a livelihood and survival for people. Secondly, the work is generally well paid. Across a range of roles, finance sector jobs

pay up to 25 per cent more than the comparable roles in all sectors of the Scottish economy. That is particularly important for my constituency, which has seen the demise of other well-paid jobs in silicon glen. Those jobs have been replaced by jobs in McArthurGlen. Although retail growth in Livingston centre is most welcome and has transformed the town centre, I am concerned about overreliance on the retail sector, particularly at a time of recession. It is obvious that well-paid jobs do more to support the retail industry.

I hope that the task force will work well with local authorities and local economic development departments. Notwithstanding the concentration of financial services in the capital, it must be reiterated that they play a pivotal role in many local economies.

Scotland is renowned for its expertise in finance, and our financial services industry is a truly international success story. It is one of our oldest industries and still one of our most vibrant and innovative. It is vital that we protect it and support it through any changes and evolving practices. While the establishment of the task force is most welcome, we must not forget to celebrate the industry's success, because it is truly a Scottish success story.

10:49

**Sarah Boyack (Edinburgh Central) (Lab):** I welcome the debate. As an Edinburgh MSP, I want to say how important the issue is for the city of Edinburgh, the Lothians and the Scottish economy. There are many jobs in banking and financial services, but those sectors also support a huge number of indirect support services across the city, for example in catering and legal services. Important sectors in the city will be damaged if there are problems in banking and financial services, so I welcome today's focus on the jobs task force for the financial sector.

The support that we gave yesterday for increasing investment in partnership action for continuing employment is crucial, as is our support for modern apprenticeships. Although Edinburgh has a strong labour force and a good set of skills, we must ensure that there is reinvestment for the future so that, when new opportunities come, we can seize the day and make the most of them.

Alongside the specific issue of financial services jobs sits the crucial issue of financial services investment and what the lack of confidence is doing to development in the city. There are real concerns across the country, not just in Edinburgh, that major construction developments are now not going ahead. Our last briefing from the City of Edinburgh Council focused on that issue. In the past couple of weeks, three major announcements

have been made, one of which was about a development in my constituency—the huge Royal Bank of Scotland development in Fountainbridge has been stopped completely. There has also been an announcement about the Shawfair Project which, as a lecturer in town planning more than a decade ago, I was able to use the Shawfair project as a student project for more than five years. For the project to fall back after it had finally reached the development stage is a major setback for the economy of the Lothians and the south of Scotland. We should also not forget the restructuring of the Granton project. All those big projects had the capacity to provide more than 10,000 new houses, which would have been crucial for the financial services sector because people need to be able to afford to stay in the city.

There is a real issue for the city's wider economy so, while I support the motion and amendments, I hope that ministers will also focus on it. We need banks to continue to lend, and I ask ministers to tell us what they have done to help financial services jobs and how they have focused on the construction industry and the wider Edinburgh economy. In particular, will they focus on the £10 million that was allocated to accelerated house purchasing in the private sector? That £10 million was allocated to the whole of Scotland, but Edinburgh will now not get the 10,000 houses that it needs in the short term.

Good things are happening. Statistics show that financial sector employment has gone up during the past year. It is a very small increase—only 0.5 per cent—but banking employment is down by 1.9 per cent and is 8.5 per cent lower than it was at its high point in 2007. We have not seen the massive shake-out that we talked about in the previous parliamentary debate on the subject, but restructuring is clearly happening. John Park told us about his discussions with senior representatives from the banking industry, and we know from the trade unions that discussions are taking place.

We need talks on how to get positive support from the Scottish Government for training and apprenticeships alongside support for restructuring that creates jobs and finds opportunities for those already in the skilled sector in Edinburgh and the Lothians. We need to consider how to support the wider economy through incredibly difficult economic times, and we must consider the impact on jobs in the city. There is a relationship between the financial sector and construction, catering, hospitality and theatres, and we need to take a joined-up approach.

I support short-term action on financial service sector jobs, but I urge that it be linked to the wider economy so that we take a joined-up approach on the issue.

10:53

**Ian McKee (Lothians) (SNP):** It is with great pleasure that I rise to speak in support of the forward-looking initiative of the Liberal Democrats. In fact, I wish to allude to them and apologise to the chamber. For some time now, I have castigated various Liberal Democrat members as being foolish, misguided, intemperate, disorganised, confused and vapid, whereas I now realise that they are wise, scholarly, dependable and an example to us all. I hope that they will take my effort to make amends in the spirit in which it is intended.

As Angela Constance said, the financial services industry accounts for up to one in 10 of all Scottish jobs. About 100,000 people are employed directly by it, and another 100,000 work in support services. Many of those jobs are concentrated in my constituency: in 2008, five Edinburgh financial institutions employed 27,832 staff between them. The total figure for Edinburgh and the Lothians is about 40,000, although the figure is difficult to obtain with accuracy because some firms classify financial workers as computer operators, while others pay staff from outside Scotland and hence categorise those employees as being based elsewhere. That is why I have concerns about the value of the Conservative amendment.

According to the Scottish Government's 2006 annual business inquiry, a massive 31 per cent of all jobs in the city of Edinburgh were in banking, finance or insurance. Members may feel that that is a particular problem only for Edinburgh, but Edinburgh financial services account for 7 per cent of the entire Scottish gross domestic product.

Whatever the precise figure, there is no doubt that significant job losses in the industry will have a catastrophic effect on a city with a population of only 500,000 and a hinterland of about 300,000 more. The effect will not be solely in that sector. As Sarah Boyack pointed out, restaurant workers, taxi drivers, pubs and clubs, holiday firms, shops and a range of service industries will feel the pressure—less work means less profit and less employment. Edinburgh is facing hard times; it is sitting on an unemployment time bomb, the like of which it has never previously experienced.

There are some who point to the merger of the Royal Bank of Scotland with NatWest—when the joint workforce shrank by only 15 per cent—to illustrate that the potential job losses may not be as great as initially feared. Let us hope that they are right. However, there is a world of difference between job losses due to a merger when the financial sector in general is booming and those lost in mergers and downsizing when the entire banking system seems to be in meltdown. NatWest had few branches in Scotland, but the same is not the case for Lloyds TSB. The branch

employees of Lloyds TSB and HBOS have cause for concern.

We in Edinburgh and the Lothians particularly welcome the initiative to establish a financial services task force to mitigate some of the harm that might be around the corner. No one can doubt that our banks have been badly mismanaged over the years. Combined with a global recession, that mismanagement has created a perfect storm in the Edinburgh and Scottish financial sector. However, the staff in that sector are well trained, enthusiastic and intelligent. If they become victims of the storm, they will be a tremendous resource for future employers.

One day, the recession will be over, and we will still need banks, insurance companies and ancillary organisations. Let us hope that the task force can come up with the policies to conserve and protect that talent so that it can again be put to use in the new financial industries that emerge from this mess. I wish the task force well.

10:58

**David Whitton (Strathkelvin and Bearsden) (Lab):** Like yesterday's budget debate, in which only two members voted against the motion, this is one of those rare occasions on which the whole Parliament comes together.

As is well known, during the budget negotiations, the Labour Party argued strongly for modern apprenticeship places and further investment in the PACE programme. PACE stands for partnership action for continuing employment, and it is called that for a good reason. The task of those who are engaged in PACE is not to ensure that anyone who faces redundancy does not lose their job but to encourage them to get training or find alternative employment.

As other members have put it eloquently, we face large job losses in the financial sector. That is concerning, but it is one of the main reasons why Labour argued for an increase in the PACE money. A key way to ensure that people secure continuing employment is for employers to tell the Government early enough of their intentions. The banks that face job losses should be encouraged to get in touch with the Scottish Government at an early stage and outline their proposals not just to the Government but to the workforce.

There are many people around Scotland in the financial sector who are worried about the future—and rightly so—but they could be helped a lot more if discussions with PACE were encouraged. That fact applies particularly to the Lloyds Banking Group, which has massive duplication. I think that I am right in saying that there are branches of both Lloyds TSB and HBOS in 150 towns throughout Scotland. That is certainly the case in Kirkintilloch,

in my constituency. In one section of the Cowgate, the Bank of Scotland sits next door to the Clydesdale Bank, which is next door to the Royal Bank of Scotland. Two spots further along is Lloyds TSB. The Lloyds TSB branch and the Bank of Scotland branch will not both survive—one of them will close. Although they do not employ large numbers of people, to lose those jobs from a town the size of Kirkintilloch would have the same effect as the one referred to by Dr McKee, albeit on a smaller scale.

**Jeremy Purvis:** Will the member be honest with his constituents and tell them that he actively encouraged the merger between Lloyds TSB and HBOS?

**David Whitton:** I thought that this was an occasion on which members would speak as one. There is no reason why Lloyds TSB and HBOS should not have come together. It was the right thing to do in the circumstances. The UK Government is to be commended for its investment to enable jobs in those banks, such as they are, to be saved. I do not share Mr Purvis's rather narrow view.

I welcome Mr Mather's announcement that there is to be a task force and that the issue will come up at the next meeting of FISAB and at the FSE dinner on 16 March. All of those steps should be welcomed.

I pay particular attention to the message from Bill Jamieson, *The Scotsman's* esteemed financial commentator, who yesterday published a seven-point plan for the new chairman of the Royal Bank of Scotland. The key point was confidence: he stressed that the new chairman should be open and honest with his workforce and should bring them into the deliberations in the bank. By the new chairman taking staff with him, the Royal Bank would be restored to the position that it previously enjoyed.

It is not all doom and gloom. Other members have mentioned the wide variety of sectors in financial services in Scotland, some of which are doing better than banking. There are places for people who will be displaced by the banking crisis. We should do all that we can to ensure that the impact of the downturn is mitigated as much as possible. I welcome the Liberal motion.

**The Deputy Presiding Officer (Alasdair Morgan):** We move to the wind-up speeches. Time is on members' side.

11:02

**Gavin Brown (Lothians) (Con):** Well, in that case—

The Lib Dem proposition is a pragmatic one for an industry that has for some time been the jewel

in Scotland's crown. I welcome the move away from what was initially a banking sector task force, as outlined by the Liberals, to a financial services sector task force. That is important, because about 45 per cent of the jobs in the financial sector are non-banking jobs. Scotland is strong on life and pensions, general insurance and asset and investment management. Those sectors could also face tough times, so it is important to consider the financial sector as opposed to simply the banking sector.

Labour members have said that they will support the Conservative amendment. We welcome that backing and will support their amendment too. Dr McKee did not think that there was much point in the Conservative amendment, but I shall explain why it is important. If ministers report back to Parliament on the number of jobs in the financial sector, it will allow all members to see the reality on the ground, and if we use one consistent measurement, we will be able to see the trends and changes.

There is big inconsistency in how jobs are measured at the moment: Dr McKee talked about a figure of 86,000 jobs, which comes from "The Strategy for the Financial Services Industry in Scotland 2008 Annual Report", yet his own minister, in the same debate, has talked about 91,000 jobs and Scottish Financial Enterprise's website mentions a figure of 100,000. There is a disparity of 14,000. Only one of the three figures can be right, which is why our amendment is phrased as it is. I do not know which figure is right, but if we have one consistent way of measuring what is happening on the ground, we will be able to see what is going on and take action.

**Ian McKee:** My point was not about the people who collect the figures but about the people who provide them. I have it on good authority that various firms change their habits from year to year. For example, the financial services figures for Edinburgh show a decline of about 25 per cent between 2003 and 2007, yet no one in Edinburgh noticed a 25 per cent loss of jobs in the sector or a diminution in the economy—it was simply that the firms changed their ways of reporting. The people who collect the figures cannot check how the firms are reporting because of confidentiality issues.

**Gavin Brown:** Dr McKee makes a fair point. The way in which the figures were collected changed between 2002 and 2006, but that only underlines the importance of our amendment. We must have one clear and consistent way of reporting the figures. Whichever measure the Government and FISAB choose to use is fine as long as it is consistent and the companies that collect the data do not change their methods over the course of their reporting to the Parliament. I agree with Dr McKee that such changes have

been a problem, which is why our amendment is even more important today than it would have been in the past.

It is also important to talk about direct and indirect jobs. The Scottish Financial Enterprise figures refer to 100,000 direct jobs in Scotland and almost 100,000 indirect jobs. Obviously, there is a symbiotic relationship between the two figures, with one having a clear effect on the other.

The strengths of the proposal for the task force are many and varied. Having an existing body—particularly a well-respected body such as FiSAB—look at the issue will command support in the chamber, especially given the fact that FiSAB consists of a range of stakeholders including industry representatives, Government, academia and the unions.

The minutes of FiSAB meetings reveal that there is also a group called the financial services implementation group—FiSIG—which reports to FiSAB on strategy. It used to have a skills delivery group, but it completed its work and is not currently operating. That group looked into skills and may be able to use its knowledge to provide good insight. One of the proposals from FiSIG, back in September before the storm really hit, was that we should have a careers-focused financial services week. That was a sensible idea then, and it seems even more sensible now.

I was not trying to catch Mr Purvis out earlier; I was genuinely interested to know whether discussions have taken place. There are some serious big hitters in FiSAB, and I am keen to know their view on the proposal. Do they think that it is meaningful? What do they think that they can realistically give to the project in terms of their time and so on? What can they realistically do? If we set realistic aims and remain focused, it could make a difference. If what is resolved by Parliament today can provide a degree of help, it is certainly worth it.

11:08

**John Park:** I welcome the consensus that we have achieved in the debate this morning. I particularly welcome Gavin Brown's and Derek Brownlee's comments about the role of the trade unions—I feel a leaflet coming on. Something political might come out of the tone that we have heard over the past week, which would do us a world of good.

As members have said, there is a lot of information out there and it will be some time before we know what impact the financial crisis will have on the size, shape and focus of Scotland's financial services industry in the future. Our financial services sector contributes about £7 billion a year in gross domestic product and grew

by 96 per cent—it almost doubled—between 1998 and 2007. That is quite a frightening figure. In addition, the sector in Scotland accounted for 8 per cent of the total employment in the financial services sector in the United Kingdom with, as Gavin Brown said, life assurance and pensions in Scotland accounting for 19 per cent of all employment in those areas throughout the United Kingdom. Those figures give a stark indication of the sector's contribution to Scotland. We should not lose sight of that.

Jeremy Purvis made some good points in highlighting significant figures concerning liabilities and the strategy that has brought us to where we are. We are only now beginning to understand how the problems arose. Behind those figures are communities and workers who have benefited from the financial services sector. Today's debate is about how we can help them.

People, especially in mid-Scotland and Fife, will recall how, in the late 1980s and early 1990s, a great number of companies started up—Visa call centres and financial services call centres—which took up the slack from other areas of the economy in which people were losing their jobs, such as the defence sector. They allowed women, in particular, to work for the first time on a part-time basis so that they could contribute to their families' finances in a way that they had been unable to do in the past. Those call centres now contribute significantly to employment in Scotland, so people will be genuinely concerned about their future. Taken together as the sum of the parts they make a huge contribution to those families and their communities, which is again something that we must not lose sight of.

When the call centres were being developed, people liked the sound of a Scottish or Irish accent; however, we have since seen changes in the approach to delivery of such services, including the offshoring of jobs and the automation of services. The reality is that cost is a huge factor to those companies, and it will be a huge factor in how the sector is restructured.

I would appreciate some detail from the cabinet secretary about what is going to happen at the meeting next week. How are things going to be structured and how will the matter be raised? What is likely to come out of that meeting? We have heard some good suggestions today, especially from Gavin Brown.

My colleagues David Whitton and Sarah Boyack spoke about the importance to the sector of skills and apprenticeships, and everyone knows my interest in those areas. The skills summit that was announced yesterday by the cabinet secretary as part of the budget will consider how we can increase the number of apprenticeships. We might also want to get financial services companies and

banks to look into that. People who are involved in developing skills in the sector say that there has been less emphasis on banking skills, so perhaps we could consider apprenticeships in banking as a way to improve the skills in the sector in the longer term and to restore some confidence in the banking sector, which is what the wider public would like to see.

I will conclude on the implications of offshoring jobs, which has not been mentioned so far. We have had an interesting week in which people have been on strike throughout the country because of concerns about their employment and because of wider concerns about overseas workers. That has been driven by fear. We will face the same issue in the financial services sector if jobs in that sector move overseas. In the current economic situation, people are scared of losing their employment; they are frightened about what that would mean for their quality of life and for their families and communities. We must bear that in mind.

I have enjoyed today's debate. The speeches have been good, and the issues that have been raised are relevant to the concerns and needs of the people outside Parliament.

11:13

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** Margaret Smith and I have come to an arrangement about the remainder of the speaking time. I will leave it as a surprise for members to discover what the balance will be for the next 25 minutes.

**Jeremy Purvis:** Sit down now.

**John Swinney:** I do not think that that remark from Mr Purvis is in the spirit of consensus. I shall allow him to think about it for a little longer.

The debate has been productive and consensual, with the only discordant note being struck by Helen Eadie in her assault on the Liberal Democrats for what she believes they are doing to obstruct development of the financial services sector in Fife. That apart, it has been an excellent debate—we have managed to achieve consensus even in a debate in which David Whitton has taken part. That, in my opinion, is a minor miracle.

As part of my week-long crusade to build further consensus, I am able to share with Parliament the fact that another point of Labour's 15-point plan will be progressed. Point 9 of that 15-point plan is a request that the Government act immediately to recruit representatives from Her Majesty's Treasury and the Financial Services Authority to the Financial Services Advisory Board. I have to say to the Labour Party that the Treasury has, for a long time, been a member of the FiSAB

organisation, and we appreciate the attendance of its representatives at the board meetings. At the meeting of FiSAB in September, we approved recommendations that we invite the Bank of England and the Financial Services Authority to take part, and with the same adviser status as the Treasury. Another point down, a couple more to go.

Gavin Brown noted the importance of data, as does the Conservative amendment. It is important that we have absolutely robust data that we all understand and share. The data that the Government has published and which inform our thinking on the financial services sector indicate that employment in the financial services sector in Scotland stood at 91,600 in 2007. Banking accounted for 54 per cent of that employment, which highlights the scale of the issue and the dependence on the banking sector. Obviously, the recent issues around the performance of the Royal Bank of Scotland and the merger of HBOS and Lloyds TSB raise substantial uncertainties in that respect. The life and pensions sector accounts for 15 per cent of employment, asset management accounts for 13 per cent, intermediation accounts for 12 per cent and general insurance accounts for 6 per cent.

None of us can predict what will happen in the sector. However, it is worth noting that Aegon UK's acquisition of Scottish Equitable resulted in employment growth in Scottish Equitable over the years. Similarly, the organisation that I used to work for, Scottish Amicable, was acquired by Prudential, and there are now more people employed in Scotland by that organisation than was the case beforehand. Of course, we have to be careful about the quality of that employment and we must ensure that the jobs are at a level of managerial and professional expertise that is consistent with those that existed previously, but the point is that acquisitions do not necessarily lead to employment loss. We have to be concerned that it might, however, which is why the proposal in the Liberal Democrats' motion extremely relevant.

On Gavin Brown's point about the strength of the statistics that we use, I say that the Government takes that seriously and will advance the research that is required to ensure that we have strong statistics.

**David Whitton:** I have mentioned offshoring of jobs before, and John Park mentioned it in his speech. Has the cabinet secretary raised it with the officials of the banks with which he has had discussions?

**John Swinney:** Offshoring of jobs is of concern to the Government, and we have raised it in our general discussions with the financial services sector. Obviously, we will continue to maintain a

presence in that respect. There is substantial evidence to suggest, as Mr Park said, that some offshoring activity has been unproductive in terms of the quality of customer service. It might look good on a balance sheet, but if the quality of service does not meet customers' expectations, there is a penalty to pay. Mr Whitton's point is a fair one, and the Government will take it forward.

I want to speak about how the Liberal Democrats' proposals for FiSAB could fit into the infrastructure and architecture that we have in place for our dialogue with the financial services sector. As Mr Purvis said, FiSAB was launched in 2005 as a pioneering collaboration between the financial services industry, trade unions—which are fully involved in FiSAB—the Scottish Government, Scottish Enterprise and Universities Scotland. It is the custodian and the advocate of the strategy for the financial services industry in Scotland. I pay tribute to the previous Administration for establishing FiSAB, which is an important forum for dialogue between Government and industry. The SNP supported it in opposition and has taken it forward in government.

FiSIG—to which Mr Brown referred—was established at the same time as FiSAB. Its members come from governmental, trade union and industry organisations such as Unite the Union, Scottish Financial Enterprise and the Financial Services Skills Council. FiSIG meets every two months, so the criticism that we have somehow not had enough meetings on this subject is slightly wide of the mark. Although FiSAB last met in September, and meets again next Tuesday, FiSIG has been taking forward the operational priorities that FiSAB has established.

The First Minister has discussed with John Campbell, the chair of Scottish Financial Enterprise and the industry deputy chair of FiSAB, the proposal to establish a financial services jobs task force. Mr Campbell is fully supportive of the suggestion that that should be set up within the existing FiSAB arrangements, and ministers will develop that at the meeting of FiSAB on Tuesday. That gives us the opportunity to fully integrate the working of the financial services task force into the operations of FiSAB, to ensure the strategic direction of the industry and its workings, to implement those priorities through FiSIG and to undertake any additional activity that will be required to fulfil the aims of the financial services jobs task force.

**Jeremy Purvis:** Does the cabinet secretary accept that there might be a new role for the public sector? If the people who are leaving the financial sector with considerable skills could be recruited by the public sector, that could be of considerable benefit to public sector agencies. That might also provide Government with a different role in this

situation, in not looking purely at the private sector.

**John Swinney:** That is a fair point, which also fits into the line of argument that we were advancing in the discussions around PACE yesterday. We are all agreed about what should be done in the circumstances. If there is employment loss, the first and best thing to do is to try to redeploy. There may well be opportunities for the public sector to absorb some of the skilled people that Mr Purvis mentions.

On trade union involvement, a few weeks ago John Park asked the First Minister to meet Unite to discuss the social charter. On Tuesday, after the FiSAB meeting, the First Minister will meet Rob MacGregor of Unite to discuss the very point that Mr Park raised.

I assure Parliament of the Government's willingness, along with the various organisations that work in this area, to ensure that we progress the issues in our proactive financial services strategy and those that are being raised by the circumstances that we now face.

Sarah Boyack and Angela Constance asked me to set out some of the work that the Government is undertaking to provide support for the financial services sector and expansion of opportunities in the Scottish economy. Angela Constance made a number of points about the implications of the recent developments in the industry for her Livingston constituency, and the importance of supporting jobs in that area. Sarah Boyack spoke in similar terms about Edinburgh—I am sure that Margaret Smith will say more on that matter, given that she represents Edinburgh West, which has a substantial amount of financial services organisations headquartered around the Gyle and Edinburgh Park.

We are working to ensure that the sector is well supported. We recognise the importance of the skills agenda, which is why it is at the heart of what we do. We also recognise Sarah Boyack's fair point that, in the current economic climate, some commercial developments will not proceed—not just in the financial services sector, but elsewhere—because it will be impossible to borrow the money or there will not be enough confidence in the markets. That is part of the general economic conditions, which the Government will, in collaboration with the United Kingdom Government, work to try to address.

This morning, we had some welcome news on the availability of finance in the markets with the Royal Bank of Scotland's announcement that it is making available £250 million of additional funding to small and medium-sized companies in Scotland as part of the UK-wide £3 billion package. The Government welcomes that. We have already

engaged in dialogue with the United Kingdom Government about other issues of access to finance. Mr Mather was involved in the launch and roll-out of the measures that Lord Mandelson announced in January, and the Government is actively promoting those opportunities throughout the marketplace in Scotland.

I have been in regular correspondence with the Chancellor of the Exchequer to offer the Scottish Government's assistance, co-operation and willingness to work with the UK Government through UK Financial Investments Ltd, which is the organisation that manages the Government's shareholding in the banks. We seek to ensure that the genuinely and generally held opinion within the Parliament—that we should ensure that the investment and support that the banking sector has been given from the public purse percolates through the economy to the people whom we represent, who are facing tough times in relation to financial issues and arrangements with the banks—is properly reflected and that we get access to a climate in which the banks can lend again.

I know the importance of that from my constituency experience. I had a conversation on Friday with a company in my constituency that is finding it extremely difficult to find its way through its workings with the bank and to secure appropriate lending. If that is the case in my constituency, it will be the case around the country. We will act on that material issue as part of the Government's economic recovery programme, and I will discuss the issues further with the banks. I have already been in contact with them on that subject, but we will reiterate the messages.

The Government develops many of its interventions in the financial services sector through collaboration between our officials and the sector-specific teams in Scottish Enterprise and Scottish Development International, and there are exceptionally close ties between those organisations and the industry. I am sure that that will give members confidence that we are in a position to maximise the opportunities to ensure that we withstand the difficulties of the economic climate and secure the forward planning that will lead to investment in the financial services sector.

It is understandable that much of the debate has focused on the unease and anxiety that exists around the financial services sector, but I caution members that it is not all doom and gloom. There are difficulties, but there are also announcements of expansion. Adjacent to my constituency—in my colleague Roseanna Cunningham's constituency—in the city of Perth, Norwich Union has set out an agenda of development and expansion. That is significant, because general

insurance has not been a predominant sector in Scotland; we have been more predominant in the banking, life and pensions sectors. Norwich Union has activities in Bishopbriggs, in Mr Whitton's constituency, and we welcome that.

In addition, Aberdeen Asset Management announced at the end of last year that it will become Britain's biggest independent fund manager after a £250 million deal to acquire the majority of the global fund management business of Credit Suisse.

We have many jewels in the crown of our industry. At the same time as we have had difficult news around some of the banks, some of our life and pensions companies continue to make significant contributions to employment growth and the economy. We welcome that. The Government will support the industry, and the suggestion from the Liberal Democrats will be taken forward as part of that activity.

11:29

**Margaret Smith (Edinburgh West) (LD):** We have had a good debate this morning. I welcome the general agreement about the pragmatic suggestion from the Liberal Democrats. The support of members throughout the chamber is much to be welcomed. It is a recognition of the seriousness of the situation that we face. We all face an uncertain future in the recession, but the people at the forefront of our minds today are those who work in the finance sector, for whom this is a particularly uncertain time.

I welcome the helpful contributions of the Cabinet Secretary for Finance and Sustainable Growth. In his closing remarks, he brought us up to speed with some of the partnership working that is going on with the Treasury, which is also much to be welcomed.

The debate has been quite consensual, although John Park should not worry too much about consensus breaking out everywhere while we have Helen Eadie on the back benches. Thank goodness for the words of wisdom that were spoken by Ian McKee and others.

As the cabinet secretary said, my Edinburgh West constituency includes the global headquarters of the Royal Bank of Scotland and a variety of other banks and life and pensions offices at the Gyle, Edinburgh Park and elsewhere. For the past decade, those companies have been instrumental and fundamental in building the growth and success of the city. In Scotland as a whole, there has been 96 per cent growth in the financial sector in that time. Many members made the point that, although the sector has been at the root of much of the success of the city and of

Scotland in the past years, challenges arise with overreliance on any particular sector.

Some months ago, I was asked to speak at an event in my constituency about the importance of volunteering. I was introduced to a new citizens advice bureau volunteer, who told me that he had taken early retirement from a bank and was giving debt advice to local residents. He said that he was doing what he originally did at the bank, which was to give his customers advice about how they could avoid getting into debt and how they could get out of it. By the time he left the bank, that had turned around and his job was to contribute to getting people into debt through more and more credit, and keeping them there.

It seems to me that what that volunteer said encapsulates what our banking system has lost: it has lost trust, it has lost reputation, and it has lost its way. Radical measures are called for so that we can return our banking and finance sector to the position that it once held, and restore the public confidence that it once had. As a Parliament, we have only some levers to assist with that. Our suggestion today is one of the many ways in which Parliament and the Government can assist, but Sarah Boyack was right to focus on the importance of restoring confidence in the sector and, indeed, in the city that she and I represent.

The banks have a real responsibility. I agree with John McFall's comments from this morning, in which he condemned any bank that pays out large bonuses to bank executives courtesy of taxpayers, as if it is business as usual and nothing has changed.

It is estimated—depending on whom we listen to—that in Edinburgh 35,000 people are directly employed by the finance sector and a further 56,000 jobs are indirectly affected, including jobs in legal companies, advertising, independent schools, construction and a variety of retail and service industries. That is 27 per cent of the capital's workforce. Many of those people are my constituents; all of them are worried for the future of their jobs. Edinburgh is collectively holding its breath. People are concerned about the even wider ramifications of job losses on the city's council services, on support for the cultural and voluntary sectors, and on the city's international reputation, which has long been associated with finance.

Our reliance on the sector means that the loss of jobs and HQ functions will hit us hard, although I must note, as other members have, that there have been fewer job losses than we feared, and that the losses have been focused on the construction industry. There have been indirect job losses rather than direct ones, but we will have to look to the future to see how that pans out.

**David Whitton:** I appreciate the points that Margaret Smith is making, as her area covers a large section of the financial services industry. Does she recognise—I am sure she does—that the whole of Scotland has been affected and that Glasgow has a financial services district that contains offices of many of the companies that she is talking about?

**Margaret Smith:** David Whitton has mentioned what I was coming to.

I agree with the City of Edinburgh Council's head of city development that diversification is reasonable to ensure that we are not again so exposed to a downturn in one sector, and that our main focus now must be on protecting as many jobs as we can in Edinburgh, Glasgow, Perth and throughout Scotland. So far, the restructuring has been less dynamic than was feared, but we should not underestimate the concern that exists, or what might happen.

We all know a lot of people in our constituencies, as well as the people who work in the finance industry, who have been badly affected by what has unfolded; for example, staff who have put their bonuses into shares, shareholders and pension holders. A range of people who do not have money available to spend have been badly affected, which also has an impact on our economy.

It is clear that the finance sector is so important to Scotland's economy that we must do all we can to support and maintain jobs in it. As we have heard, about 90,000 jobs throughout Scotland are directly affected. Therefore, I welcome the Government's decision to accept the Liberal Democrats' suggestion on a finance sector jobs task force and Parliament's support for it. Given that FiSAB is already in operation, it makes sense to charge it with taking on that important task. I know that the Government will make a strong case for setting up the task force when FiSAB meets next week, and I welcome the comments that John Campbell has made. I also welcome the fact that Jim Mather and John Swinney have agreed that the task force should meet regularly. It should not be a talking shop; rather, it should focus on the problems and act.

Labour's amendment is reasonable—we totally accept John Park's point about the importance of trade union representation on the body. We also think that it would be useful if colleges and local authorities were represented on it. Like David Whitton, I welcome the comments that the cabinet secretary made yesterday on extra money for PACE. There will undoubtedly be a number of relevant issues to be considered in trying to make available relevant skills training and retraining opportunities. A highly trained work force might go into new and emerging sectors such as the life

sciences sector or green jobs. Gavin Brown made a good point about previous work that FiSIG has undertaken and the part that it might be able to play.

The City of Edinburgh Council has already set up a cross-party group to consider the impact on the city, and a high-level group involving SDI, Scottish Enterprise and the Scottish financial sector has been set up to provide a fast interagency response as the situation develops. I am sure that the other councils that are most affected will be doing something similar. Given the different circumstances, it might be useful for individual councils as well as the Convention of Scottish Local Authorities to take a direct part in the discussions.

Councils already face significant pressures as a result of the credit crunch. They may have already seen reductions in capital receipts because of developments—such as that at Fountainbridge which Sarah Boyack mentioned, which had a council component through EDI—not going ahead and they may experience greater demands for their services. I think that there will be an impact.

In Edinburgh, one of our major concerns is obviously the lack of affordable housing. In my constituency, up to 400 people can be bidding for a single council house, which is a major problem. If people lose jobs, they will lose their houses, and there will be even more strain on an already acute situation. That is why I support the council's recent request to the Government for funding for council-house building. I ask the Government to consider the opportunities that exist to acquire 1,000 off-the-shelf homes from developers in Edinburgh.

This is a difficult time for the sector and the general economic news is not good, but we should not lose sight of the fact that almost half of Scotland's finance companies remain optimistic or very optimistic about their future, and that 20 per cent plan to recruit. The figures are down from those of previous years, but it is important that we do not lose sight of the fact that all is not doom and gloom. Announcements such as have been made by the Royal Bank of Scotland today will be welcome to businesses in our constituencies, which know that the big issue for them right now is access to funds to help cash flows, so that they can hold on to jobs and work their way out of difficulties and recession.

The Centre for Cities research group has given Edinburgh an amber risk rating for job losses, but it is worth noting that it also reported that the city is in a good position because of its strong employment rates, wide range of industries and highly skilled population. That could be said about other places as well.

It is not our job to talk down the finance industry and those who work in it.

**The Presiding Officer (Alex Fergusson):** You must close now, please.

**Margaret Smith:** Our job is to support those who work in the finance industry. I welcome the speeches and comments that have been made today.

## Question Time

### SCOTTISH EXECUTIVE

#### General Questions

11:40

#### **Act of Settlement 1701 (Scottish Government Policy)**

**1. Christine Grahame (South of Scotland) (SNP):** To ask the Scottish Government whether reported comments by an official spokesperson for the First Minister in relation to the Act of Settlement 1701 reflect Scottish Government policy and, if so, what representations it has made to the United Kingdom Government. (S3O-5831)

**The Minister for Community Safety (Fergus Ewing):** The First Minister and the Government have made it clear that the Act of Settlement is discriminatory and that it should be repealed. On 26 March 2008, the First Minister wrote to the Secretary of State for Justice, Jack Straw, to make clear the Government's support for its repeal. The Parliament's unanimous support in 1999 for a motion on the repeal of the Act of Settlement makes it clear that the issue cuts across political boundaries.

**Christine Grahame:** In light of the minister's full response, I ask him to continue his endeavours to accelerate matters, as the issue has been debated for a very long time. I see the Minister for Environment, Mike Russell, in the chamber. He was the first to raise the issue in Parliament. Does the minister agree that there is dismay at the lack of progress on the matter at Westminster, despite kind words?

**Fergus Ewing:** I well remember listening to a slightly younger Mike Russell in 1999, when he spoke to and moved motion S1M-117, which stated:

"That the Parliament believes that the discrimination contained in the Act of Settlement has no place in our modern society, expresses its wish that those discriminatory aspects of the Act be repealed, and affirms its view that Scottish society must not disbar participation in any aspect of our national life on the grounds of religion."

I cannot improve on the words of Michael Russell.

#### **Cashback for Communities (Football Clubs)**

**2. Michael Matheson (Falkirk West) (SNP):** To ask the Scottish Government whether it will consider extending the range of football clubs that can benefit from the cashback for communities programme. (S3O-5836)

**The Cabinet Secretary for Justice (Kenny MacAskill):** We have already invested £2.5 million of cashback for communities funding, which is money straight out of the pockets of gangsters, in a significant programme of football activities. That funding is now giving thousands of young people more choices and chances. I will shortly announce how we will invest a further £2 million in sporting facilities that are aimed primarily at football. Every non-professional football club in Scotland was given the chance to bid for a share of that money, and I expect to see a great many clubs throughout Scotland benefiting from that significant investment.

**Michael Matheson:** The cabinet secretary will be aware of the valuable role that Stenhousemuir Football Club plays in providing access to sports facilities in my constituency. Between 3,000 and 4,000 youngsters use its facilities each week. However, it is prevented from bidding for money from the current cashback for communities programme. Will the cabinet secretary consider allowing small community-based clubs in Scotland to bid for money from that programme in order to enhance their facilities? That would benefit the wider community.

**Kenny MacAskill:** I thank Michael Matheson for bringing the matter to my attention. Obviously, I have seen the good work that is being done at Stenhousemuir.

The criteria that we set for the sporting facilities fund were considered for non-professional clubs. I recognise that something is askew. Although Stenhousemuir also acts as a community club, it is classified as a professional club and is thus precluded from applying for funding. I give the member an undertaking that we will seek to review the matter. It is clear that professional clubs that are multimillion pound organisations do not deserve the same level of public support as smaller clubs do. Such clubs doubtless have ambitions, but perhaps they are more restricted or less global. We accept that Stenhousemuir is doing good work and we will seek to try to address the issue in future funding.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** The cabinet secretary will know that in the Borders and Midlothian amateur clubs have done excellent work with youth groups by taking advantage of the programme. I certainly do not oppose extending the programme to other clubs or facilities, but does he agree that there is value in sustaining support for clubs that have already received support and in allowing midnight football and other work to carry on into the future? Does he agree that sustainability should be at the heart of the funding programme?

**Kenny MacAskill:** Absolutely. The purpose of the cashback for communities programme is to

deal with a wide spectrum of matters. We have put in an initial tranche of money to support the development of football, for example in the midnight leagues, and we intend to extend another football programme to secondaries 2 and 3. Equally, we have put in money specifically for the girls game to try to ensure that girls continue into the women's game. We have also put money into the facilities fund. It is a question of balance. We are working with national organisations so that football schemes can be rolled out in all 32 local authority areas. Equally, we are trying to ensure that we grow the game in Scotland, perhaps from the bottom up, rather than concentrating on the success of a couple of clubs at the top.

### **Mass Market Microrenewables**

#### **3. Sarah Boyack (Edinburgh Central) (Lab):**

To ask the Scottish Executive what financial incentives it will bring forward for householders to stimulate a mass market for microrenewable technology and energy efficiency measures. (S3O-5780)

**The Minister for Enterprise, Energy and Tourism (Jim Mather):** In addition to the continued energy efficiency and microgeneration advice and grant support that are offered through our energy saving Scotland advice network, we have put forward new proposals for home insulation in our budget.

**Sarah Boyack:** Does the minister accept that existing microgeneration measures are not sufficient to deliver a mass market, given the obstacle of planning red tape? Does he have a date for the introduction of his much-delayed statutory instrument on permitted development rights? Is he aware that renewables companies are warning that they will have to make staff redundant because of the delays? Has he decided yet whether the guidelines will be based on sensible decibel levels rather than on arbitrary distance limits, which would rule out most housing in Scotland?

**Jim Mather:** The proposals will be laid before Parliament on Monday.

**Ian McKee (Lothians) (SNP):** What other, non-financial measures does the Government plan to introduce to improve the take-up of microrenewable technology and energy efficiency measures?

**Jim Mather:** Those measures include the work that we are doing with the Scottish Building Federation and others to identify a strategy for the sector. We have now run two full sessions with the construction sector and we are pushing it in that direction.

### **Tayside Police**

#### **4. Marlyn Glen (North East Scotland) (Lab):**

To ask the Scottish Executive when the Cabinet Secretary for Justice last met the chief constable of Tayside Police. (S3O-5789)

**The Cabinet Secretary for Justice (Kenny MacAskill):** I last met Chief Constable Kevin Mathieson on 28 October 2008, when we discussed recent developments within Tayside Police and a number of other police-related topics. We also met very briefly on 16 January 2009, when I opened a new forensic sciences teaching facility at the University of Abertay Dundee.

**Marlyn Glen:** Did the cabinet secretary also discuss the innovative and effective Tayside pilot that has brought medical practitioners into custody suites, under the responsibility of the national health service? Does he agree that that is an essential service for people with disabilities or for those who are on regular medication while they are in custody?

**Kenny MacAskill:** That particular matter was not discussed, but I am grateful to the member for drawing it to my attention. The Government takes the view that we need to ensure that agencies work together to try to solve the problem. Clearly, many people face difficulties and the police have difficulties dealing with them. If we ensure that all the organisations work together to achieve a solution to the problem, that is to be supported. I am more than happy to consider the issue further if the member wishes to make further representations on it. In the main, I am delighted that Chief Constable Mathieson is getting on and doing what is sensible.

**Andrew Welsh (Angus) (SNP):** In the cabinet secretary's talks with the chief constable of Tayside Police, was he made aware of the positive work that is being done in Angus, where the Arbroath task force, under the banner of operation Inchcape, is creating a highly visible police presence and working with the Arbroath community safety partnership and a range of other local people and organisations—including the national health service, community wardens and parents—to target and reduce youth crime, offending and drugs misuse? Will he consider that kind of joint, targeted, co-ordinated and highly visible strategy as a model that could be extended to elsewhere in Angus and nationally?

**Kenny MacAskill:** Again, that particular matter did not come up in my conversations, but I am aware of that on-going scheme. I am also aware that, for several years, Sheriff Stein has been extremely innovative in trying to resolve matters. The issue is about agencies working together to solve problems and to divert youngsters who are on the cusp of offending, but it is also about

ensuring that the police are there to deal with youngsters who offend and cause a nuisance in their communities. I am more than happy to consider the scheme in greater detail. I commend the good work of the chief constable of Tayside Police, the agencies with which he is collaborating and, in particular, Sheriff Stein, who for many years has been leading the charge.

**Dr Richard Simpson (Mid Scotland and Fife) (Lab):** When the cabinet secretary next meets the chief constable for Tayside Police or other chief constables, will he discuss the treatment of people with substance misuse problems in custody suites? There is still a problem with treatment being interrupted when people go into custody suites because treatments other than methadone are used.

**Kenny MacAskill:** I am more than happy to ensure that those matters are discussed. I discussed elements of substance abuse with Chief Constable Mathieson. I accept that there are difficulties and practical problems for the police, but there is no one simple solution that will resolve those. A lot depends on the nature of the police custody suite to which a person is taken—for example, whether it is in a large urban area with easy access to health service facilities. Given the interaction between drug abuse and offending, the problem is significant and must be considered. I certainly undertake to continue to have dialogue with the Association of Chief Police Officers in Scotland on the issue to try to ensure that our communities are made safer.

### Mortgage to Rent Scheme

**5. Mary Mulligan (Linlithgow) (Lab):** To ask the Scottish Executive what steps are being taken to implement the recommendations of the research, "Evaluation of the National Mortgage to Rent Scheme". (S3O-5807)

**The Minister for Communities and Sport (Stewart Maxwell):** As I announced on 21 January, the Scottish Government will revise the mortgage to rent scheme in light of the evaluation's recommendations and operational experience. The revised scheme will be open for applications from 16 March.

**Mary Mulligan:** The minister referred to his statement to the Parliament, in which he acknowledged that there are several challenges. Will he therefore say a little more about how the Scottish Government will ensure that there are sufficient landlords to meet demand; that we increase public awareness of the scheme; and that a framework is introduced for agreements between the Scottish Government and local authorities or housing association landlords?

**Stewart Maxwell:** We are making several of the changes that were recommended in the evaluation report. There were 23 recommendations, three of which were for the United Kingdom Government. Of the other 20, we have rejected only two outright—one because it would lead to increased bureaucracy for applicants, which we are trying to reduce, and the other because it would cause other difficulties. We will produce new advertising for the scheme to make people aware of the changes. We are raising awareness through the website and there will be a telephone helpline so that people can access information. We are speeding up the application process by allowing people to apply to the revised mortgage to rent scheme after three months of being in arrears, whereas at present they have to wait until a repossession order is sought for their property. All in all, the new scheme will provide a great deal of assistance to people throughout the country. We hope that about 600 people will be helped over two years.

### Marine Special Area of Conservation Designations

**6. Alasdair Allan (Western Isles) (SNP):** To ask the Scottish Government what it will do to respond to the views of fishermen and other local interests when dealing with the European Commission's proposals for marine special area of conservation designations in the Sound of Barra and near Mingulay. (S3O-5819)

**The Minister for Environment (Michael Russell):** I stress that, as the member knows, we are not yet at the proposal stage. I plan to meet local fishermen and representatives of the Barra and Vatersay community to hear their concerns on the potential designation of the two locations in the coming weeks. Under European rules, designation must be based on scientific evidence alone, but our professional advice is that, were the designation to come about, it would not interfere with responsible fishing activities. Scotland is rich in natural resources, which we need to protect for this and future generations, including the communities who rely on the marine environment for their living. The rights and responsibilities of communities and how they express those are very important.

**Alasdair Allan:** I thank the minister for the efforts that he is making on the issue. Will he agree to hold a meeting, perhaps by videolink, before the formal consultation opens, and to press home the argument that local fishing and commercial interests must be safeguarded? I will raise that argument with the European Commission on a trip to Brussels in the coming few days.

**Michael Russell:** I can do better than that—I can offer a physical presence as opposed to just a video presence, although some people might not think that that is a better offer. Seriously, I have said to the community that I am happy to hold a videoconference with the fishermen. I am also happy to visit Barra and will make arrangements to do so in the next few weeks.

As well as meeting the member repeatedly to discuss the issue, I have met Councillor Donald Manford, who has made strong representations on the matter, and have heard from the MP, Angus Brendan MacNeil. I very much believe that the views of the community on the matter are paramount. There is no consultation at present. I will talk to the community before any consultation takes place, should one come along. I hope that we can have a constructive discussion, both about democracy, which is extremely important, and about how the community can benefit from designation rather than see it as a burden.

**Jamie McGrigor (Highlands and Islands (Con)):** The minister might be aware that I initiated a members' business debate when a similar special area of conservation proposal for those areas emerged some years ago. That proposal was subsequently dropped. Does the minister agree that, although we must seek to protect features such as coral reefs, a total ban on all fishing would be disproportionate and would certainly not be justified by science? After all, the reefs in question have outlived many generations of fishermen. A ban on fishing would have serious financial implications for the already fragile economies of Barra, Vatersay, Eriskay and Uist.

**Michael Russell:** There is no question of a ban on fishing as a result of any such designation—I put that firmly on the record—but, as with all such issues worldwide, there is a question of balance. A balance must be struck between the national significance of the features that we are talking about and the socioeconomic interests of the community. As I have often said in public, it is a flaw of European legislation that socioeconomic issues are not germane when it comes to lodging objections to proposals. We need to have a balanced discussion.

I stress that there is no question of a ban on fishing or of an imposition on earning a livelihood in Barra or in the waters around Barra.

### Healthy Living Centres

**7. Karen Whitefield (Airdrie and Shotts (Lab)):** To ask the Scottish Executive what assistance it will provide to healthy living centres in the next year. (S3O-5815)

**The Minister for Public Health (Shona Robison):** The Cabinet Secretary for Health and

Wellbeing recently met the healthy living centre alliance and had a constructive discussion on the future of healthy living centres.

In the long term, we want to see effective healthy living centres continue their good work where that fits with local funders' assessment of people's needs and local service priorities. Some local funding decisions for 2009-10 have already been signalled. Further decisions will need to be determined now that the budget positions for 2009-10 have been resolved.

**Karen Whitefield:** I am grateful to the minister and to the cabinet secretary for their interest in the subject. Does the minister agree that healthy living centres have made a positive contribution to communities across Scotland, and that there is a need to guarantee long-term, sustainable funding to allow them to continue? Will she consider what funding could be made available to projects such as getting better together in Shotts to enable them to extend their services to other communities?

**Shona Robison:** I agree that healthy living centres make a positive contribution. We established a transition fund to give local partners time to consider long-term, sustainable funding. I am well aware of the excellent work that getting better together provides in Shotts and know that local partners are well ahead in their discussions to resolve the provision of sustainable funding for that project. I make the point that the transition fund that we established has allowed such discussions to take place. That is in marked contrast to the position under the previous Administration, when six healthy living centres were allowed to close. We have provided transition funding to enable those centres to have a future.

### Police and Firefighters' Pensions

**8. Christina McKelvie (Central Scotland) (SNP):** To ask the Scottish Government what support it has provided for police and firefighters' pensions. (S3O-5838)

**The Cabinet Secretary for Justice (Kenny MacAskill):** Police and fire pension costs are provided for within the local government settlement. However, we are making available an extra £32.8 million this year and £22.3 million in 2009-10 to meet the additional costs of changes in the commutation rates for police and fire officers.

In addition, we will provide an extra £20 million in 2009-10, and the local government family will contribute £20 million, to meet the additional pension costs that will arise from the increased number of retirals in that year.

That amounts to an extra £32.8 million in 2008-09 and £42.3 million in 2009-10. Together with the £20 million share from local government, that

brings the total extra funding available to £95 million.

**Christina McKelvie:** Does the cabinet secretary agree that it is right and proper that employers take cognisance of the behaviour of their employees, and of any criminal behaviour in particular? Does he agree that it is disgraceful that a convicted rapist is using legal aid to seek to restore his pension rights? Will he consider amending the legal aid rules?

**Kenny MacAskill:** I cannot amend legal aid rules, as they are dealt with by the Scottish Legal Aid Board, but I can tell the member that the Government is concerned about the matter. In a world of finite resources, and in which there is pressure on legal aid, we wish legal aid to go to those who have suffered great injustice, as opposed to those who have perpetrated injustice. I will discuss those matters with the chief executive of the Scottish Legal Aid Board.

## First Minister's Question Time

12:00

### First Minister (Engagements)

**1. Iain Gray (East Lothian) (Lab):** To ask the First Minister what engagements he has planned for the rest of the day. (S3F-1425)

**The First Minister (Alex Salmond):** Later today I have engagements to take forward the Government's programme for Scotland, which includes the implementation of the budget that was so resoundingly passed by virtually the entire Parliament yesterday.

**Iain Gray:** That is exactly what I would like to explore with the First Minister. Yesterday, the Parliament put aside political differences to pass the Budget (Scotland) (No 3) Bill. The money is in place, but what will the First Minister do to turn it into schools, hospitals, houses and jobs for construction workers?

**The First Minister:** Thankfully, because the Parliament passed the budget bill, we now have the opportunity to combat recession in Scotland. That will include, for example, the accelerated capital investment that will generate 5,000 jobs in Scotland; the accelerated capital for town centres around Scotland that will generate jobs in four figures; and—yes—the additional opportunities in training that will give young people in Scotland an opportunity. The Parliament and the Government will do everything within their power to combat recession in Scotland.

**Iain Gray:** I agree that the money is in place, but it is a matter of what is done with it. Despite the sound and the fury of the past week, we should not forget the Finance Committee's advice in its budget report that

"the Scottish Government should consider all available funding models"

for capital investment. We have waited two years for the Scottish Futures Trust, and it has built nothing. Will the First Minister now give up on it and get Scotland building?

**The First Minister:** There are record capital allocations in the budget, but with regard to the Labour Party's continuing love affair with private finance initiatives and public-private partnerships, I suggest that Mr Gray casts an eye at the headlines south of the border.

On 26 January, the Press Association said, "Recession halts billions worth of public projects" because of problems in PFI. *The Guardian* said, "Government may have to take on risk of PFI deals" and "deals may have to be underwritten", and the *Daily Express* said, "Crunch hits PFI".

If Iain Gray and the Labour Party genuinely want to give us the power to ensure that we can increase capital investment across the range of projects in Scotland, they should vote for the motion on borrowing powers at 5 o'clock.

**Iain Gray:** Professor John Kay said that the not-for-profit distribution method that the Scottish National Party dreamt up was "PFI with window dressing". There is no difference there at all—we should look back to before the recession.

I do not think that the First Minister understands his responsibility in this matter. Government figures for projects that are in the investment pipeline show that in 2007, under Labour, construction projects were worth £1.3 billion. Last year, under the SNP, that plummeted to £300 million. In one year, £1 billion worth of construction was lost to the Scottish economy, along with 20,000 jobs, while Mr Salmond fiddled with his futures trust.

In Scotland, the credit crunch comes on top of the Salmond slump. How many more jobs have to go before the Government wises up and starts building something?

**The First Minister:** Iain Gray is not particularly in command of his subject. Professor John Kay is one of the most long-standing and trenchant critics of PFI in the United Kingdom. The Government's capital budget is not £300 million; it is £3 billion injected into the Scottish economy year after year.

In the new atmosphere of consensus breaking out across the chamber, I tell Iain Gray that everyone has to contribute to it. I am afraid to say that in answer to Iain Gray on 8 January, I rather misled the chamber about the number of school projects that had been completed under this Administration. I said that it was 71, but I now understand that that was the figure for 2008. The real figure is actually 150 schools built or refurbished under this Administration.

**Iain Gray:** The First Minister does not seem to be in command of his Council of Economic Advisers—John Kay was criticising the Scottish Futures Trust. It is true that he was criticising PFI, but he was saying that the SFT is exactly the same as PFI. That £1 billion is the measure of the projects stopped by the SNP Government—supposed to be replaced by the Scottish Futures Trust, but not replaced by the Scottish Futures Trust.

The First Minister can bluster as much as he likes, but in the real world, Harry Frew of the construction workers union says that there is a crisis in the construction industry and that it is losing confidence in the SNP Government. In the real world, Michael Levack of the Scottish Building Federation agrees. He says that Scottish Government funds are

"taking far too long to get to the coalface. This year is going to be horrendous ... If we don't have the jobs coming forward we will lose more and more as the weeks go on."

Michael Levack is blaming this Government. That is the Salmond slump. When will the First Minister stop costing jobs and start creating them?

**The First Minister:** At some stage, the Labour Party had better understand its inescapable responsibility for the Downing Street downturn or the Brown recession—or maybe depression, as we have to call it after yesterday's Prime Minister's questions.

Serious points are coming out of the budget negotiations. One of the reasons why I applaud the decision of the vast majority of members of this Parliament to back the budget—the unity of the Parliament might at some point be reflected in the unity of the Labour Party—is that it focused attention on some of the key aspects that we must face as a Parliament, one of which is borrowing powers. If we are to combat a recession and reflate the economy, we need the power to borrow, as every other Government in the western world is doing.

The other aspect that came out of the budget negotiations and which I welcome is the realisation across most parties in the chamber that the basic threat to public expenditure in Scotland will be not in this coming year, the budget for which we have agreed, but in the year after that when £500 million in public cuts is coming at us through the tunnel.

Here is the advice to the Parliament's Finance Committee from Professor David Bell. He said that there is

"a possibility that real public spending in Scotland will fall during 2010-11 for the first time since the early 1990s."

I challenge Iain Gray and the Labour Party to unite with the rest of the Parliament in saying to the Chancellor of the Exchequer that deflating the Scottish economy and public spending in the teeth of a recession would be an act of madness. If we unite on that, as we united yesterday, we can do some real good for the Scottish economy.

### Prime Minister (Meetings)

**2. Annabel Goldie (West of Scotland) (Con):** To ask the First Minister when he will next meet the Prime Minister. (S3F-1426)

**The First Minister (Alex Salmond):** I have no plans to meet the Prime Minister in the near future.

**Annabel Goldie:** The First Minister will be aware of yesterday's extraordinary admission by the Secretary of State for Scotland that he did not know whether his boss, the Prime Minister, had met the First Minister to discuss the recession in Scotland. Unbelievably, the secretary of state

seemed to neither know nor care whether such meetings had occurred. I wonder whether the First Minister knows how many times he has met the Prime Minister in recent months to discuss the recession in Scotland.

Gordon Brown claims to be saving the world, but is ignoring Scotland. Alex Salmond claims to be saving Scotland, but is more obsessed with breaking up the union. During this period of economic turmoil, how many times has the First Minister met the Prime Minister face to face to find common ways of tackling Labour's recession? How many times have they met face to face to discuss helping our small businesses? How many times have they met face to face to help our high streets in Scotland?

**The First Minister:** The last time I met the Prime Minister to discuss an economic issue it was on the dispute at Grangemouth last year, because of the importance that I felt it had and the threat that the entire Scottish economy faced. Let me make it absolutely clear that I am more than willing to meet the Prime Minister or the chancellor to talk about such issues. In a range of correspondence, particularly on the banking crisis, I have indicated that I thought that that would be a very useful thing to do. I am completely willing to meet the Prime Minister to talk about these issues, because of their seriousness.

Late last night, when I was watching yesterday's Scottish questions, I saw that the Speaker of the House of Commons had to upbraid the Secretary of State for Scotland by saying:

"prolonged criticism of the Scottish Parliament will give the impression that that is all we have to talk about."—*[Official Report, House of Commons, 4 February 2009; Vol 487, c 827.]*

Those were wise words from the Speaker. The Secretary of State for Scotland should concentrate on doing his own job—whatever that is.

**Annabel Goldie:** It is extraordinary that in these difficult times there has been no face-to-face engagement between the First Minister and the Prime Minister. Of course, the suspicion is that the relationship between those two people is more akin to permafrost than partnership. Would it not be better if, instead of picking fights with each other, Gordon Brown and the First Minister worked together in the best interests of Scotland?

David Cameron has made it clear that if he becomes British Prime Minister, he will work constructively with Scotland's First Minister, whoever that may be. *[Interruption.]*

**The Presiding Officer (Alex Fergusson):** Order.

**Annabel Goldie:** I say to Mr Rumbles that we all know who the next British Prime Minister will not be.

I urge the First Minister to schedule regular talks with the Prime Minister, especially during this Labour recession. In the meantime, I ask the First Minister to endorse the Scottish Conservatives' help our high street campaign. Town centres the length and breadth of Scotland need our help as Gordon Brown's economic downturn hits our streets hard. Will the First Minister today endorse the Scottish Conservative campaign by logging on to [helpourhighstreet.com](http://helpourhighstreet.com)?

**The First Minister:** I seem to have a choice between logging on to a Tory website and meeting the Prime Minister—I am perfectly willing to meet the Prime Minister. Last week in a press release, Iain Gray seemed to concede the next election to the Scottish National Party in Scotland, and Annabel Goldie just stopped herself from conceding the United Kingdom election. I must say that it will add lustre to the UK general election that the people competing to be the Prime Minister of the UK will also be competing for the ability to meet me on a regular basis. I confirm that I am absolutely willing to meet the current Prime Minister and, indeed, any Prime Minister, to discuss subjects of importance to Scotland.

I endorse the town centre initiative in the budget. I recognise the Conservative party's championing of that cause. This is exactly the right time to invest the capital acceleration in capital projects around the town centres of Scotland. I am sure that Annabel Goldie will agree that also crucial is the small business bonus scheme and the advantage that it gives small businesses throughout Scotland. I welcome the co-operation over the past two budgets that has brought that into place.

David McLetchie's lesson yesterday on chronology, and on who did what when, made me look back into the parliamentary record. When the SNP first announced the small business bonus scheme, Murdo Fraser said on 28 September 2006—in an exchange with Alex Neil—that the proposal "lacks credibility". I am glad that wiser counsel has prevailed upon the Tory deputy leader.

### Cabinet (Meeting)

**3. Tavish Scott (Shetland) (LD):** To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S3F-1427)

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

**Tavish Scott:** Does the First Minister envisage that he would ever use the phrase, "Scottish jobs for Scottish workers"?

**The First Minister:** Not in the manner in which the Prime Minister used a phrase that he probably regrets using, given how it was picked up and promoted.

It is far better to take the initiative in the way that has happened on a range of public projects in Scotland and in negotiations with our key private sector companies. For example, Scottish and Southern Energy recently declared that it anticipates that 50 per cent of the contracts in the new Clyde project, one of our great renewable energy projects, will go to Scottish firms, not because it is compelled in that regard but because it thinks that that is the right thing to do, particularly in a renewable energy project.

Many councils in Scotland have negotiated section agreements whereby consideration will be given to the ability of local labour within a 40-mile radius to take advantage of major capital projects. That is the wish of Scottish Power at Longannet and it is the wish of many other major companies.

The Scottish Government's interest in getting our small companies sector on to the contracts portal, to enable small companies to take advantage of major contracts, is important, as is business club Scotland, which was launched this week and through which all our business organisations are combining to get the maximum benefit out of major capital contracts that will come to Scotland during the next few years.

Such productive action from the private sector and the public sector is the way to answer the question, as opposed to creating slogans such as the one that has come back to haunt the Prime Minister.

**Tavish Scott:** I am sure that the Parliament will welcome the First Minister's careful choice of words. People are angry about the recession and angry with a Labour Prime Minister who invented a slogan about British jobs to deflect attention from the miserable job that he is doing. Yesterday, Labour gave us a lecture on economics without mentioning the Prime Minister's useless slogan or his old one about conquering boom and bust, saving the world and the beloved prudence. Nor did Labour mention the £1.4 trillion of consumer debt, which might have had something to do with the position that we are in.

This morning, the Parliament debated how to protect Scottish jobs in financial services, which look after not just Scotland's pensions but the world's pensions. Our reputation has been shattered by the turmoil and failure of the banks. Does the First Minister agree that putting up national barriers will not protect a single Scottish

job? How will he promote a global role? Does he have more to offer than a slogan?

**The First Minister:** Given that in his first question Tavish Scott reflected on what was perhaps an injudicious choice of words by the Prime Minister, I think that he should not have said that our reputation has been shattered by recent events in the financial sector. It is clear that there have been major setbacks and major blows. However, let us remember that the Scottish financial sector has a huge position in long-term investment, insurance and pension management and that there are many huge and strong companies.

That is why I welcomed and could agree to the Liberal Democrat proposal on the financial sector jobs task force. The proposal will be taken to the Financial Services Advisory Board meeting on Tuesday and I believe that the task force will be established. That will happen in a positive way, in the context of our knowing that there are substantial strengths in the Scottish financial sector, so that the task force not only faces up to the inevitable problems that we must face in the next while but considers the substantial opportunities for the future that exist. Such positive proposals are the way forward, as opposed to phraseology that turns out to be empty or even counterproductive.

**The Presiding Officer:** I have received a large number of requests for constituency questions, which all reflect the same type of issue. I cannot take them all.

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** Does the First Minister share my concern at the recent announcement by FMC BioPolymer UK that around 145 jobs will be lost from the company's Girvan plant by the end of 2009 as a result of company restructuring and the moving of production to Norway? Will he urge the Minister for Enterprise, Energy and Tourism to meet the company urgently, to ascertain what can be done to ensure that jobs are retained on the site? Will the Minister for Enterprise, Energy and Tourism meet me and other people who want manufacturing to continue in the Carrick area and who want to know what more can be done to ensure that existing jobs are retained and new jobs created?

**The First Minister:** The Minister for Enterprise, Energy and Tourism will certainly meet the constituency member, and other members who cover the area, to progress the matter.

I know that Cathy Jamieson and the Parliament welcome the increased investment in the partnership action for continuing employment service and the early intervention of Government services in doing the maximum to try to prevent

further job losses and ensure that the workers involved get the best benefits possible in terms of training opportunities.

#### **Green Industries (Employment Support)**

**4. Joe FitzPatrick (Dundee West) (SNP):** To ask the First Minister what action the Scottish Government is taking to support employment in green industries. (S3F-1438)

**The First Minister (Alex Salmond):** This week, the Scottish Government announced plans to create 16,000 green energy jobs by 2020 as part of Scotland's economic recovery programme. Looking to the long term, that is a substantial contribution to the new economy. We are taking action to create those jobs for the future—jobs in our rapidly expanding renewables industry, the development and application of clean fossil fuel technology, energy efficiency, microgeneration, and new sustainable travel methods.

**Joe FitzPatrick:** What effect does the United Kingdom Government's obsession with nuclear power have on the renewable industry and Scotland's green jobs?

**The First Minister:** I believe in a general sense that any investment in nuclear power is investment—and it will be billions—that is taken away from investment in clean and renewable technology. My approach to such things, as a Government that I believe has now approved 18 major renewables consents in the past 18 months—the previous average was four a year—is one of highlighting the great prospects in our renewables sector, which is a huge priority.

By and large, my general attitude to nuclear power is this: I do not believe that the case for nuclear power is made. Indeed,

“nuclear power is not the answer to tackling climate change or security of supply”.

I quote, of course, from Sarah Boyack's parliamentary motion S2M-4061.

**Liam McArthur (Orkney) (LD):** Having launched the green jobs strategy in 2005, Jim Wallace doubtless takes as the sincerest form of flattery the Cabinet Secretary for Finance and Sustainable Growth's announcement on Monday. How will the green jobs be defined and the targets measured?

**The First Minister:** A whole range of initiatives is being taken. Our task is one not of counting jobs—it will be easy enough to do that—but of generating jobs, for which we have first to approve consents. In launching the document in 2005, Jim Wallace was far-seeing in looking forward to the renewables surge in Scotland. Unfortunately, the Government then did not consent to renewables investments beyond four a year. The 18 consents

that we have made in the past 18 months are impressive in that regard.

Making consents is not the only thing that requires to be done. We also have to encourage our universities to build up the research base. That is being done. Three out of four of the first awards from the Energy Technologies Institute are being led by Scottish universities. That is a fantastic achievement. The Scottish European green energy centre in the great city of Aberdeen is another substantial step forward, as is our engagement in the European grid initiatives. Above all, as the constituency member for Orkney should understand, if we are to realise Scotland's true potential as the green energy powerhouse of Europe, we have to crack the availability of transmission systems.

**Lewis Macdonald (Aberdeen Central) (Lab):** As with green jobs, the First Minister will recall that it is now nearly two years since the consultation closed on proposals for a Scottish energy efficiency strategy, the intention of which was to improve energy efficiency and create green jobs. When does he intend to publish his Government's energy efficiency action plan?

**The First Minister:** We are taking action. Ultimately, the Green party was not satisfied with what we were able to offer in the budget. Nonetheless, the largest insulation programme and drive against poor insulation in Scottish history has been brought forward. As that programme is brought forward, and in terms of the action that is being taken, including the publication in due course of the strategy, our view of the action that was not taken in the past will be validated by the investment and job opportunities that it creates.

#### **Clostridium Difficile**

**5. Jackie Baillie (Dumbarton) (Lab):** To ask the First Minister what action the Scottish Government is taking in light of the emergence of the new and potentially more dangerous 078 strain of *Clostridium difficile* in hospitals across Scotland. (S3F-1436)

**The First Minister (Alex Salmond):** Irrespective of strain, the control of C diff is best achieved through prudent prescribing, zero tolerance of hand hygiene non-compliance and robust infection control measures.

The Government has introduced key measures to fight health care associated infection. From April 2009, there will be a new national target to reduce C diff across NHS Scotland by at least 30 per cent by 2011. We have introduced a new reporting template that requires national health service boards to report hospital-by-hospital performance on key indicators. We have provided £3 million of

HAI funding this year to support the development of local surveillance systems, to help us gear up for the phased national roll-out of MRSA screening from 2009-10. In April this year, a new care environment inspectorate will be introduced to monitor actions that are being taken to reduce HAI at NHS board level. Other measures include a zero tolerance approach to hand hygiene non-compliance; tougher hospital cleaning standards, following the recent independent audit; ensuring 100 per cent provision of single rooms in new-build hospitals; and no more privatisation of cleaning contracts in the NHS.

**Jackie Baillie:** I simply note that at the Vale of Leven hospital cleaning was not privatised.

Existing guidance to health boards requires samples of the 027 strain to be submitted to the national laboratory for typing but is silent on the 078 strain. Will the First Minister ensure that the 078 strain is specified in guidance? Given that the Deputy First Minister has said that the 078 strain is not a new strain, why was it apparently not reported by the Government until just a few weeks ago?

**The First Minister:** It is not a new strain of C diff, but it is potentially a very potent strain. That makes it all the more important that we proceed with the action plan that I have just outlined in great detail to Jackie Baillie. The Government is also willing to consider any positive suggestion for intensifying our battle against the infection. I hope that the battle can satisfactorily be won by the whole Parliament and the whole community of Scotland.

**Christine Grahame (South of Scotland) (SNP):** Does the First Minister share my concern about carpeted areas, unlimited visiting hours, unlimited numbers of visitors, visitors sitting on beds and so on as possible sources of infection? Does he agree that other commonsense improvements, as well as simple, commonsense attention to hand cleanliness—[*Interruption.*]

**The Presiding Officer:** Members near to Christine Grahame's microphone should check whether their communication equipment is switched off; someone's BlackBerry is on. Carry on, Ms Grahame.

**Christine Grahame:** I am not the offender, Presiding Officer.

Does the First Minister agree that, as well as simple, commonsense attention to hand cleanliness, other commonsense improvements that could be made in our hospitals might limit the spread of infections?

**The First Minister:** Many of the measures that are being taken could be described as commonsense measures, and many are informed

by the studies that have been made. All require a substantial increase in budget. That is why I am particularly pleased to note that the budget that the Parliament passed yesterday includes a 75 per cent increase in the budget for the battle against these vicious infections

### Breaches of Bail (Action)

**6. Bill Aitken (Glasgow) (Con):** To ask the First Minister what action the Scottish Government will take in light of reports that a breach of bail is committed every 47 minutes. (S3F-1445)

**The First Minister (Alex Salmond):** In December 2007, the Scottish Government introduced tougher bail rules so that those accused of serious violent or sexual offences or drug dealing with previous similar convictions would be granted bail only in exceptional circumstances. The Government has also ensured that those who commit an offence while on bail face longer jail terms.

**Bill Aitken:** The First Minister will be aware that, despite the best efforts of all concerned, Scotland's bail laws are simply not working. Despite the introduction of the new steps, there are still instances—there have been three this year—of people who appear on a petition alleging violent conduct being released and subsequently committing violent acts. Accordingly, will the First Minister carry out a further review of the operation of Scotland's bail laws—recognising the fact that last year there were 11,000 breaches—and report back to Parliament in early course with its results?

**The First Minister:** The reason Bill Aitken has those figures is that this is the first time they have been compiled. Compiling the figures seems to show a determination, for the first time, to get to grips with the seriousness of the situation. The figures show the number of breaches, not the number of individuals who have committed breach.

I am surprised and disappointed by Bill Aitken. I know that he is a hard man and all the rest of it, but I have been looking back at the parliamentary records again—this time for Westminster—and, in August last year, the Tories at Westminster proposed a tightening of bail laws in England and Wales. Their document, "Public safety first: Reducing the risk of offending by suspects on bail", said:

"These changes will effectively bring the bail laws in England and Wales broadly into line with Scotland where breach of bail is already a free-standing criminal offence and where new bail laws came into force in December 2007 providing for many similar measures to the ones we propose."

The Conservative party said—as was reflected in the house journal, *The Daily Telegraph*:

"the proposals would bring laws in England and Wales into line with the tougher regime in Scotland."

I know that Bill Aitken is the Jeremiah of justice in Scotland, but when we have a record number of police and the lowest recorded crime for 25 years, does even Bill Aitken recognise, as his colleagues south of the border do, that something at last is being done in Scotland?

12:31

*Meeting suspended until 14:15.*

14:15

*On resuming—*

## Question Time

### SCOTTISH EXECUTIVE

#### Education and Lifelong Learning

##### Parenting Skills

##### 1. Ted Brocklebank (Mid Scotland and Fife)

**(Con):** To ask the Scottish Executive, in light of the publication of the early years framework, what it is doing to address parenting skills. (S3O-5817)

##### The Minister for Children and Early Years

**(Adam Ingram):** The Scottish Government has recognised the central importance of parenting and family capacity in delivering improved outcomes for children and families by making it one of the key elements for transformational change in the early years framework. The framework has been developed in partnership with local government and ensures that the right help is available to children and families at the right time.

The Scottish Government is committed to providing early support to parents, and it has a range of policies and programmes that provide support for parenting either directly or indirectly. This includes funding for a range of parenting programmes that promote positive parenting skills and support to parents, especially at challenging times.

**Ted Brocklebank:** Will the minister give more detail on the practical steps that the Government is taking to prepare people for the responsibilities of parenthood—particularly in situations where parenting skills seem increasingly to be lacking?

**Adam Ingram:** One of our major initiatives works through the curriculum for excellence. We are trying to provide our schoolchildren not only with skills for work or learning but with skills for life. The development of the health and wellbeing strands within the curriculum for excellence is addressing many of the issues that we have to get across to youngsters who are approaching adulthood.

A significant problem in many communities is a high rate of teenage pregnancy. That is one issue that we may be able to tackle by means of early interventions through the education system. We have a host of other programmes, one of which is on care pathways relating to birth and is aimed particularly at first-time mothers. We will develop that programme within the early years framework.

**Karen Whitefield (Airdrie and Shotts) (Lab):** Is the minister aware of the excellent work that is being carried out at St Serf's primary and nursery school in my constituency and in other nurture classes in North Lanarkshire? The classes provide individual and intensive support to children from difficult backgrounds. Does the minister agree that providing support to the parents of those children through home-school link workers is equally important? Can he tell us how the Government will ensure that such initiatives are rolled out across Scotland?

**Adam Ingram:** Yes, I can. I am a firm advocate of the nurture-group approach. Ken Macintosh will remember that I was very keen to push the idea in the previous session of Parliament. To his credit, Peter Peacock took it up and ran with it.

Early last year—in March, I think—we had a three-day training course for local authorities across the country on how to set up nurture groups properly. I am very much in favour of what is happening in the member's constituency, and the Government is supporting it.

### Education (Funding)

**2. Ms Wendy Alexander (Paisley North) (Lab):** To ask the Scottish Executive whether it considers that the local authority settlement for 2008 and 2009 provides sufficient resources for education. (S3O-5776)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** Yes. The total package of local government funding from 2008 to 2010 is £23 billion. The level of support in 2009-10 represents an increase of 9.9 per cent on the 2007-08 figures and includes capital funding for local government for this year and next of £2 billion, a significant increase over previous years. Obviously, both packages are subject to parliamentary approval.

Through the provisional outturn and budget estimate returns, local authorities estimate that their net revenue education budgets for 2008-09 are, on average, 5.5 per cent higher than those that were set for 2007-08. Although those estimates are provisional and need to be treated with some caution, they are reported directly by local authorities and provide evidence of increased spending on education this financial year.

**Ms Alexander:** I invite the cabinet secretary to comment on the reasons behind a fall of 119 in the number of teacher posts in Renfrewshire. The figures show that there were 42 fewer teachers in Renfrewshire primary schools and 77 fewer teachers in Renfrewshire secondary schools in 2008 than in the previous year. Is such a cut either necessary or desirable?

**Fiona Hyslop:** The employment of teachers is, of course, a matter for Renfrewshire Council, but any consideration of the situation must include the outcomes for children. I am pleased to see that, in Renfrewshire Council, the average class size for mathematics and English in secondary 1 and 2 is 20.1 and that only three of the 395 classes go beyond that figure. I am also delighted to hear that Renfrewshire Council will invest £53 million in its school estate. Indeed, one of the schools in line for some of that investment is Wendy Alexander's old school, Park Mains high school.

**Murdo Fraser (Mid Scotland and Fife) (Con):** The cabinet secretary might be aware that our friends in the Liberal Democrats are claiming to have secured extra money for school buildings as part of this week's budget settlement. How much extra money have they secured, when will it be available, and how many new schools will be built?

**Fiona Hyslop:** I am delighted that we are progressing the school building programme. As the First Minister made clear earlier, 150 new schools have been built since May 2007, and a record level of investment in schools—£2 billion—is being made now and over the next few years. I am also delighted to say that the Scottish Futures Trust will support its first school project over the course of the year and that the accompanying funding and revenue stream will be available in the year of that spend.

**Kenneth Gibson (Cunninghame North) (SNP):** Ms Alexander sheds crocodile tears about the level of resources available to Renfrewshire Council to spend on education. In her now infamous hungry caterpillar speech, she deplored Scottish National Party targets on efficiency savings, claiming that the public sector—

**The Presiding Officer (Alex Fergusson):** Can we have a question, please, Mr Gibson? You are asking a supplementary question.

**Kenneth Gibson:**—was fatter and should therefore slim down faster than the United Kingdom with its 3 per cent year-on-year cuts. What impact would such year-on-year cuts have on local government and education in our schools?

**Fiona Hyslop:** A 3 per cent efficiency saving in education budgets would have had a serious impact, and the fact that local authorities can not only retain efficiency savings but reinvest them in services such as education is to be welcomed. I am pleased that Marilynne MacLaren, the education convener of the City of Edinburgh Council, has said:

"I am very pleased and relieved to be able to announce that the administration will be protecting schools in the

forthcoming budget, and therefore there will be no cuts to direct school funding this year."

I do not think that the same reassurance could have been given if the 3 per cent efficiency savings that the previous Administration had proposed and which could not have been recycled had been made.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** I was surprised to hear the cabinet secretary tell Wendy Alexander that she thinks that the capital funding is sufficient, only then to confirm to Murdo Fraser that the new funding stream for new schools from the Scottish Futures Trust will come on-stream at the end of the year. Given that Aberdeenshire Council is paying for all its primary school rebuilding and the rebuilding of one academy and needs access to £200 million to build five new academies from scratch, will it be at the head of the queue to access money from the new funding stream?

**Fiona Hyslop:** I am sure that the member will not be backward in coming forward and ensuring that Aberdeenshire Council's case for being at the front of the queue is made. I look forward to the results of the school estate strategy, which is being conducted with our local government partners; I look forward to the Scottish Futures Trust rolling out its programme; and, finally, I look forward to the accompanying revenue stream, which will enable us to continue to build on the brick-for-brick promise that we made and are keeping and to ensure that 250 schools are built in the lifetime of this Parliament.

#### **Further Education Colleges (Staff Salaries)**

**3. Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** To ask the Scottish Executive whether it will introduce a national salary structure for lecturing staff in further education colleges. (S3O-5784)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** Ministers no longer have a power of direction over individual colleges. Colleges are independent employers and the salaries that they pay are not a matter for ministers. However, I announced on 11 November at the college and university round-table meeting that I would encourage employers and unions to consider jointly the pros and cons of national collective bargaining for the sector as a whole. All parties are aware that the matter is ultimately for colleges as employers, and an immediate resolution is not expected, but my initiative has been welcomed by college staff unions and the convener of the principals forum of the Association of Scotland's Colleges as an opportunity for informed dialogue.

**Cathie Craigie:** I welcome the cabinet secretary's intention to establish talks. Does she

agree that it is wrong that our lecturers' salaries and conditions are subject to a postcode lottery? Will she undertake to work with staff and unions to explore a proper national salary structure and a collective national bargaining system for lecturers in Scotland's colleges? She appears to support such a system. What timescale has been set to undertake such discussions and explore all the options?

**Fiona Hyslop:** If Cathie Craigie reflects on my answer to her first question, she will see that I not only support but have initiated such dialogue. It is clear that the benefits and disbenefits must be resolved and discussed. One clear issue is the time and effort that all colleges spend on negotiating and reaching individual settlements, but flexibility has advantages. In Aberdeen, for example, general salary levels are quite high in comparison with the rest of the country so Aberdeen College needs flexibility to recruit the staff that it needs.

Fleshing out the pros and cons is important. Some college principals support a national structure, but a significant number oppose it. Useful dialogue will allow us to address the issues, and I have offered to facilitate a session in the spring to bring together all the agencies. I have been pleased by the reaction of principals and unions, which are also finding ways to have such discussions without the Government interfering.

I will make an important point. To help preserve the charitable status of colleges, the previous Administration took away ministers' powers to intervene directly in colleges. I will be at pains to ensure that I do nothing to jeopardise that position. I hope that Cathie Craigie understands the restrictions under which I work. I have tried to be constructive in encouraging discussions.

#### **Primary Schools (Class Sizes)**

**4. Bob Doris (Glasgow) (SNP):** To ask the Scottish Executive what progress has been made on its commitment to work with local authorities to promote lower class sizes in primary schools. (S3O-5827)

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** Under the concordat, local government has agreed to make year-on-year progress to reduce primary 1 to 3 class sizes to a maximum of 18. Sufficient funding has been provided to local government to maintain teacher numbers at 2007 levels which, at a time of falling school rolls, provides headroom to make progress on the joint commitment. Some authorities are making better progress than others.

**Bob Doris:** I draw the cabinet secretary's attention to Glasgow City Council's proposal to close 25 primary and nursery schools in the city

and, in particular, its proposal for St Agnes's primary school in Cadder. The school has seven classes, none of which is a composite, and an average class size of 21. The council proposes to merge St Agnes's with, and move its pupils to, St Blane's primary school in Summerston, where the new school will have an average class size of 25. What representations does the cabinet secretary make to local authorities—and Glasgow City Council in particular—to ensure that they are on board with and do not fly in the face of the Government policy to lower class sizes in P1 to P3?

**Fiona Hyslop:** I understand the member's question, but I hope that he appreciates that I cannot comment on individual schools or on Glasgow City Council's programme, which is the council's responsibility.

In Glasgow, 318 teaching posts have been lost. That represents an opportunity lost to Glasgow City Council to cut class sizes by replacing those teachers. It is for the council to manage its resources, but I am aware that Gordon Matheson, the council's executive member for education, said in May 2008 that

"Education's budget in Glasgow, in real terms, will be higher next year than it is this year."

It is clear that the resources are available to maintain teacher numbers and that the council must manage its estate accordingly. If authorities do not use such a chance to reduce class sizes, that is a missed opportunity.

It is regrettable that Glasgow, which has one of the poorest levels of attainment—yes, it has challenges—also has one of the lowest levels of expenditure on education. That is a choice that the council makes.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** The cabinet secretary welcomed this week's statement by Councillor Marilyne MacLaren that there would be no further cuts to devolved school budgets in Edinburgh, but does she realise that there will still be significant reductions in education expenditure, including fewer teachers next year? How can we have smaller class sizes and fewer teachers?

**Fiona Hyslop:** Malcolm Chisholm should pay close attention to the budget-setting discussions that will take place in the City of Edinburgh Council. It would be extremely surprising if there were reductions in the education budgets, and he should think carefully before making such accusations.

Education spend in Edinburgh is a matter for the council. Malcolm Chisholm would be best to engage with the council and, when the budget is set, pay attention to the levels of that spend. I do

not anticipate any reduction in it. Indeed, in my answer to Wendy Alexander, I indicated that, in their provisional outturns, local authorities estimated a 5.5 per cent increase in the current year's budget. We can examine projections for next year as we move forward.

### Skills Development Scotland

**5. John Wilson (Central Scotland) (SNP):** To ask the Scottish Executive how Skills Development Scotland is performing in relation to its key performance indicators for 2008-09. (S3O-5760)

**The Minister for Schools and Skills (Maureen Watt):** Skills Development Scotland reports monthly on performance against the key performance indicators—KPIs—that are included in its 2008-09 operating plan. At the end of January 2009, SDS reported good progress against all KPIs.

**John Wilson:** What support are workers who have recently been made redundant being offered, especially through the European social fund, to retrain for alternative employment? Will the minister comment on United Kingdom Government restrictions on providing training assistance to people who have been unemployed for less than six months?

**Maureen Watt:** No UK or other legislation prevents people from accessing training until they have been unemployed for six months. Skills are devolved to the Scottish Government and, as such, decisions on skills training offers are its responsibility. From 1 April 2009, training for work will be available to people who have been unemployed for three months or more, and all training interventions will be considered in the light of the economic downturn.

On the European social fund, £55 million has been allocated to community planning partnerships to enable them to undertake employability and regeneration projects over the next two years.

### Teachers (Protection from Violence)

**6. Andy Kerr (East Kilbride) (Lab):** To ask the Scottish Executive what steps it is taking to protect teachers from violence in schools. (S3O-5795)

**The Minister for Schools and Skills (Maureen Watt):** Any violence in schools is unacceptable. The Scottish Government is committed to helping schools to create peaceful and positive learning environments for staff and pupils and is working to tackle indiscipline and violence in schools in a variety of ways. We are working with local authorities to support schools in introducing the most effective approaches to promoting positive behaviour and dealing with indiscipline and more

serious incidents. We fund the positive behaviour team at £500,000 per year; it provides free training and promotes good practice throughout Scotland.

**Andy Kerr:** I share the minister's concerns. The most recent figures are shocking: there was a 28 per cent increase in assaults with weapons in Scottish schools, which Ronnie Smith, the general secretary of the Educational Institute of Scotland described as "shocking" and

"a real cause for concern".

I find a cause for concern in the minister's answer, which had warm words but nothing that would enable us to monitor the success of any Government intervention. What further action can be taken to make a difference in classrooms and allow us to monitor a clearly unacceptable situation?

**Maureen Watt:** Andy Kerr will know that, this month, the Government will start a survey on bad behaviour in schools. I repeat that any violence in schools is unacceptable, and I am concerned by any rise in exclusions because of assaults, which is a very serious problem. Although they account for less than 1 per cent of exclusions, they represent some of the most serious incidents. That is why schools use a wide range of approaches to improve relationships and promote positive behaviour.

### Physical Education

**7. Dr Richard Simpson (Mid Scotland and Fife) (Lab):** To ask the Scottish Executive what steps are being taken to ensure that every primary school pupil receives two hours of high-quality physical education per week. (S3O-5813)

**The Minister for Schools and Skills (Maureen Watt):** Physical education is a key element of the health and wellbeing area of the curriculum. Guidance to support the new three-to-18 curriculum explicitly refers to our commitment that all schools will continue to work towards the provision of two hours of good-quality physical education for each child every week. The health and wellbeing experiences and outcomes are being redrafted to take account of feedback from trialling, and I expect the final version to be published in time for schools to begin introducing the new curriculum from August this year, with full implementation by August 2010.

**Dr Simpson:** It has become clear to the Health and Sport Committee in its current investigation into pathways into sport that, in too many schools, two hours of physical education are not being delivered, never mind at a high quality. How does the Government assess levels of physical literacy for primary 4 to 7 pupils? What steps will be taken to ensure that the physical literacy of individual

pupils is measured with the same emphasis as numeracy and literacy?

**Maureen Watt:** I assure the member that I am sure that the outcomes for the health and wellbeing part of the curriculum for excellence will include means of measuring those outcomes for children's learning.

## Europe, External Affairs and Culture

### European Policy (Representations)

**1. Hugh O'Donnell (Central Scotland) (LD):** To ask the Scottish Executive how it makes representations on its views on European policy matters that impact on Scotland. (S3O-5854)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** The Scottish Government uses various methods to make representations on European policy matters that affect Scotland. For instance, we regularly meet European commissioners and respond to their consultations, we attend meetings of the European Council, and we brief MEPs. We also remain in regular contact with our Whitehall counterparts to promote Scottish interests in the establishment of the United Kingdom's position.

**Hugh O'Donnell:** Doubtless the minister will be aware that the ratification is pending of a preferential trade agreement between the European Union and the state of Israel. In light of events in the middle east, will the Government make representations to the EU and the European Parliament about the validity of endorsing that trade agreement at this stage?

**Linda Fabiani:** I presume that we are discussing the EU-Israel association agreement, which sets out the framework for interaction between the EU and Israel on issues such as the economy, trade, security and diplomatic relations.

Article 2 of the agreement states:

"Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect for human rights and democratic principles".

I know that a colleague of Mr O'Donnell's in the House of Lords, Baroness Tonge, has asked Lord Malloch-Brown about the conditionality clauses in the agreement and about what discussions have taken place.

Of course, as things stand, Scotland is not involved in the negotiation of EU association agreements. If Scotland were an independent member state, it would be in a far better position to consider the balance between promoting trade and diplomatic relations, and making progress on wider political and human rights issues.

**Keith Brown (Ochil) (SNP):** How is the Scottish Government using EU funds to aid the Scottish economy?

**Linda Fabiani:** We are front loading spending on our European structural funds programmes and have already awarded approximately £200 million to almost 300 projects. Eighteen businesses accepted regional selective assistance of more than £16 million in the three months to the end of December, creating or safeguarding more than 1,300 jobs. The First Minister met European Commission representatives on 27 January to discuss Scotland's role in the energy projects that are being discussed in Brussels in relation to urgent EU funding.

I could say plenty more on the subject, Presiding Officer, but I suspect that you do not want me to.

**The Presiding Officer:** Very wise.

**Irene Oldfather (Cunninghame South) (Lab):** The minister will no doubt be aware of the co-operation agreement on a range of policy and trade areas that the European Commission and Chinese Government signed recently. Has she made representations to the UK Government or European Commission on how Scotland could benefit from or support the initiative? Does she plan to raise the matter at the next meeting of the joint ministerial committee on Europe, which I believe is to be held in March?

**Linda Fabiani:** I have to hold my hands up on this one: I cannot give Irene Oldfather any detail on the matter. As she knows, we have our China plan, which is part of our international framework. We are serious about our relationship with China on trade, education and business. She also knows that the First Minister and the Cabinet Secretary for Education and Lifelong Learning will visit China shortly to promote Scotland's interests.

We have always said that we will do the best that we can in the interests of Scotland. We deal with the United Kingdom Government and have many constructive discussions on many issues. I am more than happy to give full details to Irene Oldfather in her position as convener of the European and External Relations Committee.

**Margo MacDonald (Lothians) (Ind):** Will the minister outline the Government's approach to European energy policy now that it is interesting and important, not only in terms of energy supply but in relation to the politics of eastern and western Europe? Is she satisfied that we have the correct level of representation at policy-making level?

**Linda Fabiani:** The Government is not satisfied that we have the right level of engagement with the European Union. It is clear that, as an independent state in the European Union, our

voice would be heard more strongly. However, we are aware of opportunities in the European Union, one example of which is the proposed list of projects that would benefit from European core funding. Those in the energy sector relate to infrastructure projects, carbon capture and storage and the development of offshore wind power. We are talking to the UK Government on how the various EU and UK funding streams might mesh. Those discussions will continue, as will discussions with our counterparts in Europe and all the relevant agencies. We will ensure that we best represent Scotland and Scotland's interests.

## Europe (Training Partnerships)

**2. Christopher Harvie (Mid Scotland and Fife) (SNP):** What progress has been made in developing technical and training partnerships with European advanced regions such as the four motors for Europe, which are known to be interested in establishing links with Scotland. (S3O-5832)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** We are already involved in a number of partnerships that involve the members and associate members of the four motors for Europe, including the districts of creativity and the creativity world forum. The Scottish Government seeks to work with European partners where there is scope to collaborate in a specific policy area or where we can share policy experiences.

**Christopher Harvie:** Given that it is often the case that regions such as the four motors for Europe and other bodies have the main responsibility for the environment and research, does the minister see the possibility of a two-track future in which national diplomacy is supplemented by co-operation on areas such as renewables and other energy issues, culture and education?

**Linda Fabiani:** As I stated, we always seek to work with partners across Europe on a wide variety of topics when there is clear benefit in doing so. The most recent example is the agreement that the First Minister reached with the Catalan Government to work to achieve a lasting legacy from the Glasgow 2014 Commonwealth games.

My colleague Jim Mather has visited Lombardy for talks on energy, and the minister with responsibility for research and universities in Baden-Württemberg has visited Edinburgh for discussions on renewable energy. We are also looking at the ways in which we might co-operate on a range of areas with the Karlsruhe Institute of Technology and the Government of Baden-Württemberg. I thank Chris Harvie for the

assistance that he has given Fiona Hyslop and me in that regard.

### **Gaza (Aid)**

**3. Kenneth Gibson (Cunninghame North) (SNP):** To ask the Scottish Executive what progress is being made regarding its commitment to provide humanitarian aid for the people of Gaza. (S3O-5829)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** On Tuesday 27 January, I met representatives of Scotland-based organisations and the Disasters Emergency Committee Scotland to hear at first hand about their work and to discuss how best the Scottish Government can assist them.

We have received funding bids from Scotland-based organisations to support their humanitarian work in Gaza. We will assess all those applications as quickly as possible to ensure that funds can be released and made available as a matter of urgency to assist people on the ground. As the Deputy First Minister confirmed, the national health service in Scotland is ready to help civilians affected by the humanitarian crisis in Gaza.

**Kenneth Gibson:** Does the minister agree that it is vital to ensure that such aid reaches those who are most desperately in need? Can she advise the chamber of the safeguards that are in place to ensure that that happens? What humanitarian assistance is the Scottish Government providing to other areas of conflict in the world at this time, such as the Congo and Sri Lanka?

**Linda Fabiani:** I wish that we could guarantee absolutely that the border will be open and that the aid will get through to the right people. However, the agencies with which we are working—from the largest, such as Islamic Relief Scotland and Oxfam Scotland, right down to smaller agencies such as Edinburgh Direct Aid and Glasgow the Caring City—have vast experience in that regard. We will look at what they put in front of us in their applications and we will judge, on the basis of their expertise, the most effective way of getting aid in.

Kenneth Gibson asked about the assistance that we are providing to other areas affected by humanitarian crises. Parliament may remember that the previous Administration gave aid to Sri Lanka and Pakistan. In the past year or so, we have given aid to Darfur. I am currently considering applications to the humanitarian aid fund for the Democratic Republic of Congo.

**The Presiding Officer:** Question 4 was not lodged.

### **Gaza (Aid)**

**5. Nicol Stephen (Aberdeen South) (LD):** To ask the Scottish Executive what support it is providing to Scottish charities that are assisting the humanitarian response to the situation in Gaza. (S3O-5860)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** As I mentioned in my reply to Kenneth Gibson's question, I have met representatives of Scotland-based aid organisations. I am hugely impressed both by the response, knowledge and expertise of agencies based in Scotland and by the response of the public, not least members, to the crisis in Gaza. Today Pauline McNeill co-ordinated some work with Edinburgh Direct Aid; I know that Roseanna Cunningham, Kenneth Gibson and many others have helped with that appeal. That is a mark of a caring Scotland.

**Nicol Stephen:** The fact that two out of the first four questions to the minister this afternoon relate to Gaza shows the strength of feeling in all parties on the issue. I am pleased that she has met representatives of the Disasters Emergency Committee. It is just over a week since the appeal was launched, and more than £250,000 has already been raised from Scotland alone.

There are strong feelings on the issue. Does the minister share the shock of many at the BBC's refusal to broadcast the Disasters Emergency Committee's humanitarian appeal for Gaza? Does she agree that people in Gaza, including thousands of helpless children, are in dire need of aid and deserve to have the support of everyone in the United Kingdom? Will she and the Scottish Government continue to do all that they can to publicise and support the work of Scottish charities in Gaza? Will she confirm how much funding the Scottish Government intends to allocate to the various bids that she has received?

**Linda Fabiani:** All members recognise that humanitarian aid should always be focused on the people who need it. The First Minister has issued a call to the BBC to rethink its decision not to broadcast the appeal for Gaza. As Nicol Stephen pointed out, it is admirable how much money has been raised despite the BBC's decision not to broadcast the appeal.

Nicol Stephen asked how much funding the Scottish Government will give to Gaza. We have received applications and will consider them; I hope to be able to make an announcement on the issue fairly soon. However, when we consider appeals such as those for Gaza and the Congo, it is not simply a matter of our donating a certain amount of money. The important point is that the aid is effective. It is up to the experts who work in Scotland and in our aid agencies to come to us

and tell us how money can best be used. It is also a matter of complementing other work that is already going on. For example, as everyone knows, we work very closely with the Department for International Development to ensure that projects work well together.

**Pauline McNeill (Glasgow Kelvin) (Lab):** I welcome what the minister has said in support of the efforts of Edinburgh Direct Aid and the convoy to Gaza. The truck outside the Scottish Parliament today is there partly to acknowledge the work that MSPs, including Wendy Alexander and Roseanna Cunningham, have done, which is to be commended. The minister told us that she could not be there for the photo call, but I know that she would have attended if she could.

Is the minister aware of the difficulties in getting aid into Gaza, given the announcement of the closing of the border at Rafah today?

I acknowledge and welcome the Government's approach to the humanitarian response to the situation in Gaza, but how quickly might it be possible to respond to the applications for aid that have been made? Will the minister assure me that she will seriously consider allocating funds to smaller organisations, such as Edinburgh Direct Aid and Glasgow the Caring City, to name but two?

**Linda Fabiani:** I echo Pauline McNeill's concerns about the border closing. John Wilson brought me up to date on the matter a short while ago—as Pauline McNeill has always done in relation to the current situation.

When I met representatives of non-governmental organisations, I met not just those from the larger organisations that form part of the Disasters Emergency Committee, as Edinburgh Direct Aid was also represented. It was not possible for anyone from Glasgow the Caring City to be present, because they were working very hard on something else on the same day.

I can give an assurance that serious consideration is given to every application that is received. We are working on the applications at the moment so that we can assist as quickly as possible.

#### **Homecoming 2009 (Dumfries and Galloway)**

**6. Elaine Murray (Dumfries) (Lab):** To ask the Scottish Executive what role the Minister for Europe, External Affairs and Culture's directorate will play in ensuring that there is a cultural legacy for Dumfries and Galloway from homecoming Scotland 2009. (S3O-5808)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** As Elaine Murray knows, Dumfries and Galloway's homecoming on

your doorstep programme is supported by the local council and the Scottish Government. The programme offers a fantastic range of events across the region throughout the year, engaging communities, boosting tourism and working for the benefit of all.

I had a great time down at Dumfries and Galloway's opening celebration, Burns light, and I had a very constructive meeting with the local authority while I was there, at which the council outlined its plans for developing a sustainable legacy for its area.

**Elaine Murray:** I hope that the minister and her colleagues enjoyed being guests at the homecoming event in Dumfries on the 250<sup>th</sup> anniversary of the birth of Robert Burns. Burns lived in Dumfries for the last eight years of his life, and he frequently attended the Theatre Royal. Does the minister share my concerns that theatre provision in Dumfries is now far from adequate? Will it be possible to apply the £60 million town centre turnaround fund, which was announced during the budget process and was welcomed throughout the chamber, to cultural regeneration projects?

**Linda Fabiani:** The issue of the Theatre Royal has been raised with me by councillors from Dumfries, and the local council recognises the need for improved performing arts facilities in Dumfries and Galloway. The council is working with all partners to find a sustainable solution.

The Scottish Arts Council had pledged support for the Dumfries Theatre Royal Trust, with lottery funding of £1.7 million, back in March 2005. Sadly, the project fell through. The Scottish Arts Council and Historic Scotland have been kept fully informed of activities, and they both fed into the recent workshop day, at which performing arts provision for the region was considered.

On the regeneration fund that has been announced—I say this in the spirit of consensus—Mr Swinney, who is heading up the fund, will discuss with others how it should best move forward, as he has pledged to do.

#### **Scottish Mining Museum**

**7. Rhona Brankin (Midlothian) (Lab):** To ask the Scottish Executive whether it recognises the national importance of the Scottish mining museum. (S3O-5781)

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** The Scottish Government fully recognises the importance of museums and collections the length and breadth of Scotland, from the Pier arts centre in Orkney to the archaeology collection in Dumfries and Galloway. Scotland is blessed with so many local museums, with collections that both reflect local

heritage and are of national and international importance. Local authorities that fund such museums should be commended.

The Scottish mining museum is just one of 33 collections that have been awarded the status of a recognised collection of national significance under the Scottish Government's recognition scheme, which is run by Museums Galleries Scotland.

**Rhona Brankin:** I thank the minister for that reply, albeit that her view on our national mining museum's importance is rather disappointing. The Scottish mining museum is a great success for Midlothian and for Scotland. As members know, the museum is Europe's best preserved 19<sup>th</sup> century pit complex and is a five-star attraction that is attracting ever increasing visitor numbers even in the current economic climate.

What steps will the Scottish Government take to provide the capital funding that is needed to secure the buildings for future generations? Will the Government undertake to provide revenue funding on a par with the big pit museum in Wales, whose revenue grant of almost £2 million a year is nearly 10 times the grant that the Scottish mining museum receives?

**Linda Fabiani:** I recently had a very constructive meeting with the museum's chair, Mr Henry McLeish. We discussed the on-going review of the business plan for the museum. When that is complete, we will continue our discussions with the museum, which have been going on for many months. The Government has already helped the mining museum and the other industrial museums with capital funding—to a level unmatched, I believe, by previous capital allocations. Revenue funding is, of course, a matter for Museums Galleries Scotland.

## Early Years Framework

**The Deputy Presiding Officer (Alasdair Morgan):** The next item of business is a debate on motion S3M-3385, in the name of Fiona Hyslop, on the early years framework.

14:56

**The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop):** I am pleased to open the debate. Alongside "Equally Well: Report of the Ministerial Task Force on Health Equalities" and "Achieving Our Potential: A Framework to tackle poverty and income inequality in Scotland", "The Early Years Framework" represents a new dawn in social policy.

There is a wealth of evidence to suggest that children's experiences in their earliest years are key to their future outcomes. Parents' interaction with children in the first years of their lives is critical in developing relationships and in laying the foundations for positive physical and mental health development.

The early years are also a period when stark inequalities in cognitive and social development start to emerge. The fact that those often persist into later life has serious consequences not just for individuals but for communities and society as a whole. Many of our most pernicious social problems—violent crime, substance misuse and antisocial behaviour—grow from the seeds of disadvantage that are sown in the early years.

In such challenging economic times, some may question whether early years should be a priority. The Government is of course taking immediate action to help individuals through the economic downturn, but we will secure a radical improvement in Scotland's long-term economic prospects and achieve our purpose of sustainable economic growth only if we concentrate on the factors that hold us back: ill health, poverty and wasted potential. All those have their roots in the early years and can be addressed by giving all children the best possible start in life.

For that reason, I find it disappointing that the Labour amendment focuses on such a narrow—although not unimportant—issue. Let me address that point straight away so that we can get on with the real business in hand. In the census for 2008, pre-school centres were asked for the first time to report the number of peripatetic teachers, who work across more than one centre, separately from the number of teachers who are employed in their centre only. In 2008, the head count of teachers who are employed in only one centre was approximately the same as the head count of all teachers in 2007. In addition, a head count of

600 was reported for peripatetic teachers, equating to 204 whole-time equivalent staff. By anyone's logic, that means that there must have been an increase in the number of teachers of at least 200 in 2008. I hope that Labour members will now accept that point—which Adam Ingram brought to their attention on 5 December—so that we can move on to the substance of the debate.

The substance of the debate is our children and our vision for them. A philosophy of early intervention is at the heart of our vision for a better and a fairer Scotland and at the heart of the early years framework. We must move from treating the symptoms of an unfair society to treating the causes.

For too long, Governments have used money as almost the sole mechanism of change. As we move into an era of restricted spending growth, when so much public sector resource will need to be directed towards supporting economic recovery, such a position is no longer sustainable. We already spend £1.5 billion on the early years. We must align those resources to areas that make the most significant contribution to outcomes, and move away from intervening only when there is a crisis in prevention and early intervention.

The early years framework was produced through the work of 100 people and 50 organisations, a quarter of which were voluntary. It establishes a new vision for the early years, based on consideration of the whole child in the context of parents, families and communities. It gives us the opportunity to look at how a range of influences can come together to shape positive experiences in the early years.

A central message of the new framework is about the importance of parenting. I look forward to hearing the Conservative members' perspective on that. Relationships are key to a child's development and the home learning environment in the early years has a huge influence on educational outcomes. For a variety of reasons, some parents will struggle to provide a nurturing environment and will need support to do that.

**Hugh Henry (Paisley South) (Lab):** Will the minister take an intervention?

**Robert Brown (Glasgow) (LD):** Will the minister give way?

**Fiona Hyslop:** Presiding Officer, I am spoiled for choice. I will take Robert Brown.

**Robert Brown:** I appreciate that this is not the cabinet secretary's immediate departmental responsibility, but could she expand on the role of the health visitor in relation to the nurse-family partnership pilot to which the framework refers? Many of us feel that there is a gap there, which the framework perhaps identifies.

**Fiona Hyslop:** That is central to the issue of universal access to services, and I know that pilots are on-going. However, it is recognised that having access to the support of health visitors in the early years provides an immediate supportive environment. I hope that the member will find that the early years framework will help to drive forward that approach and recognise the importance of midwives, health visitors and community nursing teams, who support parents during pregnancy and early parenthood and who are known, valued and trusted. We want to build on that by focusing on parenting skills and capacity, and by developing care pathways to ensure that parents with different types and levels of need are given the right kind of support.

The long-term aim will be to support parents to build the confidence and skills that will help their children to go on to achieve positive outcomes.

**Hugh Henry:** I do not dispute the need to support parents, and some of the work that was done recently focuses on that. The sure start initiative made a significant contribution. Will the minister provide me with a copy of the result of the review of the sure start initiative that was requested in late 2006 or early 2007?

**Fiona Hyslop:** I am more than happy to provide the member with any evidence. Indeed, he will be aware that a preliminary review was also carried out in England, which raised concerns about the middle classes in particular benefiting more than others. I think that the recent review may be more rounded. However, the important point is about support in the early years.

A good example of support is provided by East Ayrshire Council, which is working to support parents in its area by means of the Solihull approach, which is a highly practical way of working with parents and supporting them creatively and consistently to work with their child's behaviour issues in particular. I want that sort of structured approach to move into the main stream of post-natal support.

Alongside parents' central role, communities can play an important role in supporting children and families, seeing them as key assets and not just as a problem to be tackled. In the strongest communities, there is a great deal of mutual support among parents and families. I want to encourage that informal support as a means of helping parents and developing community cohesion. I also want to ensure that the community planning process takes full account of children and families, with their priorities shaping local action.

Play of all kinds is central to how children learn, in terms of both physical health and the

development of social skills, resilience and wellbeing.

**Mary Mulligan (Linlithgow) (Lab):** Will the minister give way?

**Fiona Hyslop:** If the member does not mind, I would like to move on. I have taken a number of interventions already

The framework highlights the example of the Secret Garden outdoor nursery in Fife, which has put adventurous play and active learning at the heart of the experience for children. For some children, access to the adventurous play that enriches childhood is restricted due to a range of barriers such as lack of suitable green spaces and play facilities, as well as wider factors such as parental perceptions of risk. The framework therefore proposes measures to support play infrastructure and a debate on the benefits of play and understanding risk. Our long-term aim is for every child in every community in Scotland to be able to enjoy high-quality play opportunities and to have an understanding of risk and boundaries.

Our ambition is for a Scotland in which families and communities are empowered to take responsibility for their lives. Services such as world-class education and health care services and high-quality flexible child care clearly have a role to play in supporting that.

The commitments that are set out in the concordat with local government will help to deliver and ensure that there is capacity in the early years. That additional capacity should be used to improve identification and assessment of risks in families, and to make effective interventions in the context of universal services wherever possible, while acknowledging the role of specialist services for those children and families with higher levels of need.

The getting it right for every child pathfinder in Highland, which the Parliament has debated in the past, places great emphasis on strengthening the capability of universal services to meet the needs of children and families, and to improve the processes and bring specialist support to children and families where it is needed. It also highlights the crucial role that adult services must play in recognising the impact of parental problems and stresses on outcomes for children, and knowing what to do to help the child as well as the parent. We must build on that learning and put it at the heart of our approach.

As a working mother, I am acutely aware of the importance of high-quality, flexible child care. A major issue in the research that we conducted with parents was the way in which pre-school, school and child care services must connect to provide flexible support for parents. Although many such services already exist, we need to expand their

reach among middle and lower-income families, as an important element in making work pay and reducing child poverty.

The United Kingdom Government controls the current mechanisms for supporting parents to meet the costs of child care and is driving a set of welfare reforms that is placing higher expectations on parents, particularly lone parents, to engage in work and activities leading towards employment. Although improving employment levels among lone parents can play an important role in reducing child poverty, as it stands, the UK schemes for supporting child care costs are too complex and do not allow real progress to be made. That is an area on which we can have constructive dialogue with our colleagues at Westminster.

In order to deliver high-quality services, it is vital that we have a highly skilled and well-trained workforce that is well supported, valued and rewarded. Those elements are very much at the heart of the new workforce developments, such as the new Scottish credit and qualifications framework level 9 qualification in childhood practice.

We are under no illusion that there is one single programme or action that will achieve our aims, or that transformational change can happen overnight—hence the 10-year timescale. I firmly believe that the early years must be at the heart of building a more successful Scotland, and that the new framework represents a significant leap forward in how we improve outcomes in and through the early years. I look forward to contributions from all sides to this important debate.

I move,

That the Parliament recognises that getting the early years right is key to delivering improved outcomes for children and young people and a key opportunity to shape a more successful Scotland; notes the publication of *The Early Years Framework* and the vision it sets out for giving children the best start in life, including a focus on parenting, early intervention, meeting the needs of children and parents and play; further recognises the challenges in shifting to prevention and early intervention while also supporting children who need help now, and calls on national and local government to work together to address these challenges in partnership during the implementation of the framework.

15:07

**Karen Whitefield (Airdrie and Shotts) (Lab):** I very much welcome the opportunity to participate in today's debate on the early years framework. It is a document that owes much to the success of the previous, Labour-led Administration at Holyrood and that of the UK Labour Government in the past 12 years.

During that time, we delivered real change for children and families, putting the early years at the top of the political agenda where they belong. We extended free nursery places to all three and four-year-olds. We introduced sure start schemes in our communities to bring together early education, child care, health and family support in one place. We provided better financial support to parents through tax credits, increased child benefit and child care vouchers. We placed the needs of our youngest children at the heart of Government policy. We aimed to ensure that every child has the best start in life, that every parent and carer is fully supported and that all young people, whatever their background, can reach their potential and play a full part in shaping our nation's success.

In that context, the Government's early years framework for Scotland is a welcome step forward. We all agree that providing the right start for our children shapes not only their future but the future of our society. The Government's early years framework rightly highlights how intervention in the early years can improve children's life chances, reducing and redressing the inequality that continues to dampen the aspirations of too many of our young people.

The framework considers the different types of support that children need in the early years and rightly aspires to ensure that every child is valued equally. I welcome that aspiration. However, although everyone in the chamber would support the framework's aspirations, increasingly with this Government, policies come with a catch. In fact, a catch is about all that this policy comes with, as it certainly does not come with any resources. To quote the framework,

"there will be no new money available for implementation."

Instead, local authorities will need to "realign" and "prioritise" from their already tight budgets.

Once more—we have already seen it with the SNP's school meals, class sizes and school building policies—the Government is attempting to deliver on a manifesto pledge without providing the resources to make it a reality. Already cash-strapped local authorities are now under even more pressure, and it is evident that there is a huge and increasing gap between the SNP's rhetoric in this place and the reality on the ground.

**Margo MacDonald (Lothians) (Ind):** I appreciate that the Labour Party is not in government, but it would help me to make up my mind whether the claims that are made by the Cabinet Secretary for Education and Lifelong Learning are reasonable if I could hear the alternative. What would the Labour Party spend money on and how much would it spend?

**Karen Whitefield:** I am going to get to that. I hope that Ms MacDonald will be interested in what I have to say on that.

Labour's amendment focuses on the decline in the number of qualified nursery teachers. It is of great concern to the parents of young children up and down the country that, according to the Scottish Government's "Pre-school and Childcare Statistics 2008", the number of qualified nursery teachers who are employed in Scotland has declined under the current Administration. The figures are for whole-time equivalent posts and show a clear decline from the previous year, despite the claim by the First Minister, at First Minister's question time on 25 September, that the number of nursery teachers is "substantially increasing" under the Scottish National Party Government.

**The Minister for Children and Early Years (Adam Ingram):** Will the member take an intervention?

**Karen Whitefield:** No, I will not take an intervention from you, Mr Ingram. During education questions, following First Minister's question time, you yourself conceded that that was not the case and that the latest figure showed a decline.

**Fiona Hyslop rose—**

**Karen Whitefield:** Sit down. I have got a lot to get through. If I have time, I will allow another intervention.

We need look only at SNP-led Renfrewshire Council's record in removing all teachers from nursery classes, closing its nursery schools and replacing 25 nursery teachers with less-qualified staff to realise that, yet again, what the SNP says that it will deliver and what it delivers in reality are very different.

The SNP promised to provide every pre-school child with access to a fully qualified nursery teacher. That is clearly going the same way as the SNP's promise to ensure that no primary 1 to 3 child will be taught in a class of more than 18 pupils and its promise to match the previous Administration's school building programme brick for brick. The SNP's broken promises are damaging the education and life chances of our youngest children.

Qualified nursery teachers should be an essential feature of children's early years education and should be available to all children, wherever they live. All the evidence suggests that access to qualified teachers provides children with the best start to their school career, yet the framework fails to acknowledge that. Ronnie Smith, the general secretary of the Educational Institute of Scotland, has said that the SNP is

“presiding over the dilution—in some areas the dismantling—of one of the most valuable and successful strands of Scottish education.”

That is why Scottish Labour committed to the retention of 53,000 fully qualified teachers in our schools. If we were still in government, we would have continued to do that. That would have ensured that every child in Scotland had access to the teaching that they need to reach their full potential throughout their school career. I therefore ask all members to support Labour’s amendment.

**Fiona Hyslop:** If the Labour Party is so convinced of the importance of nursery teachers, why did it amend the school code to allow the removal of nursery teachers? Does the member not recognise that the double-counting of teachers in 2007 does not alter the fact that 200 more nursery teachers are providing support to our children? That is the reality.

**Karen Whitefield:** I do not remember you voting against that, Ms Hyslop. The Labour Party is committed to the expansion of nursery education, and that is what I turn to now.

I am concerned that, despite the Government’s rhetoric that it will invest in and commit to services for zero to three-year-olds, it is refusing to extend nursery places to vulnerable two-year-olds. While vulnerable two-year-olds in Scotland are to be short-changed, the same children in England and Wales will receive free early years education from September 2009. All the evidence shows that good-quality child care from the age of two can make a massive difference to a child’s development, particularly for children from the most disadvantaged backgrounds.

**Adam Ingram:** Will the member take an intervention?

**Karen Whitefield:** No, I will not take an intervention. I have got other things that I must say.

I ask the Government to reconsider this issue and give vulnerable two-year-olds in Scotland the same entitlement as those south of the border.

I fully support the framework’s goal of ensuring that every child has the best start in life, and I welcome the emphasis on early intervention to better support children and their families. However, there is a huge gap between what is being said by the Government and what is being delivered in our communities. The SNP is backtracking on promise after promise, undermining not only people’s faith in politics but our children’s life chances and the future of our country.

The early years framework offers us a valuable opportunity to make progress. However, words and commitment must be backed up by funding

and resources. If we are to deliver the radical changes that are needed to ensure that all Scotland’s young people, including the most vulnerable, are given the best start in life, we need a strategy that is far more ambitious than this one. We need a strategy that delivers not only for the children who are already involved in the strategy but for two-year-olds; recognises the contributions of the voluntary sector and works with it to deliver better services; ensures that flexible and affordable child care is available to all; meets the needs of every child in Scotland; and ensures that our country is seen as one of the best places in the world for a child to grow up—a place in which every child has the opportunity to succeed and the encouragement and support that they need to take advantage of that opportunity.

I hope that the early years framework is not another addition to the Government’s catalogue of broken promises. Failure in this area is not an option. Every child matters, so let us ensure that every child has the best chance. Let the Government actually provide the additional nursery teachers that it promised in its manifesto. I urge people to support the Labour Party’s amendment, and the amendments in the names of Elizabeth Smith and Hugh O’Donnell.

I move amendment S3M-3385.3, to insert after “now”:

“notes with concern that, according to the Scottish Government Pre-School and Childcare Statistics 2008, the number of qualified nursery teachers employed in Scotland has declined under the current administration despite the claim of the First Minister on 25 September 2008 at First Minister’s Question Time (Official Report c. 11215) that the numbers under his government are substantially increasing”.

**The Deputy Presiding Officer:** I remind members not to refer to other members in the second person.

15:17

**Elizabeth Smith (Mid Scotland and Fife) (Con):** This is not only an important debate but a highly topical one, given the extensive and sometimes controversial coverage that the issue has generated in recent weeks. No one disputes the need to get the approach right in children’s very early years but, on this side of the chamber, we believe that there is an important debate to be had about exactly where the main focus should be, and for us that concerns support for parents, which is reflected in our amendment.

It is a given assumption that children will invariably fare better when they grow up in a loving, caring and well-balanced environment in which family life is the centrepiece. The problem is that there is no ready-mix version of those factors. It is important to recognise that success can never

be prescribed merely by the actions of any Government. Of course, a Government can put in place a raft of policies that can help to create a more conducive environment in which parents and their children can thrive, but there must also be greater support for parents to recognise and adopt their full responsibilities when it comes to fulfilling their challenging role.

As has been identified in many reports, the growing number of negative statistics on childhood is worrying. For example, family breakdown now costs the United Kingdom more than £22 billion a year, and one in four children is being raised in a household without a resident father. A particularly sad statistic is that one in five young Scots believes that they cannot and will not make a success of their life.

What needs to be done? First, parents need to be able to enjoy and feel inspired by the experience of being a parent. Two reports that were published in the past week expressed grave concern that, for too many parents, that is not the case, and although I appreciate that some of the more controversial aspects of the Children's Society report raised the hackles of some people, I share that organisation's basic concern that the modern pace of life and the obsession with economic materialism and individualism are part of the root cause of the high levels of family break-up. Too often, there is an unwritten expectation that the modern way of life, with all its slick technology, allows parents to access more diverse social and economic opportunities than ever before. That might be true for some, but I suspect that it is not true for many. Being a parent is not easy, and it is inevitable that there will be stresses and strains if both parents feel the need to work long and tiring hours as well as providing the necessary good management in the home. We need to recognise those strains and alleviate that pressure.

I have been criticised in the chamber before for stating that reform of the UK benefits system can help to address the issue, but I strongly believe that it can and should. Whether we like it or not, financial resources are important. There is no reason why we cannot change the focus of child benefit to greater assist those with particularly young children. Nor is there any reason why we should ignore the warning of the Civitas report of last month, which identified that married couples can be up to 20 per cent worse off than parents who live apart.

Secondly, to take up Robert Brown's point, it is essential that we extend health visits to all families with young children so that we are more responsive to the needs of individual families. It is interesting that that view is increasingly supported by general practitioners. Very early advice on

health and lifestyle is usually the single biggest factor when it comes to giving a child the best start.

If there is a second given, it is the strength of the correlation between those who have poor prospects and live in deprived areas, and children who do not make progress. Many children who live in difficult economic circumstances feel disengaged from school, their families and their community. Indeed, I am amazed by the amount of public money that is spent on telling us that well-known, long-established fact. In my book, it would be far better for that money to be put directly into supporting the excellent voluntary sector groups throughout Scotland that do so much to help disadvantaged groups. Often, they are prepared to take on work that is difficult for local authorities to do within their limited scope and resources.

The voluntary sector is a gold nugget when it comes to the services that it provides. I know that every party in the chamber shares that view, but I have a specific request for the cabinet secretary. The Scottish Government should fulfil its responsibility to help local communities to harness and better co-ordinate the available voluntary sector resources, especially when it comes to help with parenting skills.

**Margo MacDonald:** Has the member given any thought to the apparent contradiction in the experience here in Edinburgh, although I think that it is the same in all cities? There is a much higher expectation of employment for young people when they leave school than there was 20 years ago, but that correlates with a much higher level of violence in schools and a higher incidence of disintegration in the family.

**Elizabeth Smith:** That is an excellent point. I have given a lot of thought to that. As well as discussing the issues to do with children and improving parenting skills, we need to debate how we can improve educational opportunities and ensure that young people in schools have self-esteem and confidence. That is a matter to be addressed in other aspects of education policy.

I hope that the Scottish Government will urgently open discussions with the Westminster Government about the tax legislation that affects philanthropic and charitable trusts. Following the abolition of advance corporation tax and its replacement with a tax that is imposed on the income revenue of the trusts, many potential charitable donors are facing the loss of much-needed financial resources that would otherwise be available for good causes. In Perthshire, for example, a large, experienced and long-established trust is facing a drain on its resources of up to £600,000 a year. That is a not inconsiderable sum, and the state of affairs does

not help to persuade more benefactors to come forward.

Finally, I come to the most sensitive part of the debate, which concerns the attempt to change attitudes. I agree with the Children's Society that we need a significant change at the heart of society so that adults, be they parents or teachers, are less embarrassed to stand up for the values without which a society cannot flourish, and that includes standing up for the family. Children need and want stability, and it is what happens in a child's earliest years that provides the biggest influence on their life.

There is a fine balancing act between, on the one hand, the Government standing aside to allow society to place its full trust and faith in parents and the family and, on the other, its legislating, when it has to, to provide better welfare. Like many other social debates of the modern era, the debate is highly emotive and complex, but it is one from which we must not shy away. If we do not get parenting right, we will not get the future right.

I move amendment S3M-3385.1, to insert at end:

"which should include greater emphasis on the development of parenting skills and harnessing the excellent work of voluntary sector groups that provide these services."

15:24

**Hugh O'Donnell (Central Scotland) (LD):** I was interested to hear the exchange at the beginning of the debate about different interpretations of the statistics on teacher numbers and so on. Perhaps the Government could find a unified way of gathering the statistics that we can all agree on at a fundamental level, because I do not think that it is valuable to make party-political points on such matters. That does not add to the debate.

**Karen Whitefield:** Will the member take an intervention?

**Hugh O'Donnell:** No, I am afraid not. I have just started.

If we could resolve that, that would be helpful.

No member will be surprised that the Liberal Democrats agree that the framework provides an objective that we sympathise with. We look forward to developing a strategy across the country that places our children at the heart of things.

A substantial body of evidence shows that if we get our approach right to the formative and early years, the life chances of our young people will be enhanced and we may begin to address cycles or generations of poverty, inequality and exclusion. I

make no apologies for stating the obvious. If we fail to support children and families in the early stages, all too often the children will go on to leave our schools with no qualifications, to become involved in the criminal justice system, to die prematurely, or to live a restricted life because of an avoidable long-term ailment or condition. We owe it to every child to give them the best possible start, and the Liberal Democrats think that the framework takes us some way along that road.

The moral imperative should be uppermost in the debate, but we must not ignore the fact that, in the longer term, there is also an economic imperative. I refer to the illustrations that I have highlighted. There will be a long-term economic impact if young people are going to prison and people are dying prematurely. Research indicates that there can be a return of as high as 7:1 on investment at the early stages, although the numbers vary. Even the bean counters must recognise that that is a decent return on investment in the long term.

I would be greatly disappointed if the Government, in its response to the debate, supported any diminution of the independent role of Scotland's Commissioner for Children and Young People that has been proposed by any body, corporate or otherwise. That would not send the right message. Perhaps we should reflect on how that would impact on our overall approach to children.

The framework document makes a lot of the right noises about what we should be doing and progresses some getting it right for every child work, but there are a number of areas in which we need greater detail and clarification, which I hope the minister will provide in responding to the debate. Not least, I want to hear about how transformation will happen with no new money and about what guidelines the Government will issue to ensure that transformation happens.

The framework rightly makes a commitment to the right to play. My colleague Robert Brown will talk about that in more detail, as that right has been a long-standing part of Liberal Democrat early years policy. However, all agencies across the board must recognise that not all children start from the same place, and that should be reflected in our focus and in how we allocate resources. We take a fire-fighting approach too often—there is crisis intervention.

One thing that we could do to help families at the beginning would be to follow the pathfinder models. We could consider a single gateway for services so that people are not bounced from one agency to another to get access to the services that they require. No new money is no excuse for taking no action.

As I said, intervention must go beyond taking a fire-fighting approach. Action must be joined up. Elizabeth Smith fulsomely praised the role of the voluntary sector, which our amendment was intended to highlight.

Leaving aside financial issues, multiprofessional and multi-agency working may be one of the biggest challenges. Mr Ingram will be familiar with my litany on that. It is critical that all the professionals who are involved recognise and value the input and expertise of others who are involved at every stage. It is a truism in pre-school education that, notwithstanding the value of primary teachers, most of the education is delivered by nursery nurses; we do the nursery nursing profession a disservice if we do not take their valuable role into account. I must declare an interest, because that is what my daughter does for a living.

We need to be wary of the silo approach and protectionist culture, which still exist. We must find mechanisms for challenging those wherever they surface, whether in professional bodies, local authorities or central Government. Fundamentally, that must be achieved at the outset as part of training. There must be a relationship between professionals. In their training, they must be given an understanding of the role and contribution of the other professionals who are involved.

My final point, although it is certainly not the least important, is that we must recognise that parents and children have valuable contributions to make. Their experience must be taken into account when issues are brought to the table. The days of case conferences between professionals discussing what will happen to children without consideration of their views must be put aside. That is beginning to happen, but that approach must be put aside much more firmly. To an extent, the 10-year roll-out of the framework will address that. The framework document is a useful start, but let us see, within that timeframe, what happens on the ground.

I move amendment S3M-3385.2, to insert after "together":

"with external agencies and the voluntary sector".

15:32

**Christina McKelvie (Central Scotland) (SNP):** Unsurprisingly, I welcome the SNP Government's commitment to preparing and implementing a proper early years framework. That has been welcomed by professionals throughout the sector, who are delighted at last to have the chance of some resolution to the succession of issues that they have faced. It is regrettable that we had to wait for so long after devolution to get the

commitment, but at least we have it now and we can get on with doing the business.

The amendment in the name of Karen Whitefield is based on false information. It alleges that teacher numbers in pre-school are declining, in spite of assurances by the First Minister that they are increasing. The First Minister's answer in September last year was clear that the SNP Government had demanded clarity in the figures and ensured that that was delivered.

**Rhona Brankin (Midlothian) (Lab):** Will the member take an intervention?

**Christina McKelvie:** Under the previous Administration, teachers who taught in more than one centre were counted in each centre in which they worked, resulting in about 200 ghost teachers—there in spirit, but not in body; there in statistics, but not in the classroom. I hope that that cold splash of reality will not induce a depression on the Labour benches.

**Rhona Brankin:** Will the member take an intervention?

**Christina McKelvie:** I will not take any interventions, because the misinformation that the Labour Party has doled out today in the Parliament should not be continued.

The figures that have been released under the SNP have removed those 200 ghosts, because peripatetic teachers are now counted separately from teachers who are based in one centre. Not only is that approach far more honest, open and transparent than Labour's system, it helps professionals who work in early years education to gain a clear understanding of the situation, and it helps local authorities and partner organisations with workforce planning. I hope that Labour members have the good grace to accept that.

Before Karen Whitefield lodged her amendment, if she had just asked her colleague Ken Macintosh—who is sitting right next to her—about the issue, he could have told her that he had asked a parliamentary question on the subject, which was answered at the beginning of December. For ease of reference, I inform members that the question number is S3W-18040 and that it was answered by the Minister for Children and Early Years, Adam Ingram. In fact, to save members the effort of looking up the answer, I will quote it. It states:

"In the census for 2008, pre-school centres were asked for the first time to report numbers of peripatetic teachers, who work across more than one centre, separately from teachers employed in their centre only. In 2008, the headcount figures for teachers employed in only one centre was approximately the same as that for all teachers in 2007. In addition, a head count of 600 was reported for peripatetic teachers, equating to 204"—

yes, 204—

"whole-time-equivalent staff."—[*Official Report, Written Answers*, 5 December 2008; S3W-18040.]

There are now 600 more teachers than there were under Labour, and 204 more full-time equivalents under the SNP than under Labour. That increase in qualified staff is allowing the SNP Government to move towards fulfilling our election commitment to give all pre-school children access to a teacher. That commitment was, of course, included in the historic concordat between the SNP Government and local authorities—which is an example of central Government trusting local government to do what it was elected to do, rather than an example of central Government micromanaging and mismanaging.

**Ken Macintosh (Eastwood) (Lab):** Will the member take an intervention?

**Christina McKelvie:** Presiding Officer, I have already said that I will not take any interventions from members on the Labour benches. Their negative scaremongering and their use of figures are a disgrace to this chamber.

A total of 66 per cent of all pre-school children now have access to a teacher registered with the General Teaching Council for Scotland, and that figure increases—yes, increases—

**Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** On a point of order, Presiding Officer. Is it not normal practice in the chamber that, when a member mentions another member, the other member is allowed to intervene? Is that not chamber etiquette, if nothing else?

**The Deputy Presiding Officer:** It is up to the member who is speaking to decide whether to take interventions.

**Christina McKelvie:** Thank you for that clarification, Presiding Officer.

In local authority centres, 81 per cent of pre-school children have access to a GTCS-registered teacher. That is another SNP election promise being fulfilled, and it is good progress for Scotland's children. We still do not think that it is enough and we will continue to push to make it better, but it is good news for Scotland's children.

There may be even better news coming up. If members have a spare few minutes, they might like to read "Pre-school and Childcare Statistics 2008", to which Labour's amendment refers, including the footnotes. For example, table 22 has a footnote that reads:

"The number of pre-school children who had access to a GTCS teacher during census week may be an undercount as 159 centres using teachers did not provide this information."

I hope that Karen Whitefield will have the good grace to withdraw her amendment and let the

Parliament continue to make progress on this issue in the spirit of consensus that was shown so clearly on the budget yesterday.

In that spirit, I am sure that we can agree with the Aberlour Child Care Trust that

"the Framework sets the right aspirational tone",

and with Children in Scotland that

"this Framework provides a 10-year vision for achieving a coherent and community-based approach to supporting families with young children throughout Scotland."

Play Scotland says that it is looking for a statutory duty for play, while welcoming the inclusion of play as one of the eight priorities and looking forward to the inspiring Scotland play fund.

Getting it right for Scotland's children is important not because they are the adults of the future, but because they are the children of today. Having said that, the on-going social and economic benefits to society of giving children a decent start in life are well documented. They have been well described by my colleague Liz Smith.

I support the Government and the early years framework. I am confident that we are providing a decent future for Scotland, as well as moving to improve the life experiences of today's children.

Unsurprisingly, I support the motion.

15:37

**Hugh Henry (Paisley South) (Lab):** The early years framework is undoubtedly full of warm words and good intentions. No one in this chamber or beyond could dispute the necessity of giving children the best possible start in life. We would all agree that, if we fail to address problems early in children's lives, they can be left disadvantaged for the rest of their lives.

It is right to acknowledge the point that this is not only about education. We need to reinforce the value that parents bring to a child's development. What goes on in the home can be as important as what is taught in the school or in an early years establishment. We must acknowledge that parents sometimes need help and support in basic parenting skills, and I support the amendment that the Conservatives have lodged.

Labour's sure start initiative was important, but it is right that we acknowledge that improvements can be made to such initiatives. We should not simply accept that, because the initiative is there and money is being spent, everything is as effective as it could be. That is why I asked the cabinet secretary whether I could have a copy of the results of the work that has been done in reviewing sure start, which the minister has

promised. I look forward to that information being made available.

**Adam Ingram:** The research evidence from the review has been published on the Scottish Government website. It comes under the early years framework research that was done for the task group. If Mr Henry cares to look on the website, he will find the information there.

**Hugh Henry:** I will have a look at that.

However, we should recognise that the early years framework represents a missed opportunity to put early years services on a proper footing. Although it contains warm words, it is bland, it lacks originality and it takes ideas from others. Worst of all, because of the failure, as Hugh O'Donnell and Karen Whitefield pointed out, to accept any responsibility for funding, it marks an acceptance of lower standards across Scotland.

There are no new ideas in the framework document and, as I am sure the officials supporting the ministers are aware, any good ideas that there are can be traced back as far as the 1981 and 1985 Strathclyde officer/member group reports. Credit needs to be given to the Labour-controlled regions that drove forward the early years agenda; the people who were involved in that work were visionary. The strategy also takes ideas on accessibility and affordability that were promoted by Labour in 1998 before this institution was even established.

So, as I say, we have no new ideas and a bringing together of what has already been done. Worst of all, as a result of the failure—not just the failure, but the refusal—to invest the money that is needed to make the strategy work, problems will develop across Scotland.

Karen Whitefield highlighted what the document says about funding. In a PowerPoint presentation that he gave in November to the Learning and Teaching Scotland conference, Don McGillivray, one of the officials who is present in the chamber this afternoon, reinforced the fact that the strategy and the supposedly new ideas that, as I said, it does not contain will attract

“No new resources from central Government”.

He went on to say that Government wanted a

“resource transfer from crisis management to prevention and early intervention”.

If money is being transferred away from crisis management, will the minister explain what will happen while new ways of working are being developed?

Because of the Administration's refusal to guarantee the availability of funding, the money for early years staff development is not guaranteed; it is simply not there. Is it true that in some parts of

Scotland students are dropping out of university courses because local authorities are pulling extra funding? As Hugh O'Donnell made clear, we are talking about the training and development of nursery nurses, who are among some of the lowest paid staff in local government.

In my area, Renfrewshire, which was mentioned by Karen Whitefield, every nursery school is to be closed; teachers are to be transferred to a peripatetic unit, visiting children once every few months. Indeed, in some cases, children who start at nurseries will see Santa before they see a teacher. It is disgraceful that the headteachers—the highest qualified early years staff in the authority—will no longer be required. Because there are no longer any jobs to move on to, there are no incentives for teachers either in Renfrewshire or in some other local authority areas to take additional qualifications.

The Government has taken good ideas from elsewhere and has substituted glib and patronising words for action. It is offering nothing new and is refusing not only to provide extra resources but to guarantee that existing resources will be spent on early years. This document is a missed opportunity and lacks the vision and determination to take early years to the next level.

15:44

**Robert Brown (Glasgow) (LD):** I think that that was perhaps a little harsh.

The early years framework, which is potentially one of the most important documents to come out of the Government, continues and builds on the previous Government's work, in which Hugh Henry played a significant part, on improving early years learning and child care practice in Scotland; on nursery provision for three and four-year-olds; on better child protection; on investment in schools; on expansion of child care facilities; and on a range of innovative projects including nurture classes, the sure start initiative that Mr Henry mentioned and healthy living initiatives.

However, at the time of the election, there was a wide recognition by parties across the chamber of the need to review progress and, in the very apposite words of the document, to develop “a coherent approach” to the whole sector that built on the achievements to date. I welcome that. In many ways, the framework pushes all the right buttons. I am not particularly bothered whether the ideas are new, provided that they are the right ideas. It is important that the document recognises the centrality of universal services and of having short, medium and long-term actions and objectives. In that regard, the document is much superior to many others from the Scottish National Party Government—I think back to the skills

strategy that was produced early in the Government's term.

I will make some specific observations. One theme of the framework is that, at the age of three, children who are at higher risk of poor outcomes can be identified by their chaotic home circumstances, emotional behaviour, negativity and poor development. That is right, but many would say that the battle is lost by then and that such conditions are evident much earlier. As the previous Prime Minister said, the children who will face such challenges can be identified when they are in the womb. I therefore support entirely moves to increase parents' capacity by providing appropriate support.

However, the stark reality is that some parents—because of heavy drug or alcohol addictions or whatever—cannot offer their children a safe existence or even minimal positive life experiences. I understand that, in other countries, more such children are removed from their homes and families. I have held the view for a while that a major campaign should be undertaken to recruit more foster parents, as they often provide better life chances for such children. David's story on page 13 of the framework is a stark reminder of the horrendous price that a child and others can pay if we do not act soon enough.

I will say a word or two about play, on which Hugh O'Donnell presaged my remarks. I have long thought that play opportunities are vital. I urge on the minister the view that play and communication are closely linked. In some areas, half of all children who start school have communication difficulties, which sometimes result from a lack of nurturing or a lack of play and engagement with other people and often result from the poverty of their family experience. Given that, I strongly welcome the only funding commitment in the framework—the £4 million venture philanthropy fund to support play. I would appreciate information from the minister about what exactly a venture philanthropy fund is; I hope that he has not let Jim Mather loose on the early years framework—the fund has the sound of that. I note that £235 million over three years is attached to the English play strategy, although that strategy was produced slightly earlier, when the financial circumstances were more auspicious.

Play does not just involve outdoor play areas. It involves parents knowing how to stimulate and play positively with their babies and toddlers. It concerns playgroups and play leaders, which are not mentioned much in the document, and staffed play centres such as that in Reidvale in Glasgow's east end, which I think that the minister has visited. Play can be used to overcome communication issues before they become a school-long and lifelong impediment; the negative

impact of such issues develops if they are not tackled. The use of play-based learning in early primary school is a concept that Liberal Democrats have long fostered and which I am pleased to see in the paper.

More work is needed on play. I hope that the Government will commit to producing a dedicated national play strategy, which Aberlour Child Care Trust, Play Scotland and other organisations have urged it to develop, or at least to developing the play part of the early years framework through a body such as a national forum on play. Play Scotland makes the valid point that play does not stop being important at the age of eight, but I appreciate that documents and strategies must be divided into manageable sections.

As Hugh Henry said, the framework's weakest part is chapter 4, which is entitled "The Context". It lists the current commitments to cut class sizes, increase pre-school entitlements, provide free school meals and improve early years provision. Whether or not those measures are committed to in the concordat, many of them simply will not happen, because the resources do not match the commitments. That is reflected in the current school issues in Glasgow and in other situations.

The situation is echoed in the framework's chapter on resources, which expresses the hope that money will be diverted from crisis intervention to preventive work but acknowledges that the demand for crisis intervention exceeds supply and that such intervention is not always good enough, anyway. I support the Government's concept of a dynamic virtuous circle, but ministers need to spell out the drivers to achieve that and where resources will be freed up for transfer. The document contains stressful challenges of priority and I am not sure whether ministers have grappled with them as fully as they need to if the policy is to succeed as it must.

**Adam Ingram:** I agree with much of what Robert Brown says. Does he take the point that we have a set envelope of resources and that, in diverting from crisis intervention to early intervention and prevention, we need to redesign and reorient services—particularly universal services, which need to address issues much earlier?

**Robert Brown:** I accept that, which is why I accept the virtuous circle argument. Nevertheless, there are issues with how that is all done—how it works through and how the end result is achieved. If the framework is not to remain purely a paper document, those things must be tackled.

I will touch briefly on people. The previous Government put in place the process to ensure that early years staff development developed appropriate skills. That is a central need, but I am

intrigued by the difference between the commitment in the concordat to

“access to a teacher for every pre-school child”,

whatever precisely that meant, and the rather vaguer commitment in the longer-term objectives in the framework to

“having every early years and childcare centre led at graduate level or equivalent.”

That sounds rather different. I do not necessarily disagree with it, because it recognises the point that Hugh O'Donnell made about the contribution of the child care workforce as well as that of the teaching workforce, but the minister ought to clarify exactly what his Government is committed to and what it means to do in practice.

There is a fair degree of unanimity in the Parliament about the direction of travel, but there is still work to do on the framework. I hope that, in his closing speech, the minister will reassure us on the matters on which, as I and others have mentioned, there is still a considerable amount of work to do.

15:51

**Aileen Campbell (South of Scotland) (SNP):**

We have never before understood more clearly the difference that early support and intervention can make in the lives of children, especially—but not only—those who are born into poverty. Families and communities have known for generations that breast is best, that an apple a day keeps the doctor away and that there is nothing quite like a breath of fresh air but, in the modern world, we have the evidence to prove it. There are countless studies—some have already been mentioned and, no doubt, will be later—that demonstrate exactly those points. As a member of the Education, Lifelong Learning and Culture Committee, I have heard evidence to that effect from many witnesses.

It is not only ironic but worrying that, despite all the knowledge and research, one child in four in Scotland is born into poverty. The Children's Society has just published a report claiming that the lives of children throughout the United Kingdom may be more difficult than they ever were before. The scandal of child poverty and the chances that too many of our young people miss are among the major motivating factors that got me involved in the campaign for Scotland's independence and brought me to Parliament.

In welcoming the Government's early years framework, I add my voice to those of many civil society organisations, local authorities, individuals and families throughout Scotland. No one disagrees that we need to ensure that the most vulnerable children in Scotland have the best

possible start in life, so I am glad that political parties are, for the most part, willing to work together and to find consensus.

I am also glad that yesterday's passing of the budget will release the funding that is needed to allow Scotland's local authorities to implement some of the key elements of the framework. Much of the framework's focus is on the SNP Government's ambitions to introduce free school meals, to reduce class sizes and to increase nursery provision. I have said before in Parliament that provision of free school meals is one of the most socially progressive policies that Parliament has the power to introduce.

**Mary Mulligan:** How would the introduction of universal free school meals help children in poverty?

**Aileen Campbell:** Anti-poverty groups have shown that it is the best way to catch them all. The fact that major anti-poverty groups throughout Scotland support universal provision of free school meals shows how effective it will be in reducing poverty. I am glad that Parliament has continued to support the policy, despite the best efforts of some members to undermine it. Free healthy school meals will improve classroom concentration, reduce playground stigma, and can improve the health of each child who receives them.

In the same way, increased contact time with a teacher through smaller class sizes also helps to build confidence, knowledge and understanding among children, even at a young age. Like the free school meals policy, the class size policy prepares our youngsters for the future by instilling good behaviour and positive life skills.

Although those policies are vital, they are but the headlines of the framework: much else in the document stands to make a real difference to the younger generations. I particularly welcome the commitment to protect rural schools and safeguard the role that they can play in offering wider services to the local community. Having attended a rural school myself and now representing many areas that depend on such schools throughout the South of Scotland, I know how important local schools can be to our rural communities and how special an education in such an environment can be.

In a similar vein, the commitments to protect open space and plan for future needs are also welcome features of the document. South Lanarkshire Council, part of whose area is in my region, and North Lanarkshire Council have been chosen to host the international youth games in 2011, which will be an important staging post to the 2014 Commonwealth games. It is important that today's young children, who we hope will be

the athletes and medal winners of tomorrow, have access to the open space and fresh air that will allow them to train most effectively for the games. Many briefings have noted the importance of play and expressed pleasure that it is mentioned in the framework; indeed, the Scottish centre for intergenerational practice highlighted the need to provide something to do for more than just younger people. I think Robert Brown made that point earlier.

Outdoor education is hugely important, so I was interested to read in the excellent briefing from Children in Scotland about nature kindergarten initiatives, which are commonplace in Scandinavian countries. I know that there are one or two such initiatives in Scotland—Fiona Hyslop mentioned them—which are the kind of exciting and different approach to learning and child care that is often stifled in Scotland by the restrictions and constraints of our budgetary process and Parliament's limited powers.

I have said previously in the chamber that research from the Work Foundation estimates that, for every pound that is spent on helping families and young people at risk, up to £17 of public expenditure can be saved. That kind of evidence, which some people might seek, demonstrates starkly the business case for investing in our youngsters. However, I believe that the debate is not only about financial worth. It is also a moral debate about the obligations that we as citizens have to those around us, especially the poorest and most vulnerable people.

The theme throughout the framework document—as, indeed, it has been throughout this debate—is that the early years is the key opportunity that society and the family have to influence the future life chances of children. A good childhood means a much greater likelihood of a healthy, active and positive future that contributes to the wellbeing of society as a whole. We in modern Scotland have far too often ignored, or forgotten, the basic steps and simple common sense that should extend opportunities to all our children. As I have said, it is a scandal and a disgrace that so many of our children are born into poverty. That not only shames our society, but actively damages it, because it will cost us more in the later lives of such children through the health service, the justice system and the need for other specialist interventions.

I believe that what the Government outlines in the framework maximises Parliament's powers to give our children the best possible start in life. However, Parliament is also in its early years and will continue to grow and develop to the point where it assumes all the powers of a normal independent Parliament. At that point, we will truly

be in a position to build the future that our children deserve.

15:57

**Ms Wendy Alexander (Paisley North) (Lab):**

Like others, I welcome this vital debate. As others have said, many parts of the early years framework should be welcomed; they reflect the progress that has been made in recent years.

I will use my few minutes to raise three issues. First, the early years framework promises a renewed focus on the time from zero to three as the period of a child's development that shapes future outcomes. Like others, I welcome that recognition, but I want to press ministers on what they see as being the way forward for the zero-to-three age group because—as other members have pointed out—in the months since publication of the framework, we have seen the evaluation of the vulnerable two-year-olds pilot. Its main findings are that parents in the programme showed improved parenting capacity; children in the pilot showed improved developmental outcomes; and staff gained new learning that would inform future practice with pre-schoolers.

**Fiona Hyslop:** I acknowledge Wendy Alexander's continued interest in the pilot, but I need to correct her. It is clear that the research findings from the pilot showed no discernible difference in terms of improving development for vulnerable two-year-olds. What the pilot did was to support and prompt better parenting. It is clear that an area base of vulnerable two-year-olds may not have produced the results that the member may have wished. What we should do, as the research document identifies, is focus on improving parenting, which is exactly what is in the framework.

**Ms Alexander:** That is a helpful clarification. Today is probably not the time to debate the detail, but it appears that we are discovering that the Government's position is not to have a national policy for vulnerable two-year-olds. It appears that parenting is the priority, which is an appropriate choice. However, clarity on that is important, given that we have had the pilot's evaluation and findings. People in other parts of the country think that provision for vulnerable two-year-olds is the way forward. As the debate progresses, I hope that we will get clarity on the matter.

The second issue has dominated much of the debate thus far. I refer to the meaning of the commitment to provide pre-five children with access to teachers. No one would disagree that all children should have some access to teachers during their pre-five years. As ministers know, that commitment is being achieved in Renfrewshire by downgrading all nursery schools. As of August, no

nursery school will be left in Renfrewshire. We will also see the development—or continued development—of a peripatetic team.

**Adam Ingram:** Wendy Alexander says that

“no nursery school will be left in Renfrewshire”.

Is the reality not that nursery schools in Renfrewshire will continue with their nursery classes and nursery teachers? Surely we are talking about primary school headteachers taking over the running of adjacent nursery schools.

**Ms Alexander:** I will come to the issue that I hope the minister will clarify in his summation.

In Renfrewshire, 39 teachers work with the under-fives at the moment. The teachers are split into a peripatetic team that serves everybody and teachers who work in nursery schools—I think that latter number is about 25. As of August, Renfrewshire Council will achieve the commitment to give access to all children by cutting the number of those teachers to 20, all of whom will be in a peripatetic team. I am greatly concerned about a cut of almost 50 per cent in the total number of teachers who work with the under-fives. I seek ministerial direction on whether it is appropriate for councils to seek to achieve access by halving the number of teachers who work with children of that age group.

**Bob Doris (Glasgow) (SNP)** rose—

**Margo MacDonald** rose—

**The Deputy Presiding Officer (Trish Godman):** I call Bob Doris.

**Ms Alexander:** I am giving way to Margo MacDonald, Presiding Officer.

**The Deputy Presiding Officer:** I am sorry. I did not see you, Ms MacDonald.

**Margo MacDonald:** Has the member any notion of the situation with pre-school rolls in Renfrewshire? Like her, I would be very disturbed about a 50 per cent reduction in teaching numbers being made without a corresponding reduction in pupil numbers.

**Ms Alexander:** There is a slight decline in pre-five numbers, but nothing that remotely correlates to the fall in teacher numbers from 39 to 20.

I turn to my third point. As I am, ministers will be aware that the court of the University of the West of Scotland decided this week to end its on-site nursery provision. Despite many pleas, the court did not rethink how a relatively small deficit could be met.

I will summarise my questions. Although the framework is welcome, did ministers set in the concordat a bottom line of any sort for early years provision at local authority level? Is it acceptable

under the framework for an authority to close all the nursery schools in its area? Also, is it acceptable for an authority to halve the number of teachers who work with the under-fives in its area? Lastly, are ministers concerned that some of our larger universities can make no on-site nursery provision?

I fully accept that, under the concordat, local authorities can take the decisions on those matters, as can the court of an autonomous university. That said, we need a steer from ministers on whether, in policy terms, they regard those developments as desirable or not. If we regard those developments as desirable and proffer no view on them, we risk creating a permissive environment. However admirable many aspects of the early years framework are, I am concerned that, in such an environment, we would move backwards, not forwards.

16:04

**Robin Harper (Lothians) (Green):** I congratulate the Government on the progress that it has made. It will be glad to hear that I take the glass-half-full approach of Robert Brown, rather than the glass-half-empty approach of Hugh Henry.

The pre-school and child care figures have been a matter of some contention. They are a disgrace and I cannot work out from them what the truth is. The education department should never have accepted them. All the entries should have been sent back to local authorities, which should have been told to do their homework properly. Eight hundred and ninety-two centres did not even provide information on whole-time equivalent staff. WTE used to be FTE; I do not know why the term has been changed. In 2007, 124 centres did not report at all; in 2008, 420 centres did not report, so the figures are incomplete. Gaps have been filled by creating medians to make up figures. The whole exercise is a disgrace. I will vote for the Labour amendment not because I think that it is right but because the Government should never have presented us with such figures as the basis for a serious debate in Parliament.

I turn to the real content of the debate.

**Adam Ingram:** Will the member give way?

**Robin Harper:** No. If the minister wants to respond on the figures, he can do so when he sums up. I have more important things to talk about than the misdeeds of statisticians.

I was very glad to see that there is a commitment to play. I agree with everything that Robert Brown said on that. We do not need experiments in play—from Froebel and Montessori to the present day, many people have carried out

research that shows how beneficial it is to young people. However, I would like to expand on what has been said on the subject. Play Scotland is concerned by the fact that 500,000 children have been left out and by the lack of a statutory responsibility on local authorities to provide play facilities. The organisation would like to know

“how Local Authorities can be encouraged to prioritise and resource play in their Single Outcome Agreements.”

I congratulate Aileen Campbell on her references to active play outdoor kindergartens. A really good example of such a kindergarten is Hilton nursery school in Aberdeen, which is beautiful and has fantastic facilities. Unfortunately, it has been closed, but one can look at it from outside.

A few issues that have not been touched on have been brought to my attention. Elizabeth Smith spoke about positive parenting. Scotland's Commissioner for Children and Young People is concerned that so far there has been no reference to positive non-violent parenting, and is seeking the inclusion in guidance of a strong statement in favour of that. I strongly support SCCYP's position and invite the minister to respond on the issue when he sums up.

Another issue is the need for greater focus on the needs of young children and families in planning of services, housing and transport. I know that that issue is not within the remits of the Cabinet Secretary for Education and Lifelong Learning or other education ministers, but it should be a central component of all planning decisions. When we consider proposals for new developments in Edinburgh or Glasgow, we should ask which elements are specifically designed for children and young people. If such facilities are left out, they cannot be put in later.

Children in Scotland has drawn my attention to some of the advantages of early years services. I am sure that we are all aware of those, but it is nice to have a summary of previous experience.

Sweden began a long-term study in the 1990s, which concluded that children who enter good-quality day care at an early stage show improved academic performance at the age of 13. There is a long follow-through—if we do something good for children between the ages of nought and three, we see the results when they are 13. Such research is a reminder that Scotland needs not only to meet the European Union's Barcelona targets for more child care, but to ensure the availability of high-quality early years services.

There are many examples of good and effective practice in Scotland. I am going to have to move fast now, as there are a couple of other things that I wish to mention in my limited time. I was very glad to hear Robert Brown and Hugh O'Donnell

mention health visitors. That has been a matter of concern to me, to the children's commissioner and to Children 1<sup>st</sup>, as it made clear in its briefing to us. It says that, if we wish

“to enhance child wellbeing ... In practice, this means strengthening, not reducing, universal Health Visitor provision. Health Visitors are a non-stigmatising, expert service who can directly provide emotional and practical support to parents and carers.”

One of the most important things is that a health visitor is always welcome in the home—they are not seen as intrusive. I urge the Government to strengthen the health visitor role as a key element in supporting parents and carers in the early years. I have spoken to the Cabinet Secretary for Health and Wellbeing about the subject on several occasions and I have asked the Cabinet Secretary for Education and Lifelong Learning to discuss the subject with her colleague.

I see that I have gone beyond my time. Thank you for your patience, Presiding Officer.

16:11

**Kenneth Gibson (Cunninghame North) (SNP):**

Hugh Henry, who is no longer in the chamber, spoke about the need for vision and originality without giving us any of either. This is not about reinventing the wheel; it is about learning from experience and successes elsewhere.

Early years provision has, in the past, often been seen as almost a side issue in the push for increased labour-market participation. Early years education has been treated to mean expanding schooling to younger children through a formal curriculum that supports later learning. To begin education in a less formal sense, at a younger age, through creative play, is also vital. I am heartened by the number of members, including Robert Brown and Robin Harper, who touched on that point, as did the cabinet secretary.

Unfortunately, the debate has been taken up by issues concerning Renfrewshire Council. I wonder whether the cabinet secretary can confirm whether what is being planned for Renfrewshire is similar to what already exists in North Ayrshire. The Minister for Children and Early Years has mentioned this, but I will reinforce the point: according to those plans, a headteacher of a primary school is also the headteacher of a nursery school.

**Fiona Hyslop** *indicated agreement.*

**Kenneth Gibson:** I see the ministers nodding in assent. That policy is being delivered by Labour-controlled North Ayrshire Council, an area that I represent. I do not know why there is so much humbug on the issue.

At the heart of the framework is a desire for investment in early years to be focused on building success and reducing failure. That means a shift from intervening only when a crisis happens, to a policy of prevention and early intervention. Furthermore, it means providing a supportive environment for children and families and the earliest possible identification of any additional support that might be required. The framework empowers children and parents to succeed by building relationships between Government community groups to break the cycle of poverty.

I was heartened to hear the cabinet secretary's remarks about maternal and foetal health during pregnancy, which we must also focus on. Last week, I attended the launch of a new breastfeeding initiative in Kilbirnie in my constituency, where only 7 per cent of mothers breastfeed. Any support that we can give to expectant mothers and women who have just had children is welcome.

The early years framework provides an action plan for helping each child so that, as he or she grows, they can contribute back to the community. The chief executive of Children in Scotland, Dr Bronwen Cohen, supports the framework. She said:

"Scotland's youngest citizens require everyone's support. With reprioritisation of resources, this new framework will offer an important opportunity to offer more effective help to Scotland's often hard pressed families and ensure we get it right for every child."

Parents' interaction with children in the first year of life is critical in developing relationships and in laying the foundations for positive physical and mental health development. Effective engagement with parents is an important first step in addressing problems, but the parents who are most in need are often the least likely to access services.

Children in homes with high levels of parental stress, neglect or abuse are more likely to have poor health outcomes, to be unemployed, to have criminal convictions and to have substance misuse problems by the time they reach adulthood. Improvement of the early years experiences of such children is crucial for improving child protection and reducing risks. Therefore, the early years must be a central element of the Scottish Government's strategy for regenerating communities, reducing crime, tackling substance misuse and improving employability. Investment in early years education has a positive impact on the entire community.

The Nobel prize-winning economist James Heckman has set out an economic case showing that the rate of economic return on early years investment is significantly higher than that relating to any other stage of the education system. That

point was touched on by my colleague, Aileen Campbell. Indeed, I recall attending a crime prevention seminar in Edinburgh back in 1995—it was the day after Roseanna Cunningham was elected to Parliament for the first time—on a 25-year study of 30,000 children in Chicago that showed that, for every \$1 spent on child care, \$7 was saved subsequently on criminal justice matters.

A successful school, pre-school and home environment is critical to enabling young people to reach their full potential. Key elements in delivering an economically successful, socially cohesive and—I dare say—happier Scotland are learning skills, wellbeing and equality.

On that point, we have heard a lot from Labour members about what they allegedly achieved during all the years in which they were in power. However, I seem to recall that a United Nations report on children's wellbeing stated that, of the 21 countries that were examined, the quality of life that was enjoyed by Scotland's children came 21<sup>st</sup>. That was after more than a decade of the Labour Party being in power, so Labour members seem to have been struck with a bit of selective amnesia.

If children are educated in a way that empowers them to succeed, they will have a greater sense of wellbeing. Scotland's first skills strategy highlights that the early years of a child's life lay the foundations of skills for learning, life and work. Our investment in young people shows that the Government's true priorities are to improve the standard of living and quality of life for all.

We have also heard talk about a reduction in the number of nursery schools. However, as I have mentioned on previous occasions—I should say that my wife is a teacher and a Glasgow City Council councillor—between 2004 and 2007, with Labour in power in Glasgow, Holyrood and Westminster, Glasgow City Council cut 64 teachers. Therefore, the Labour amendment is nothing but hypocrisy.

Many actions have a local and national component for which input is required from a range of partners, including the Scottish Government, local authorities and community planning partners. The purpose must be to provide elements whereby communities can change deeply rooted philosophies rather than merely implement superficial programmes. Co-operation between Government and communities allows goals to be reached and success to be attained.

The historic concordat enables the Scottish Government and the Convention of Scottish Local Authorities to work together with a variety of partners to develop the framework. That represents a new approach to developing policy in partnership and recognises that different areas

have different needs. That approach moves away from the previous centrally driven and inflexible approach, which did not deliver what was required. Local partners now have a great deal of flexibility in implementing the framework. The removal of ring-fenced budgets allows them to spend funds in ways that are more effective for individual communities.

Expenditure on early years services is already significant: £300 million is spent on pre-primary education and child care, £700 million is spent on the early stages of primary education, and £350 million is spent on maternity services. When we add in all the other expenditure on health and social work services, at least £1.5 billion is currently being spent. It is important that that focus is maintained—

**The Deputy Presiding Officer:** Mr Gibson, you must finish there.

16:18

**Mary Mulligan (Linlithgow) (Lab):** I very much welcome the opportunity to take part in today's debate. It is absolutely the case that how children are treated in their early years—including pre-birth—does much to condition their future. However, the danger in today's debate is that we play into the hands of the cynics, who will say that this is just a filler debate in which there will be lots of warm words—the Cabinet Secretary for Education and Lifelong Learning and the Minister for Children and Early Years are good at those—but no substance or action. Given that cynics will say that nothing will change after today's debate and there will be no improvements in children's lives, I welcome those speakers who have sought action.

Clearly, one of the most difficult circumstances for a child is to be born into poverty. That is why, in Government, the Labour-led Scottish Executive put in place measures to reduce child poverty. Our target was to abolish child poverty by 2020. The report "Scottish Households Below Average Income, 2006/07" shows that, between 1999 and 2007, there was a 28 per cent decrease in relative child poverty and a 61 per cent decrease in absolute child poverty. The previous Administration's target to halve absolute child poverty by 2010 was being met ahead of schedule.

At yesterday's meeting of the Local Government and Communities Committee, we heard that tackling poverty is a complex issue that involves a number of factors, of which perhaps the main one is whether people are in work. A key issue that keeps adults with children out of work is the lack of child care. Issues were raised about the availability, flexibility and cost of child care. I

completely accept that many parents will want to stay at home to care for their children themselves, particularly when the children are very young, but eventually parents want and need to return to work, which can be very difficult because of a lack of child care. The cabinet secretary referred to that in her opening statement. What is the Scottish Government doing about providing child care? What measures is the Scottish Government taking on poverty more generally?

I say to Aileen Campbell that providing free school meals to all children might have nutritional benefits, but it is not an anti-poverty measure, particularly if it results in the removal of breakfast clubs.

**Aileen Campbell:** Why then did anti-poverty groups whole-heartedly welcome the measure? Why were children in poverty not being caught by the system and not taking up their entitlement to free school meals?

**Mary Mulligan:** Children in the poorer groups were receiving free school meals and we should continue that.

I am not aware of whether the Scottish Government has targets to reduce child poverty, but such targets would help to show whether any measures were being effective.

**Adam Ingram:** Will the member take an intervention?

**Mary Mulligan:** I want to move on.

Other children who face challenges in their early years are those who have a disability. I recognise that all disabilities can be a challenge, but I will use deaf children as an example. I said earlier that action is important, and the Labour-led Scottish Executive introduced universal new-born hearing screening in Scotland in 2005. However, the value of early identification could be lost if no co-ordinated follow-up support services are in place to progress the infant's language and communication development.

I thank the National Deaf Children's Society of Scotland for its briefing for today's debate, and I hope that the cabinet secretary will respond to its request and my motion of May 2008 and publish best practice guidance on effective, multi-agency, early intervention mechanisms for deaf children. I also hope that the Scottish Government is considering a positive response to NDCS's campaign for a national register of deaf children, so that early years support can be targeted.

NDCS's briefing highlighted the variation in support that is offered to the parents of deaf children. In particular, it said that 90 per cent of parents have no previous experience of deafness and no awareness of what to expect from statutory services. I am sure that that is equally true of

many other parents, particularly those who have children with additional needs.

That brings me on to how parents should be supported, and I am pleased to be able to support the Conservative amendment. Again, the Labour-led Scottish Executive led the way with its support for programmes such as sure start. Are we making progress on that? Are we learning the lessons to which Hugh Henry referred?

In its briefing to MSPs, Aberlour Child Care Trust referred to the national parenting development project. I had the pleasure of visiting the project at Aberlour's Edinburgh base last summer, and I was very impressed with the work. Members will have read of Aberlour's aims, but I was particularly impressed that its work to support parents is just that. Parents are the primary carers of our children. Perhaps because I am a parent of teenagers, I appreciated the support that Aberlour offers to such parents; sometimes that area is forgotten. How will the Scottish Government build on that innovative work and support parents to do the job that they really want to do?

At the beginning of my speech, I said that there needs to be action, not just warm words. Previous Administrations made progress on early years provision but, as the Labour amendment shows, even the specific promises made by the SNP Government have not yet been delivered. Today is an opportunity for the Scottish Government to convince not just those of us in Parliament, but parents and children in our communities that they really want the early years to be a priority. If that means—

**The Deputy Presiding Officer:** You should be finished now, Ms Mulligan.

16:24

**Bob Doris (Glasgow) (SNP):** I let the Presiding Officer know before the start of the debate that I would not be here for the opening speeches. I apologise to the chamber; no discourtesy was meant to any member.

Play is a significant aspect of the early years framework. I am afraid that I missed what Hugh O'Donnell said about it, but I heard what Robin Harper, Robert Brown and others had to say. Active and structured play not only makes for positive health outcomes for our children, but has a far wider social and educational benefit.

Removing barriers to healthy play is important. One such barrier was highlighted just yesterday by Keith Hayton in his evidence to the Local Government and Communities Committee, on which I sit. Mr Hayton has carried out research as part of our child poverty inquiry. On page 37 of his draft report, he mentions

"The difficulties of bringing up children in multi-storey blocks and low rise flats. This was seen as a particular issue with play as it was felt that young children could not be let out on their own. Even if they could be seen from a flat, should anything occur, then it would not be possible to get there quickly."

He went on to quote some parents whom he had met, and I would like to share some of those comments with members. One parent said:

"Families should be in a house with a garden. To put families away at the top of flats with no garden, it's just criminal. My kids are just 1 and 2. They cannot go out to play on their own. They need a garden".

Another said:

"They put me in a top floor flat with just a wee balcony and nowhere for the kids to play".

I raise those points to draw attention to the fact that the early years framework does not exist in isolation from the idea of social regeneration in our communities. Good-quality social rented housing should be a first choice, rather than a last resort, for families in Scotland. The high-rise flats of the past, which we are now demolishing, were mistakes. We must ensure that we not only build houses but foster communities. It is in that context that our early years framework can thrive; I hope that it will thrive by engaging families in our communities.

In addition, we need to challenge, in a constructive fashion, some pre-held conceptions among parents and communities. In doing so, we must raise the capacity and the expectations of families in our most deprived areas. Poverty, poor educational attainment and limited life chances should not be accepted. Our Government and our local authorities must remove the barriers to families leading happy and productive lives, and we must ensure that our most vulnerable families do not view their lot with an air of inevitability. Poverty, ill health, poor educational attainment and antisocial behaviour are not inevitable. They are symptoms of a failure of social policy in Scotland and the UK over many years. In our new Scotland, we must rectify such failings and must do so together, as a Parliament. Whenever possible, we must try our best not to be partisan just for the sake of it. I must hold my hands up and admit that that is a failing from which I sometimes suffer.

**Members:** No.

**Bob Doris:** I am warmed by the fact that there are two constructive amendments to the motion; I only wish that the Labour Party's amendment was similarly constructive.

Many parents will have had negative experiences of school. Some of them will rationalise that as being the school's fault. When problems arise with their own kids, they will sometimes blame the school. Sometimes parents

are in denial or view problems at school as being inevitable. The report by Mr Hayton for the Local Government and Communities Committee contained some comments from parents in situations in which problems had arisen with their children. One parent said:

"If they sneeze they get excluded".

Another said:

"Teachers can exclude you for anything now".

Another comment was:

"Stop banning children for trivial reasons such as having pink hair. It doesn't affect their work and if they're happy inside it will improve their performance".

The stigmatisation of some children is an issue in schools, but when there are genuine problems at school, parents are all too often not willing to accept their role in dealing with them. Such problems can often reinforce the negative experiences that parents had when they were at school. The early years framework must capacity build and reach out to parents so that they trust schools and education.

**Mary Mulligan:** Will the member give way?

**Bob Doris:** I am sorry, but I do not have time because I want to move on to free school meals; I am sure that Mary Mulligan will listen with interest to my comments on the subject.

I am glad that Unison backs the idea of public services that are universal and not means tested, as does Children in Scotland, which has stated that services should provide the best outcomes for the whole child

"irrespective of parental employment status".

I am a long-time campaigner for universal free school meals. The issue is about the whole child. In our society, there are no rich children and no poor children; there are just children, all of whom need help and assistance. Universal free school meals provide that. Labour members may wish to know that the number of kids who did not take up free school meals, although entitled to them, and who are now taking up that entitlement has increased by 8.5 per cent. That is the effect of a Scottish Government policy—of which I am incredibly proud—on the lives of the poorest and most vulnerable children in our society.

The early years framework should be about consensus politics and almost all of us in the Parliament are on board with that. I commend the early years framework to the chamber.

16:30

**Margaret Smith (Edinburgh West) (LD):** It is clear, from the speeches that we have heard today and the input from the voluntary sector, the unions

and others, that there is a shared goal and a common belief in the importance of early years services and early intervention for the future of Scotland. It is absolutely right that the Parliament should stand up for children and I associate myself with Hugh O'Donnell's comments about the need for an independent children's commissioner to assist us in doing that.

We know that society sees a return of £7 for every £1 that is invested in early years education. That is the direct economic benefit of investment in early years services, but there is also a wider social benefit attached to that: a society with reduced levels of crime, better health, fewer inequalities and greater opportunities for all our children. Good-quality education in a child's early years is a great foundation for all future learning and development, but it is particularly key for those who have to struggle against the most extreme disadvantage.

I am proud of the previous Executive's record on education—particularly early years education—and of my party's long-standing commitment to the benefits of early intervention. However, there is clearly much more to do. Early years provision in Scotland must be improved and the current fragmentation addressed. I welcome the Scottish Government's recognition of that and its commitment that it will build on the progress that has been made. It is crucial that we work to provide the best start in life for each child on a level playing field that gives them a chance of the future that they deserve.

Children must be valued and at the centre of service delivery. There must not be a one-size-fits-all approach, but a focus on what is best for the individual child and their individual circumstances. Robert Brown talked about children who live with parents who have addictions. We are too quick to assume that a child should be kept with their parent at all costs and at all times. Sometimes, that is not the best place for the child to be. The important thing is to centre any decision making on the child.

It is important that we build strong, universal services that are effective for all our families but that are also responsive to those children and families who need extra support. I echo the comments that have been made about the importance of health visitors and the need to make their support available to all families. Problems of abuse and of post-natal depression, as well as a host of other things, are found not only in deprived homes. Health visitors have a crucial part to play in the delivery of a universal service that helps all our children.

As Children 1<sup>st</sup> has pointed out—echoing one of the concerns that was raised in the report into the Aberdeen services, which we discussed in a

previous debate—too often, effective action is not taken until a crisis point has been reached. It is vital that, with early intervention, we prevent that from happening.

Many organisations have also highlighted concerns about the pressure that is being placed on parents and the negative impact that that has on families.

**Hugh Henry:** I do not dispute what Margaret Smith says about early intervention. Indeed, I believe that it is critical. Does she share the concerns that I have discussed this afternoon with an ex-employee of one of Scotland's major councils, who told me that many local authorities are diverting money away from initiatives such as sure start and early intervention because of budget cuts? The lack of dedicated funding will surely have an effect. Does she agree with that?

**Margaret Smith:** I was going to go on to echo much of what Wendy Alexander said. Although we have the historic concordat, which means that organisations such as universities are able to make their own decisions, it would be unhelpful if a national strategy for early years provision were put at risk because the things were not being done on the ground that the Parliament wanted to be done. I speak as someone whose constituency has been affected by voluntary sector situations that are similar to, although not quite the same as, what Hugh Henry has described.

**Fiona Hyslop:** Will the member give way?

**Margaret Smith:** No, sorry. I would like to make some progress.

Liz Smith was right to say that children need stability, love and support. Ideally, that should come from both of their parents. That need does not go away just because there has been a marital break-up, which is why things such as family mediation and contact services are vital, for not only the child but the parents, and for the quality of life of everyone involved, all of whom remain a family of sorts.

Robert Brown and Bob Doris highlighted the importance of play in a child's development. I particularly liked Bob Doris's confessional style—I thought that, at any minute, he was going to tell us that he had been a punk with pink hair in a previous existence. Play is crucial, and I would welcome more information from the minister about the £4 million that is available in that regard.

There has been a great deal of focus on teacher numbers today. The Government has made commitments on class sizes and on access to qualified nursery teachers. Our job in Opposition is to hold the Government to account, so I must say that, frankly, the figures are as clear as mud. Despite what the minister says, there is a need to

resolve the matter. I appreciate that there might be an improvement on where we have been before, but the figures that the Scottish Parliament information centre has given us show that the pure number of teachers has reduced—although we accept the problem of double counting. However, the 2008 census also appears to show that there has been a whole-time equivalent reduction of 13 posts. It is also worth noting that teachers may be qualified in other sectors, rather than just having nursery qualifications. Finally, we should also note that 892 centres did not provide information on the number of whole-time equivalent staff. We need to improve those figures.

16:36

**Murdo Fraser (Mid Scotland and Fife) (Con):** This has been a largely consensual debate, apart from a rather tedious disagreement between the SNP and Labour over some opaque statistics. Apart from that, we can all agree on the importance of early intervention and can largely support the Government's strategy.

The Conservatives make no apologies for concentrating on parenting skills, not least because we believe that, if we are to have early intervention, it should come at the earliest possible point, which is before the child is born or as early as possible in that child's life.

An excellent report came out at the end of last year. It was called "Getting in Early: Primary Schools and Early Intervention", and was jointly written by Iain Duncan Smith, the former Conservative leader, and Graham Allen, who is a Labour member of Parliament. It said:

"Poor parenting is strongly linked to a multitude of problems for children: delinquency, drug use, school failure, family violence, abuse of children, poor mental and physical health, and continuing social disadvantage for children as they grow up. Good parenting is linked to school success and healthy, positive adjustment."

It is good to see that that message about parenting is accepted across the political spectrum. That issue is central to the debate about how we can give youngsters the best start in life.

I want to put this debate in the wider context of education. Some 30 or 40 years ago, when most of us went to school—I apologise immediately to those members who feel excluded by that statement—there was a sense that schools were about providing basic educational skills, such as reading, writing and arithmetic, and broader social education was regarded as being the parents' responsibility. However, society has changed over a generation, and now, in addition to those basic educational skills, schools are expected to teach youngsters about, for example, healthy eating and living healthily, and to implement initiatives on obesity, social skills, bullying, sectarianism,

financial education, international education and so on. Hardly a week goes by without calls being made in this chamber and elsewhere for schools to do more.

There is nothing wrong with any of those initiatives. The problem, which quickly becomes obvious, is that the school day is no longer these days than it was a generation ago. Most youngsters are in school for five hours a day, which is no longer than youngsters were in school 30 years ago. That means that the schools are being asked to do more and more in the same amount of time.

It is now expected that the state, through the education system, will have to deliver the skills that we would once have assumed would have been passed on by parents. Often, that suits parents. They are busy people, and are often happy to let the education system take up the slack. The shame is that the teaching profession has to step in and fill the role that parents would have filled previously. I do not think that that is good for society, and it is not helping education.

As an aside, it is wrong to characterise poor parents as always coming from deprived backgrounds. Often, middle-class parents are just as bad, with both parents rushing out to do busy, responsible jobs and lacking the time to look after their children properly.

Many of those issues were highlighted in the Children's Society report that my colleague Elizabeth Smith mentioned, "The Good Childhood Inquiry", which was published earlier this week. The report's conclusions are challenging and in some cases controversial. Some will take issue with the claim that children are damaged by having mothers who work full time. However, the basic messages are stark: having children is a serious responsibility, parents have to make sacrifices and put their own interests second to those of their children, and parents must give more priority to their relationship with their children. Those important messages must underline the debate. Parents must think about their role and take it more seriously.

Whatever our view on those conclusions, I say in passing that they represent a much more valuable contribution to the debate on parenting than the utterances of Jonathon Porritt, the self-proclaimed guru of the environmental movement, who told us earlier this week that it is irresponsible for people to have more than two children and that the state should enhance contraception and abortion in order to try to enforce that. I do not have a personal interest in those matters, although I know that some other members do. I see Mr Macintosh blushing slightly on the Labour benches opposite.

Not only do Mr Porritt's views ignore the fact that our birth rate in the UK is already lower than our replacement level, they also represent an assault on a basic human right. They are worryingly typical of the sort of Green fascist view that is all about giving the state greater control over people's lives. We should be unequivocal in saying that that sort of swivel-eyed, extremist nonsense should be denounced.

**Robin Harper:** Will the member take an intervention? [*Laughter.*]

**Murdo Fraser:** I am terribly sorry, but the Presiding Officer is indicating that I do not have time. I say to Robin Harper that I exclude him from the definition of a swivel-eyed, Green fascist.

We all agree that parenting skills are important, and we acknowledge that many parents across the social spectrum need assistance. Excellent work is done in the voluntary sector by the Aberlour Child Care Trust, Barnardo's, Care for the Family and many others. The state should not reinvent the wheel. Instead, we should have better support and co-ordination of what is on offer in the voluntary sector.

We have reservations about the Labour amendment because of the spat over statistics, but we support the Liberal Democrat amendment and hope that others will support ours.

16:42

**Ken Macintosh (Eastwood) (Lab):** Many speakers broadly welcomed the publication of the early years framework, and I, too, am pleased to express my support for the general principles that are expressed in the strategy document. As my colleagues have emphasised, there are several areas of concern and a big question mark over how the policies are to be delivered, but it is important that we are agreed on the direction of travel.

The strategy rightly builds on the previous Executive's work on, for example, the sure start programme, the healthy eating initiative, parenting programmes, and nursery education for all three and four-year-olds. I do not think that I take anything away from the framework by saying that much of its thinking was laid out in the work of the Education Committee in the previous session, of which both the cabinet secretary and the minister, Mr Ingram, were members, and its unanimous report on early years.

I will not go through every area or recommendation in the framework, but I will touch on one or two points. Like Elizabeth Smith, Mary Mulligan and others, I highlight the fact that good parenting must be a priority. I particularly welcome Ms Smith's comments on the dangers of

materialism and selfishness. I will put this gently: although Ms Smith might not recognise this comment as fair, I hope that she will appreciate that many of my colleagues associate the values of materialism and selfishness with Tory policies of the 1980s and 1990s. However, that makes her comments today all the more welcome.

If we are to expand in the area of early years, I encourage the minister to consider one of the most successful initiatives in recent years, which is the development of home-school links. Many schools have established parent support groups and built positive relationships with vulnerable families that have reaped rewards for their children. Coincidentally, my colleague Karen Whitefield mentioned an example of such a school at question time this afternoon—I think that it was St Serf's in her constituency. I urge the minister to build on what I thought was a constructive reply to her question.

A couple of submissions that MSP colleagues received today ahead of the debate highlight the burden of stress that is laid on some families. It is true that parents sometimes feel under threat. They are blamed for all of society's ills and are rarely praised for getting things right. I assure Murdo Fraser that I feel particularly on the defensive this week following Mr Porritt's comments on large families. I hesitate to think what intervention he would take once the two-kid quota had been fulfilled. However, I hope that all members recognise that most parents do a great job at an undoubtedly stressful time in their lives.

I want to give a special mention to the section on play. As we all know, play was not included in the original consultation, which provoked widespread concern. I am pleased that the ministers have put things right. The framework refers to the centrality of play not only to how children learn but to their mental and physical health and their development as rounded people.

I particularly welcome the comments on risk, which I think the minister repeated in her introductory remarks. The framework refers not to eliminating all dangers but to building children's resilience and confidence so that they can learn to make positive and safe choices for themselves. However, the report is a bit light on detail on how that will be delivered, as it is in other sections that I will deal with. To give one example, no mention is made of placing a statutory duty on local authorities. I hope that we have yet to see a stand-alone play strategy, but I acknowledge that a positive step has been taken in the right direction.

Perhaps the biggest question mark hanging over the early years framework is to do with resources and delivery. Most of the sector and virtually all members have picked up on that. The strategy almost makes a virtue of there being no resources

to implement the policies, but it is difficult for many practitioners to see how we can make many of the envisaged changes without funding. We already know from work in the national health service, for example, how difficult it is to shift existing resources away from crisis intervention to preventive work. I think that Robert Brown and Hugh O'Donnell made that point.

**Adam Ingram:** Does the member accept that there are significant resources for early years provision now? Around £1.5 billion goes into such provision every year. Does he also accept that we are facing a period of financial restriction? I would be grateful if he told me where I could get my hands on extra resources.

**Ken Macintosh:** As a colleague of mine has said, finding that out is Mr Ingram's job. I understand the difficulty and I am not unsympathetic.

I agree that early intervention will pay dividends in the long term in improving our children's lives and in economic benefits, but that is a long-term calculation. The services are not exactly well funded at the moment without resources being diverted elsewhere. That there will have to be some sort of dual approach or overlap—I think that Hugh O'Donnell referred to that—in funding both early intervention and crisis management until the economic benefits are seen is almost inescapable.

Of course, the main reason why we lodged an amendment was to highlight the gap between the admirable aspirations in the policy document and the reality of services for our youngest children. We have heard yet again claim followed by counter-claim in respect of nursery teachers. I will try to unpick the arguments. I think that we can agree that there are two sets of figures: whole-time equivalent and head count. We can also agree that the number of whole-time equivalent nursery teachers is, to use the words of the cabinet secretary in her opening speech, "approximately the same"; in plain English, that means that the number is down by 13. The SNP is trying to hide behind the inaccurate head count. However, during First Minister's question time on 25 September, the First Minister was clearly aware of the dangers of double-counting in his typically condescending put-down of Margaret Smith.

The Government's statisticians have said:

"I would recommend using the Whole time Equivalent, which can be compared ... for 2007 and 2008. This is because Whole Time Equivalent will not be multiple-counted for peripatetic teachers ... Schools statisticians have been using Whole Time Equivalent of teachers exclusively as their measure for several years".

Unfortunately, we have seen again today that the SNP prefers fudge and obfuscation to doing the

simple and gracious thing of apologising for the First Minister's blunder.

There is room for all the parties to agree on an early years strategy, but the gap between what Hugh Henry and Mary Mulligan referred to as warm words and the reality of services for our children is worrying.

**Margo MacDonald:** If the Government declares game, set and match to the Opposition on the figures and agrees that there are 13 fewer nursery teachers, will the Labour Party withdraw its amendment?

**Ken Macintosh:** If the First Minister would apologise for saying—[*Laughter.*] Well, we are not going to hold out for that. The point is that the First Minister will not correct himself. The issue is important, because the First Minister should not mislead Parliament. He claimed that the figures show a substantial increase. If the First Minister—or the minister, on the First Minister's behalf—is prepared to say that he was wrong and that the figures do not show a substantial increase, we will withdraw our amendment. There is an offer for the minister.

To conclude, the Parliament and, in particular, the previous Labour-Liberal Executive have a sound track record on early years that is based on results, not rhetoric. The general principles of the early years framework are admirable, but it would be equally admirable if ministers translated some of those aspirations into tangible benefits for Scotland's children.

16:51

**The Minister for Children and Early Years (Adam Ingram):** There is a great deal of commitment in and beyond the Parliament to getting the early years right for all our children, no matter their background or circumstances. The early years framework will take us a good way down the road that we want to travel. I emphasise that the framework is not Government owned; it is jointly owned with and produced by COSLA. It is unfortunate that many members assume that local authorities are more concerned with avoiding their responsibilities than accepting them. I hope that we can be a little more amenable on the subject of our local authority colleagues in future.

I am happy to accept Elizabeth Smith's amendment. We are convinced that helping parents to help their children and giving them confidence in their parenting skills are vital if we are to make progress on the agenda. I noted her interesting comments about extra child benefit for very young children, and I will certainly raise that suggestion when we discuss the issues with UK ministers. I welcome her mention of the voluntary sector, which is also mentioned in Hugh

O'Donnell's amendment. The framework was developed in partnership through task groups, which involved more than 100 people from more than 50 organisations, including a large number from different parts of the third sector, so if Hugh Henry cares to reflect on his remarks, he will find that he has insulted rather a lot of people.

**Hugh Henry:** Will the minister take an intervention?

**Adam Ingram:** No, not at the moment. I do not think that the member can get over the fact that the Government has ditched Labour's rather patronising attitude of, "We know what's best for you," and the use of central diktat, which people have been used to for so long.

As for the Labour amendment, the cabinet secretary laid out the facts, as I have done several times in the Parliament and in written answers. I am disappointed that the Labour Party continues to challenge their veracity. The fact is that Labour's abolition of the school code led to a dramatic reduction in nursery teachers from 2002 onwards. The national statistics—not ones that are produced within the education department—say that the downward decline has bottomed out and that it looks like we are on the rise.

**Rhona Brankin:** Will the member take an intervention?

**Adam Ingram:** No, I will not. I want to finish the point, because, to be perfectly honest, it is a bit tiresome to be talking about statistics in this debate.

The fact is that nursery teacher levels will rise, particularly given the 50 per cent extension in pre-school entitlement for three and four-year-olds, which we promised in our manifesto and is due to come on stream in the next couple of years.

I say to Hugh O'Donnell that the methodology changed between 2007 and 2008. The statisticians realised that they had got their methodology wrong. The figures for this year are being collected. The deficiencies having been cleared up, Mr O'Donnell will have a set of figures that are directly comparable with last year's figures. I hope that that will clear up the statistics point.

**Rhona Brankin:** Will the minister take an intervention?

**Adam Ingram:** I really do not want to go into statistics any more, thank you very much.

**Margaret Smith:** Will the minister take an intervention?

**Adam Ingram:** Okay.

**Margaret Smith:** This is a serious issue. None of us particularly likes spending a great deal of

time with stats—I certainly do not. However, 892 centres did not even submit information on their number of staff. The Government has made a promise, but what has it done to increase the number of centres that provide information?

**Adam Ingram:** I am not an expert in statistics, but I assume that statisticians adopt certain methods for non-statistical returns. I suspect that I can exchange that information with Margaret Smith by letter.

I will now get back to the subject in hand.

From the start, we have recognised that tackling inequalities in the early years has to be a long-term commitment, hence the 10-year timeframe for dealing with the issues that hold our children and our society back. We also recognise that addressing such major challenges over the long term depends on a strong spirit of partnership. I repeat an idea that I suggested earlier: this is no longer about national Government dictating every detail of what should happen locally. That approach has been tried and has been found wanting. The new approach—*[Interruption.]*

**The Deputy Presiding Officer:** One moment, minister. Far too many conversations are taking place among members in the chamber.

**Adam Ingram:** The new approach recognises that the delivery of outcomes lies for the most part in the hands of our local partners—not just our local authority partners but NHS Scotland, the third sector and others. The framework establishes a shared vision and provides a clear lead. There is a strong focus on outcomes and a shared analysis of the steps that will, in time, take us in the right direction. The actions and objectives are not ends in themselves, and ticking them off as if they were a to-do list will not in itself achieve the “transformational change” to which the cabinet secretary referred.

What is most needed is a change in thinking and a change in focus, and ensuring that systems and procedures are better aligned to the needs of the child and his or her family. The framework includes a number of actions that will be taken forward at national level, such as: looking at the options for the development of new workforce roles; launching a campaign to promote the importance of parenting; promoting the uptake of child care vouchers; and promoting changes to the UK tax credits regime. We will also lead a national debate on keeping children as safe as necessary while they play, and on helping them to learn to assess risk. In the near future, I will meet the Scottish Commission for the Regulation of Care, Play Scotland and the police to start the debate. I know that our local partners are equally committed to the agenda.

Already, some community planning partnerships are beginning to think about how they can improve outcomes in and through the early years, taking account of their local circumstances. That is what the concordat approach is all about—allowing local flexibility, and measuring success in terms of improved outcomes for children, not in terms of the original inputs.

This is not about leaving local partners to sink or swim on their own. I am committed to working alongside our partners over the long term to address the challenge. I intend that, in 10 years' time, the early years framework will be—*[Interruption.]*

**The Presiding Officer (Alex Fergusson):** Order. I am sorry to interrupt you, minister, but there is too much noise from around the chamber.

**Adam Ingram:** The early years framework will be seen as a success story in 10 years' time—not for the Scottish Government or COSLA, but for Scotland and Scotland's children and young people.

## Decision Time

17:00

### The Presiding Officer (Alex Fergusson):

There are 10 questions to be put as a result of today's business. I ask members to note that, if amendment S3M-3383.2, in the name of Andy Kerr, on borrowing powers for the Scottish Parliament, is agreed to, amendment S3M-3383.1, in the name of Derek Brownlee, will fall.

The first question is, that amendment S3M-3383.2, in the name of Andy Kerr, which seeks to amend motion S3M-3383, in the name of Tavish Scott, on borrowing powers for the Scottish Parliament, be agreed to. Are we agreed?

**Members:** No.

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

### FOR

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Foulkes, George (Lothians) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Tom (Hamilton South) (Lab)  
 McConnell, Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Mulligan, Mary (Linlithgow) (Lab)  
 Murray, Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)

### AGAINST

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

Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

**The Presiding Officer:** The result of the division is: For 42, Against 80, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-3383.1, in the name of Derek Brownlee, which seeks to amend motion S3M-3383, in the name of Tavish Scott, on borrowing powers for the Scottish Parliament, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Aitken, Bill (Glasgow) (Con)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West of Scotland) (Con)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

#### AGAINST

Adam, Brian (Aberdeen North) (SNP)  
 Ahmad, Bashir (Glasgow) (SNP)  
 Allan, Alasdair (Western Isles) (SNP)  
 Brown, Keith (Ochil) (SNP)  
 Brown, Robert (Glasgow) (LD)  
 Campbell, Aileen (South of Scotland) (SNP)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Finnie, Ross (West of Scotland) (LD)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hume, Jim (South of Scotland) (LD)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Kidd, Bill (Glasgow) (SNP)

Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 MacDonald, Margo (Lothians) (Ind)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 McArthur, Liam (Orkney) (LD)  
 McInnes, Alison (North East Scotland) (LD)  
 McKee, Ian (Lothians) (SNP)  
 McKelvie, Christina (Central Scotland) (SNP)  
 McMillan, Stuart (West of Scotland) (SNP)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Neil, Alex (Central Scotland) (SNP)  
 O'Donnell, Hugh (Central Scotland) (LD)  
 Paterson, Gil (West of Scotland) (SNP)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Robison, Shona (Dundee East) (SNP)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Alex (Gordon) (SNP)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Somerville, Shirley-Anne (Lothians) (SNP)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

#### ABSTENTIONS

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Foulkes, George (Lothians) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Tom (Hamilton South) (Lab)  
 McConnell, Jack (Motherwell and Wishaw) (Lab)

McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Mulligan, Mary (Linlithgow) (Lab)  
 Murray, Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)

**The Presiding Officer:** The result of the division is: For 16, Against 64, Abstentions 42.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S3M-3383, in the name of Tavish Scott, on borrowing powers for the Scottish Parliament, be agreed to. Are we agreed?

**Members:** No.

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

#### FOR

Adam, Brian (Aberdeen North) (SNP)  
 Ahmad, Bashir (Glasgow) (SNP)  
 Allan, Alasdair (Western Isles) (SNP)  
 Brown, Keith (Ochil) (SNP)  
 Brown, Robert (Glasgow) (LD)  
 Campbell, Aileen (South of Scotland) (SNP)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 Finnie, Ross (West of Scotland) (LD)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hume, Jim (South of Scotland) (LD)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Kidd, Bill (Glasgow) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 MacDonald, Margo (Lothians) (Ind)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 McArthur, Liam (Orkney) (LD)  
 McInnes, Alison (North East Scotland) (LD)  
 McKee, Ian (Lothians) (SNP)  
 McKelvie, Christina (Central Scotland) (SNP)  
 McMillan, Stuart (West of Scotland) (SNP)  
 Morgan, Alasdair (South of Scotland) (SNP)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 Neil, Alex (Central Scotland) (SNP)

O'Donnell, Hugh (Central Scotland) (LD)  
 Paterson, Gil (West of Scotland) (SNP)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Robison, Shona (Dundee East) (SNP)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Russell, Michael (South of Scotland) (SNP)  
 Salmond, Alex (Gordon) (SNP)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Somerville, Shirley-Anne (Lothians) (SNP)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stevenson, Stewart (Banff and Buchan) (SNP)  
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)  
 Sturgeon, Nicola (Glasgow Govan) (SNP)  
 Swinney, John (North Tayside) (SNP)  
 Thompson, Dave (Highlands and Islands) (SNP)  
 Tolson, Jim (Dunfermline West) (LD)  
 Watt, Maureen (North East Scotland) (SNP)  
 Welsh, Andrew (Angus) (SNP)  
 White, Sandra (Glasgow) (SNP)  
 Wilson, Bill (West of Scotland) (SNP)  
 Wilson, John (Central Scotland) (SNP)

#### ABSTENTIONS

Aitken, Bill (Glasgow) (Con)  
 Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brownlee, Derek (South of Scotland) (Con)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Foulkes, George (Lothians) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Goldie, Annabel (West of Scotland) (Con)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Henry, Hugh (Paisley South) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kerr, Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Tom (Hamilton South) (Lab)  
 McConnell, Jack (Motherwell and Wishaw) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Edinburgh Pentlands) (Con)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)

Mulligan, Mary (Linlithgow) (Lab)  
 Murray, Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Elizabeth (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)

**The Presiding Officer:** The result of the division is: For 66, Against 0, Abstentions 56.

*Motion agreed to,*

That the Parliament believes that the acquisition of borrowing powers would enhance the autonomy and accountability of the Scottish Parliament and improve the Scottish Government's ability to respond to changing economic circumstances; notes that borrowing powers would allow the Scottish Government to phase the funding of major capital projects such as the new Forth Replacement Crossing sensibly and efficiently, and therefore welcomes the Scottish Government's commitment to give permission for civil servants to engage fully with the Commission on Scottish Devolution to assist the delivery of borrowing powers for the Scottish Parliament.

**The Presiding Officer:** The next question is, that amendment S3M-3384.2, in the name of John Park, which seeks to amend motion S3M-3384, in the name of Jeremy Purvis, on a financial sector jobs task force, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-3384.1, in the name of Derek Brownlee, which seeks to amend motion S3M-3384, in the name of Jeremy Purvis, on a financial sector jobs task force, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that motion S3M-3384, in the name of Jeremy Purvis, on a financial sector jobs task force, as amended, be agreed to.

*Motion, as amended, agreed to,*

That the Parliament notes the importance of the financial services industry to the Scottish economy; believes that the Financial Services Advisory Board (FiSAB), set up to be the custodian and advocate of the strategy for the industry in Scotland during a time of economic boom, should now be given more powers and a new purpose to focus on protection for this major Scottish industry during the current banking crisis and recession; notes the Scottish Government's commitment that FiSAB should be adapted to deal with the challenges in the sector and should meet more frequently than the present position of twice a year; believes that there should be continued workforce representation at the meetings in the shape of the recognised trade unions, and calls for the urgent formation of a finance sector jobs taskforce within FiSAB to work proactively to help the staff with essential skills who are losing their jobs and for ministers to report to the

Parliament on its work and for such reports to include the latest estimate of the number of jobs in the financial sector in Scotland, direct and indirect.

**The Presiding Officer:** The next question is, that amendment S3M-3385.3, in the name of Karen Whitefield, which seeks to amend motion S3M-3385, in the name of Fiona Hyslop, on the early years framework, be agreed to. Are we agreed?

**Members:** No.

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

**For**

Alexander, Ms Wendy (Paisley North) (Lab)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Edinburgh Central) (Lab)  
 Brankin, Rhona (Midlothian) (Lab)  
 Butler, Bill (Glasgow Anniesland) (Lab)  
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)  
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)  
 Eadie, Helen (Dunfermline East) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill) (Lab)  
 Foulkes, George (Lothians) (Lab)  
 Glen, Marlyn (North East Scotland) (Lab)  
 Godman, Trish (West Renfrewshire) (Lab)  
 Gordon, Charlie (Glasgow Cathcart) (Lab)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Harper, Robin (Lothians) (Green)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Paisley South) (Lab)  
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)  
 Kerr, Andy (East Kilbride) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Livingstone, Marilyn (Kirkcaldy) (Lab)  
 Macdonald, Lewis (Aberdeen Central) (Lab)  
 MacDonald, Margo (Lothians) (Ind)  
 Macintosh, Ken (Eastwood) (Lab)  
 Martin, Paul (Glasgow Springburn) (Lab)  
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)  
 McCabe, Tom (Hamilton South) (Lab)  
 McConnell, Jack (Motherwell and Wishaw) (Lab)  
 McMahon, Michael (Hamilton North and Bellshill) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McNeill, Pauline (Glasgow Kelvin) (Lab)  
 McNulty, Des (Clydebank and Milngavie) (Lab)  
 Mulligan, Mary (Linlithgow) (Lab)  
 Murray, Elaine (Dumfries) (Lab)  
 Oldfather, Irene (Cunninghame South) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Peacock, Peter (Highlands and Islands) (Lab)  
 Peattie, Cathy (Falkirk East) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)  
 Whitefield, Karen (Airdrie and Shotts) (Lab)  
 Whitton, David (Strathkelvin and Bearsden) (Lab)

**AGAINST**

Adam, Brian (Aberdeen North) (SNP)  
 Ahmad, Bashir (Glasgow) (SNP)  
 Aitken, Bill (Glasgow) (Con)  
 Allan, Alasdair (Western Isles) (SNP)  
 Brocklebank, Ted (Mid Scotland and Fife) (Con)  
 Brown, Gavin (Lothians) (Con)  
 Brown, Keith (Ochil) (SNP)  
 Brownlee, Derek (South of Scotland) (Con)

Campbell, Aileen (South of Scotland) (SNP)  
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)  
 Constance, Angela (Livingston) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perth) (SNP)  
 Don, Nigel (North East Scotland) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
 Fabiani, Linda (Central Scotland) (SNP)  
 FitzPatrick, Joe (Dundee West) (SNP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Highlands and Islands) (SNP)  
 Goldie, Annabel (West of Scotland) (Con)  
 Grahame, Christine (South of Scotland) (SNP)  
 Harvie, Christopher (Mid Scotland and Fife) (SNP)  
 Hepburn, Jamie (Central Scotland) (SNP)  
 Hyslop, Fiona (Lothians) (SNP)  
 Ingram, Adam (South of Scotland) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kidd, Bill (Glasgow) (SNP)  
 Lamont, John (Roxburgh and Berwickshire) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)  
 Marwick, Tricia (Central Fife) (SNP)  
 Mather, Jim (Argyll and Bute) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West of Scotland) (SNP)  
 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)  
 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)

#### ABSTENTIONS

Brown, Robert (Glasgow) (LD)  
 Finnie, Ross (West of Scotland) (LD)  
 Hume, Jim (South of Scotland) (LD)  
 McArthur, Liam (Orkney) (LD)  
 McInnes, Alison (North East Scotland) (LD)  
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)  
 O'Donnell, Hugh (Central Scotland) (LD)  
 Pringle, Mike (Edinburgh South) (LD)  
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)  
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)  
 Scott, Tavish (Shetland) (LD)  
 Smith, Iain (North East Fife) (LD)  
 Smith, Margaret (Edinburgh West) (LD)  
 Stephen, Nicol (Aberdeen South) (LD)  
 Stone, Jamie (Caithness, Sutherland and Easter Ross)

(LD)  
 Tolson, Jim (Dunfermline West) (LD)

**The Presiding Officer:** The result of the division is: For 45, Against 61, Abstentions 16.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-3385.1, in the name of Elizabeth Smith, which seeks to amend motion S3M-3385, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S3M-3385.2, in the name of Hugh O'Donnell, which seeks to amend motion S3M-3385, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The final question is, that motion S3M-3385, in the name of Fiona Hyslop, on the early years framework, as amended, be agreed to.

*Motion, as amended, agreed to.*

That the Parliament recognises that getting the early years right is key to delivering improved outcomes for children and young people and a key opportunity to shape a more successful Scotland; notes the publication of *The Early Years Framework* and the vision it sets out for giving children the best start in life, including a focus on parenting, early intervention, meeting the needs of children and parents and play; further recognises the challenges in shifting to prevention and early intervention while also supporting children who need help now, and calls on national and local government to work together with external agencies and the voluntary sector to address these challenges in partnership during the implementation of the framework which should include greater emphasis on the development of parenting skills and harnessing the excellent work of voluntary sector groups that provide these services.

## Investment in Schools (North Highland)

**The Deputy Presiding Officer (Alasdair Morgan):** The final item of business is a members' business debate on motion S3M-3284, in the name of Jamie Stone, on investment in schools in north Highland. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament recognises the impact of the quality of a school's environment on the effectiveness of the education of its pupils and believes that the dilapidated state of a number of school buildings in the north Highlands impedes the education of many pupils; recognises Highland Council's lack of financial resources to renovate and build schools, and regrets the lack of a funding mechanism that would allow Highland Council to initiate a much-needed schools refurbishment and new-build programme.

17:06

**Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I thank all the members who have supported the motion, which raises a big issue for people who live in the north of my constituency.

One evening a year ago, a Wick high school pupil came to see me at my clinic in John o' Groats. She raised with me a simple matter that was important to her. She said that the windows of her classroom let in the freezing cold air and asked whether I could do anything to have the problem sorted. I contacted the school and was dismayed when the rector told me that the problem was far worse and that the school's physical state was much worse than most people realised. He told me up front that he did not see why the true facts should not be made public.

As members know from the media and from my comments in the chamber, the school's state has become evermore brightly lit by the glare of publicity. Wick high school parent council produced a report that detailed the school's shocking state, which was copied to the First Minister, among others. A postcard campaign to the First Minister has also been undertaken.

As I said at the start of my speech, the debate is about a big issue for ordinary people. Members will remember the campaign to safeguard consultant-led maternity services in Caithness. As in that case, people really care about the issue.

The physical state of Wick high school is unacceptable in this day and age. Its staff and pupils work hard and do their best despite the very poor state of the school buildings. That endeavour should be recognised and applauded, but the fact remains that if even only one pupil failed to realise his or her maximum educational potential because

of the school's physical state, that would be a disgrace.

Whatever the history of physical neglect of the school turns out to be—and that should be investigated, if only to prevent any repetition—the reality is that, in 2009, Highland Council simply does not have the financial resources to give Wick and east Caithness the modern fit-for-purpose secondary school that the people who live there deserve. That is why, ever since my young constituent helped us to uncover Wick high school's true condition a year ago, I and others—I give credit where it is due—have sought repeatedly to raise the issue at ministerial and national levels. Ministers from the First Minister downwards are all aware of the issue. Although no financial assistance has yet been offered, I am grateful that ministers are now at least aware of the problem.

A possible solution may be in sight. The United Kingdom Government's recent announcement that it is bringing forward £100 million of infrastructure expenditure in Scotland presents a golden opportunity. That is why I have written to Highland Council to ask whether Wick high school will form part of the council's bid for a share of that £100 million. I hope that the Scottish Government acknowledges that that could be a way forward and will encourage the council to make that bid.

The second possible way forward is presented by the budget that was agreed between my party and the Scottish Government this week. The emphasis on addressing the problem of crumbling schools is welcome. In addition, while we wait to see what the projected Scottish Futures Trust delivers—or does not deliver—the new work on borrowing consent for Scotland will be most welcome.

In the absence of an off-balance-sheet mechanism such as public-private partnerships, which delivered a splendid new Dingwall academy that has not gone unnoticed by my Caithness constituents, Government borrowing consents are centre stage. I hope that the Scottish Government will be mindful of schools in my constituency as additional borrowing is evaluated and worked up. It is worth pointing out that investment in schools infrastructure in an area such as Caithness has a beneficial effect on the local economy through its support for contractors and building workers.

Alas, Wick high school is not the only school in my constituency that needs investment, although I have made great play of it in particular. Thurso high school—in particular, the Clasper building to the rear of the school—has been a source of problems over the years. I must also mention Farr high school and its rector, Jim Johnston. Farr high school has been on and off PPP lists and council capital programmes but, after eight years, we do

not seem to be where we would like to be in making it fit for purpose. Although its condition is not as extreme as that of Wick high school, the fact remains that when pupils at Farr high school and the adjacent primary school go from one class to the other, they have to leave the buildings—a gaggle of buildings, as it has been described to me—and go out into the wind and the storms to go to the next class. That is not acceptable in this day and age.

I say those things about Thurso high school and Farr high school to put them, as well as Wick high school, on the record. I will return to the condition of those two other schools when I get the opportunity again. I and my constituents seek a recognition from the Scottish Government that we have a problem with Wick high school in particular but that there are opportunities to address the problem through the £100 million infrastructure funding that is coming from Westminster and through exploring the possibility of borrowing powers for the Scottish Government. I seek confirmation that the minister will consider those mechanisms and keep Wick high school and the other schools in my constituency at the top of her agenda for much-needed investment.

I and my constituents believe that children have the same rights to education whether they live in Wick, Inverness or the central belt of Scotland. I repeat the remark that if even one pupil failed to realise their full educational potential because of the state of their school, it would be damnable.

I thank members for listening to my speech. I await other members' speeches and the minister's reply.

17:13

**Rob Gibson (Highlands and Islands) (SNP):** I welcome the debate that Jamie Stone has secured and put on record my support for equitable funding of school improvements throughout the country.

It is important to acknowledge the history of the problems that Highland Council has faced over decades. Indeed, I understand that the evaluation that ministers in the previous Executive and the current Government made of the most likely candidates for school improvement funds showed that some 50 primary schools in the Highland Council area have toilets that are not fit for purpose.

I also understand that the issue with Thurso high school that Jamie Stone has raised has been going on for many years. Indeed, people who were pupils of Wick high school 15 or 16 years ago tell me that there were buckets on the floor and broken roof tiles then. Some of them said that when they were concentrated on learning it was not too much of a problem for them, but in the long

period since then there has been a decline in the condition of the dilapidated fabric, which must be investigated as Jamie Stone suggested.

I ask the minister to find out, if possible, why the fabric of Wick high school has deteriorated to its current state, which has forced concerned parents to go to the local MSP with their campaign for improvement. I understand their concerns for the current generation of pupils, but we must ask whether, given the circumstances of this devolved Administration, there is enough money to do all the required jobs. I hope that the national classification system will put Wick high school towards the top of the tree for being dealt with.

The lack of financial resources is only one aspect of the issue. I understand that how repairs have been done in the school and the piecemeal spending of money have been less than helpful. Indeed, as Jamie Stone will know, the swimming pool in Wick high school has been made unusable because of the methods contractors used to clean the grouting and so on. Unbelievably, they left sharp edges that meant that children could not use the pool thereafter. At least there is a large swimming pool in Wick that Wick high school pupils and the public can use, so the situation is not as desperate as that in Thurso, where there is no swimming pool.

I ask that we try to get this matter into perspective and look to the minister to tell us how we can go ahead. We must learn from what has happened and consider more local choices for borrowing requirements, as I did in my speech in the chamber this morning. The potential for prudential borrowing has led, at least in the case of certain local authorities, to emergency work being done on schools. I would like to know whether something of that sort can be contemplated in this case, if necessary. I hope that we will see the sort of progress that we all want, and acknowledge Wick high school's priorities. Having welcomed the debate, I would welcome the minister's reply.

17:17

**Rhoda Grant (Highlands and Islands) (Lab):** I, too, congratulate Jamie Stone on securing this very important debate. Like him, I am appalled at the state of Wick high school. With my colleagues Peter Peacock and David Stewart, I visited the school not so long ago and found the facilities to be awful. It was a lovely, dry, sunny day when we visited, but we could not move about during lunch time because of the number of children who were eating their lunches in the dining room, the corridors and anywhere else they could find a space, and as many young people were eating their lunch outside as inside. Had it been raining,

which it is known to do in Wick and Caithness, I do not know how the school would have coped.

The classroom facilities were poor and the sports facilities were falling apart. As Rob Gibson said, the swimming pool is closed, which has implications not only for pupils but for the wider community. There is a public swimming pool in Wick, but the one in the school was used by many community groups, including those with vulnerable adults who perhaps do not feel confident about using the public pool. The fact that it can no longer be used is a concern that has been raised with me. Pupils and teachers lose out because the school is in poor condition, but so do the wider community.

There were press reports at the weekend that three Highland schools have been given D grades, which means that they are considered to be beyond repair, but there are no plans to replace them. We urgently need to consider schools such as Caol primary school, which has the renowned room 13 project that is nationally recognised and commended. How much more could the children involved have achieved if they had been in a building that was fit for purpose? Lochaber high school in Fort William is another—I could go on because there are many in Highland and, indeed, throughout Scotland. That is why the Labour Party pledged in its manifesto for the most recent election that we would rebuild every school that needed to be rebuilt.

During the previous Administration, the Labour Party started a huge school building process and we were determined to finish it. We hoped that the SNP Government would continue that process and match us brick for brick, but it has not done that yet. I urge it to do so. As we have heard, Highland Council does not have the funding for such rebuilding, so the Government needs to intervene and help the children of Wick high school. Letting down any child at such an important stage of their life is letting down one child too many.

17:20

**Mary Scanlon (Highlands and Islands) (Con):**

I thank Jamie Stone for the opportunity to debate the subject of schools in the north Highlands. Many years ago, some teachers from Wick high school came to a surgery to tell me of the situation there. As Jamie said, the problem is not a new one.

As a Highlands MSP, I cannot confirm or deny that Wick high school is the school in Scotland that is in greatest need of repair. However, following my visit to the school last year with Rob Gibson and some parents, I can confirm that it is in much need of significant repair. Following the visit, I wrote to Highland Council to record my shock at

the state of the building. In my letter, I listed the following: the presence of asbestos; highly visible cracks in the walls; many areas of dampness that show up in blistering on walls, which is a well-known hazard for anyone with asthma; warped and rotten windows; the poor state of decorative repair and visible leaks throughout the building; the poor state of the swimming pool, which is now closed on health and safety grounds; and on-going problems with heating and burst pipes. I also pointed out that the school has no social areas where pupils can sit. Other members mentioned that. The issues that I listed are by no means the whole list.

Highland Council's response was to say that a new synthetic turf pitch had been established and that improvements had been made to the school entrance. The council also confirmed that the swimming pool would remain closed unless a low-cost solution could be identified. Some time ago, Highland Council allocated £1 million for additional toilets and increased dining room and social space at the school. No more funding has been identified in its four-year capital programme, although classrooms for home economics may be considered as part of the 2012-13 programme.

I received a letter from a former Wick high school pupil, who said:

"Spending 4-6 years in the rotten, unhygienic slum that is Wick High won't inspire young minds nor motivate teachers who are working under such intolerable conditions."

As we have heard, the Highland users group for mental health patients can no longer utilise the swimming pool at Wick high school, which they used because of the privacy that it offered. Its members have therefore lost a particularly good form of exercise for body and mind. Swimming helps people with mental health problems to cope with their conditions.

In writing about the Dounreay site closure, the Dounreay stakeholder group said that the social infrastructure needs to be improved if new business are to be attracted to the area. It went on to say that families who may be attracted to live in the area would want to ensure that an excellent education system is in place. The stakeholder group is supporting the call that members of all parties are making in the chamber tonight. Of course, the issue of retaining maternity services in the Highland area has also been raised.

The motion

"regrets the lack of a funding mechanism".

As Jamie Stone said, the Liberal-Independent coalition on Highland Council will be pleased to have heard Jeremy Purvis say this week that the new funding mechanism would act as

“a green light for Edinburgh and others to bring forward proposals.”

In fact, the Lib Dem education convener on the City of Edinburgh Council hailed yesterday's budget as a “lifecycle” for the refurbishment and replacement of schools in the capital. If it is good enough for Edinburgh, it is good enough for Wick.

17:24

**Peter Peacock (Highlands and Islands) (Lab):**

For the second time today, I find myself reflecting on my time at Highland Council. I served on the council, as Jamie Stone did, and then as a Scottish Executive minister with responsibility for education and finance. Over that time—25 years—I have had many interactions with the school building programme. In the process of reflecting on those times, I hope to answer some of Rob Gibson's questions on why schools in the Highlands got into the condition they are in.

As I said in this morning's debate on borrowing powers for the Scottish Parliament, when I was a councillor our borrowing consents were extremely strictly controlled. I watched, as did Jamie Stone and others on the council, the condition of our school stock decline faster than we could improve the schools. We knew that it was happening, which is why we pleaded with the Government of the day—to no avail—for an increase in investment in schools that would have allowed us to undertake projects such as Wick high school, Farr high school and Thurso high school, which are still waiting in the queue.

We did not make the progress that we wanted to make, which left schools in a dreadful and declining condition. A decade ago, Wick high school was by no means the worst, which demonstrates how bad the others were. The visit that I and others paid to Wick last year illustrated that the physical condition of the school is appallingly poor. It is among the worst that I have visited, although Farr high school is not far behind. That is a dreadful legacy.

When I was Deputy Minister for Children and Education in the first session of the Parliament and, subsequently, Minister for Education and Young People, as well as when I was a finance minister, I had both the motivation and the opportunity to do something about the situation, because of my experience of watching the decline of the school estate in the Highlands. I am proud of the fact that we created more than £5 billion-worth of investment in the period of our Administration. Hundreds of schools were improved. There are spanking new schools of the highest quality in Dingwall and Portree, and the primary schools in the Black Isle are of a similar standard. The tragedy is that there are still schools of the condition of Wick, Farr and Thurso, to which

Jamie Stone referred. We can see the contrast between what was possible when we had a funding mechanism and what is not possible now, when we are struggling to find one.

Today, I calculated that in the past decade Highland Council had close to £200 million to spend on its school estate, compared with about £24 million in the equivalent period before that. We have made progress. We also provided more grant, rather than borrowing. The prudential powers to which Jamie Stone and others have referred were designed to give councils more flexibility. However, the funding that we provided was never going to be enough to overcome the legacy of decline, which is why the building programme needed to continue.

As the motion suggests, it is tragic to see the policy failure that the Scottish Futures Trust has been to date. I sincerely hope that the trust will move forward, although I am sceptical about its ability to do so. It is interesting to note that, if it is to move forward, it will do so on a PPP basis. I am sorry that it has taken the Government so long to recognise that the Scottish Futures Trust is public-private partnership and to swallow that pill.

I do not care whether the trust uses the non-profit-distributing model—we approved the first such project. The non-profit-distributing model is PPP and is no cheaper than other forms of PPP. The important point is that we should make progress on the physical fabric of our schools, to provide the physical improvement that Wick and the other communities in the Highlands so desperately need. I encourage the minister and her colleagues to redouble their efforts to bring that about.

17:28

**The Minister for Schools and Skills (Maureen Watt):**

I, too, welcome this debate, which provides me with the opportunity to highlight the Government's commitment to improvement of the school estate. We have made significant progress in improving school infrastructure and are well on track to lifting more than 100,000 pupils out of poor-quality school buildings and classrooms by 2011. In the course of 2008 alone, 71 major school building projects were completed, which benefited more than 30,000 children who moved into new, state-of-the-art classrooms that are fit for delivering the curriculum for excellence.

Government is supporting £2 billion-worth of construction in schools. Since May 2007, 150 school projects have been completed under this Administration, which is benefiting more than 50,000 pupils and placing us well on track to meet our target of 250 school projects, serving 100,000 pupils. In addition, three NPD projects are

currently in the pipeline. In total, the SNP Government is directly supporting investment with a capital value of around £1 billion.

Under the terms of the concordat that we have signed with the Convention of Scottish Local Authorities, we have increased substantially the capital resources that are available to authorities. Many authorities are making schools an investment priority. The infrastructure investment plan shows a further £1 billion being invested in schools over the next five years, and that is just in large-scale projects.

In the wake of the pre-budget report, the Government has offered to allow authorities to accelerate £100 million of capital expenditure from 2010-11 in order to bolster economic recovery and support families and businesses. COSLA is working with authorities to identify how best that £100 million can be targeted. We are confident that schools and communities across the country will benefit from planned expenditure taking place earlier than would otherwise have been the case.

Looking to the future, we have established a joint school estate strategy working group with COSLA in response to the Audit Scotland report "Improving the school estate". Discussions regarding future policy, funding and delivery are on-going, with the intention to publish a new school estate strategy by spring 2009.

The Scottish Futures Trust is a member of the joint Scottish Government-COSLA school estate strategy working group and is also engaging with individual authorities to discuss how best it can support delivery of the Government's and authorities' aspiration to improve the school estate. The SFT will continue to work with the group and with authorities to assist in identifying appropriate delivery and funding solutions.

**Mary Scanlon:** I appreciate those comments. No one could not welcome an increase of millions of pounds for refurbishment and rebuilding, but what I saw when I went round Wick high school was, basically, lack of care and maintenance, which is what I would like the minister to be kind enough to address today. I see no point in our wasting taxpayers' money by spending millions on schools if we are not even prepared to invest some decent money in care, maintenance and good estate management.

**Maureen Watt:** I cannot agree more with Mary Scanlon. If we build new schools but they are not maintained, they will quickly fall down the categories again. Local authorities must build care and maintenance into their budgets in order to keep the schools that we are building in decent condition. Otherwise, we will still be paying for them after they have fallen down—we are paying for some schools over 30 years.

As I said, the Scottish Futures Trust is a member of the school estate working group, and it is working with it to improve the strategy.

As I have outlined, we are continuing to make substantial investment in capital programmes across Scotland and, as members will be aware, we will be announcing later this year the next part of the schools investment programme.

Rhoda Grant and Peter Peacock—who was a deputy finance minister and Minister for Education and Young People—know that PPP has to be paid for over decades. The work will come in on budget, and other mechanisms have to be found.

Turning specifically to Highland, I appreciate that there is local concern about the condition of schools in Jamie Stone's constituency. As he and other members rightly identified, it has been an issue for some time. I need to make it quite clear, however, that it is a matter for Highland Council, which is responsible for the provision and maintenance of school buildings in its area. It decides the priority that is to be accorded to work on particular schools.

**Jamie Stone:** Would the minister agree at least to come and see the condition of Wick high school for herself?

**Maureen Watt:** Jamie Stone and other members have made perfectly clear the condition of that school, and I take their word for it. As I said, it is a matter for the council. Have all Highland councillors been to visit the school? Perhaps if those from other parts of the council area had gone to visit it, it might be higher up their list of priorities.

Given the council's responsibility, ministers have to stand back from involvement in discussions on the merits of various options for work on individual school buildings, and cannot intervene in council business to influence which schools might be identified as priorities for replacement or refurbishment.

We have substantially increased the capital allocation for local authorities across Scotland, with Highland receiving £86.1 million over this year and next year for investment in infrastructure. That can of course be used for prudential borrowing, or it can be used for capital investment, including investment on schools, according to priorities.

In its previous school investment programme, the council apparently had higher priorities than the replacement of Wick high school. That was evidently the case in 2005, when the council decided on the contents of its nearly £200 million PPP schools project, in which replacement of Wick high school did not feature.

Education ministers welcomed the statement that was made back in September by Highland

Council leader, Councillor Michael Foxley, who said that he wants to set out an ambitious programme of capital investment in schools for the next 10 years. In the next four years, the council plans to invest £88 million in the region's schools. That will provide five new primary schools and significant improvements to a number of other schools, including £1 million-worth of investment at Wick high school. Of course, the extent to which investment in Wick high school might feature in that more ambitious future programme will be a decision for the council to take and to account for.

I hope that Mr Stone and other Highlands and Islands members will use their influence to ensure that Highland Council is in a state of readiness with school projects to benefit from the accelerated capital and future SFT funding.

*Meeting closed at 17:36.*

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