

MEETING OF THE PARLIAMENT

Thursday 30 April 2009

Session 3

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Scottish Parliament

Thursday 30 April 2009

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

Education

The Presiding Officer (Alex Fergusson): The first item of business this morning is a debate on motion S3M-4007, in the name of Margaret Smith, on education. We have some time in hand, so we can be a little flexible on speaking times.

09:15

Margaret Smith (Edinburgh West) (LD): Earlier this week, we were reminded of the Government's broken promises to Scotland's students. Today, we will focus on some others, such as class sizes and teacher numbers.

After two years of the Scottish National Party Government, truly glacial progress has meant that just 13 per cent of our children in primaries 1 to 3 are in classes of 18 children or fewer and, with even that slow progress now stalling, it does not take a maths teacher to figure out that the Government is on course to fail to meet its target by the end of this four-year session.

I make no apology for focusing today on issues affecting Scotland's 53,000 teachers. They are at the heart of our education system and they are fundamental to the delivery of first-class education. That is why the minister must support teachers, from new trainees and probationary teachers to those who are heading to retirement. The sad fact, however, is that the Government is letting teachers down, just as surely as it is letting down children and parents.

Today's debate is particularly topical, given this headline in today's *Herald*:

"Teachers may take industrial action over new curriculum".

The story under that headline expresses the frustration of the Scottish Secondary Teachers' Association over the implementation of the curriculum for excellence.

The SNP promised parents that smaller classes could be achieved by keeping teacher numbers constant while school rolls fell. However, instead of class sizes, it is teacher numbers that have fallen, by nearly 1,000 in a year.

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): Does the member acknowledge that we now have the lowest class sizes since devolution and, indeed,

the lowest pupil teacher ratio, despite a reduction in teachers? That is progress. The member implied that there had been no reductions in class sizes but there have been.

Margaret Smith: I think that I said that progress has been glacially slow—which is not easy to do at this time in the morning. The main point is that that is not what the Government claimed that it would make happen. A better pupil teacher ratio was not what was all over its election leaflets. The Government's leaflets said that it was going to reduce class sizes to 18 in primaries 1 to 3, and the fact is that the progress towards that target has been in the nature of about 1 per cent. At that rate, we are about eight decades away from the target being achieved.

There is a record slump in teacher numbers, which is concerning to parents across Scotland. The reduction in maths and science teachers also runs directly contrary to the Government's pledge to boost the study of science among Scotland's young people. Recent figures show a real-terms fall in funding for secondary school education. In this time of recession, that is deeply concerning. There has never been a more crucial time to provide adequate funding for secondary school education. The real-terms increase in primary education funding is just 0.5 per cent, and the national spend on employing teachers has fallen in real terms in primary and secondary education.

As the recession deepens, the concern is that, in the face of Government inaction and tightening council budgets across Scotland, the situation in Scottish education will only get worse. What chance of success does the curriculum for excellence have in our schools if we do not have the resources or the dedicated teaching professionals that are required to implement it properly? No wonder the SSTA and the Educational Institute of Scotland have raised concerns.

Last week, I met Universities Scotland and the principals of Scotland's universities. Many of them told us that undergraduate applications were up by about 5 per cent and that, interestingly, postgraduate applications in some places were up by more than 50 per cent. That is hardly any wonder given the economic situation, but against that backdrop there is uncertainty about the numbers that will enter teacher training this year.

Last month, the Scottish Further and Higher Education Funding Council announced intake targets that involved an overall rise of 9 per cent. Since then, however, there has been intense media speculation that the minister has ordered universities to slash the student intake in the coming year by a fifth. Today's debate gives the minister an ideal opportunity to tell us whether that is the case and, if it is the case, to tell us whether

those cuts will mean a drop in teaching student numbers of 500. The funding council has said that it will release a revised circular in a couple of weeks.

Fiona Hyslop: The level of initial teacher training intakes will be roughly the same as it was in 2007. The reduction on the initial target for this year is a drop of only 4 per cent. That will amount to 157 teachers, which—funnily enough—is less than the number by which the Labour-run Glasgow City Council reduced teacher numbers in only one year.

Margaret Smith: I am sure that we are all delighted at the fact that we have got that on the record. [*Interruption.*] The minister might scoff, but the fact is that there has been a certain amount of speculation about what is going to happen. People across Scotland are making decisions about their futures and deciding whether they want to go into a teaching career. All of us want the best and brightest people to go into teaching, so it is helpful that the minister has put that information on the record. It is disappointing that there will be a fall from the numbers that were originally talked about—157 teachers being lost from our schools is a move in the wrong direction. Those issues matter to parents and to people who are thinking about becoming teaching students.

We remain concerned about the number of trained teachers who are failing to find permanent employment. In the past year, *The Times Educational Supplement*, the General Teaching Council for Scotland and various surveys have pointed to the problems that are faced by post-probationer teachers trying to find work. Only last week, I met probationer modern studies teachers who raised concerns over a lack of supply positions, which is partly due to schools' use of recently retired teachers. I know that that issue has been considered in the past. Perhaps the minister can tell us whether action will be taken to address the issue and whether she plans to set up more permanent supply pools, which would go some way towards assisting.

That was one of the many issues that were addressed by the teacher employment working group. I have a number of questions about what progress has been made on those issues since the group reported last October. None of us should underestimate the difficulty of workforce planning. The group highlighted the difference between decisions on national workforce planning that were taken at the end of the year and decisions on local staffing needs that were taken by councils in the spring. Last October, the minister committed herself to addressing the matter. What progress has been made on that? What progress has been made towards increasing the number of permanent teaching positions, particularly in the primary sector?

Scottish Liberal Democrats have consistently warned that local authorities are struggling with education budgets and class size targets with little assistance from Government. There is a fault line through the heart of the SNP's education policies—it is called the historic concordat. The SNP went into the 2007 election making education commitments that it knew that it could not keep. It is not good enough to pass the buck continually to local authorities when those commitments are dropped. The SNP must take responsibility for its own inactions. The reality is that it is the SNP that made promises on class sizes, teacher numbers, nursery teacher numbers and the school building programmes. It made those promises knowing that it could not keep them.

Scottish Liberal Democrats in government delivered year on year increases in teacher numbers, bringing them to a record high. Our manifesto for the 2007 elections contained a clear and costed commitment to deliver 1,000 teachers to cut class sizes in our schools. We agree that that is a target that is worth aiming at; yet, halfway through the SNP's term in office, we are looking at a fall in teacher numbers of 1,000 and a fall in the number of those going into teaching training. That means that the SNP's commitment to reduce class sizes remains as elusive as ever.

The Government has the brass neck to try to sidestep an investigation of its broken promises in government by attacking us. Let us, therefore, consider a few points. We extended nursery places to three and four-year-olds; the SNP promised an increase in nursery teachers and delivered a whole-time equivalent decrease across Scotland of 13. We introduced sure start schemes in our communities to bring together early education, child care, health and family support in one place; the SNP promised the earth through an early years strategy that has no financial teeth. We delivered new schools the length and breadth of this country; the SNP promised that the Scottish Futures Trust would help to match our policy brick for brick, it has yet to commission any new schools—perhaps ministers cannot deliver because they are too busy traipsing around Scotland opening schools that were begun by the Labour and Liberal Democrat Executive.

We stand accused of investing in education—guilty as charged. We also stand accused of focusing on inputs rather than outputs. That is the complete opposite of this Government, which produced an election manifesto of unattainable outputs on class sizes and teacher numbers. That manifesto was long on unattainable outputs, and for the past two years the Government has failed to produce the inputs needed so that councils across Scotland could go any way towards achieving any of the outputs.

What we need now from the Government is not more empty gestures or more promises to be broken, but a detailed plan to tackle the problems facing schools and teachers. We need a properly timetabled workforce plan from the Government to restore teacher numbers to the levels that it promised to maintain, to deliver the staff needed for the smaller class sizes that it promised, and to provide the training places required by the young people whom it encouraged to get into teaching.

I move,

That the Parliament notes that, on the second anniversary of the election of the Scottish Government, the index of its broken promises contains more references to education than any other area of public policy; believes that the failures of the SNP on teachers and teaching are potentially the most damaging to the long-term interests of Scotland; notes the drop of 1,000 in the number of teachers in Scotland's schools despite the SNP promise to maintain numbers; regrets the microscopic progress on class size reductions; recalls the failure to offer ongoing job opportunities for newly qualified teachers and laments the pressure on teacher training places when demand for such places from talented graduates remains high, and calls for the Cabinet Secretary for Education and Lifelong Learning to publish, by the end of the school year and in time for September, a detailed workforce plan for teaching that can restore teacher numbers, increase training places, get newly qualified teachers into work in schools and provide assurance that the Scottish Government is prepared to learn from the mistakes of the first half of its term of office as it embarks on its second.

09:26

The Minister for Schools and Skills (Keith Brown): I welcome the opportunity to respond on behalf of the Government and to move the amendment in my name.

Since this Government took office, we have debated many Opposition motions that were misconceived and that, by trying to score narrow party-political points, often missed the bigger picture. However, this particular motion is rare indeed, given that it so completely and profoundly misses the point.

I noticed that Margaret Smith mentioned the curriculum for excellence, which her motion does not. We in Scotland are in a unique, and perhaps historic, position in relation to our education system in so far as we are faced with a once-in-a-generation opportunity to transform education for Scotland's children and ensure that the education system of the future equips our children, and their friends and peers across Scotland from whatever background, to meet the demands of the future. It is a once-in-a-generation opportunity to drive up standards in Scottish education through ensuring the provision of a single system of lifelong learning, from the early years through school and beyond, that puts the child—the learner—at the centre. That opportunity is the curriculum for

excellence, and it is instructive indeed that in a motion of "War and Peace" proportions those words, that concept and that opportunity do not appear.

I will come to the issues raised in the motion about teachers presently, but it would be remiss of me not to remind Margaret Smith what the curriculum for excellence is about and why it is such an important opportunity. At its heart, the curriculum for excellence is about raising standards of education for all children and young people. The standards embedded in the experience and outcomes that were published on 2 April—a hugely important milestone for the programme and for Scottish education that seems to have escaped the Liberal Democrats completely—are demanding and stretching.

Margaret Smith: The minister made the point that the motion does not mention the curriculum for excellence, so why is he focusing on something that is not meant to be debated and, so far, not speaking about teachers?

Keith Brown: When the member spoke, she said it was important to focus on "outputs"—I would say "outcomes". I made the point at the start that the motion misses the point completely. The biggest change for education is the curriculum for excellence, but for some reason the Liberal Democrats seem immune to that point. The member did not even mention the experiences and outcomes published on 2 April.

Standards that are demanding and stretching are appropriate for an education system that is ambitious for its learners and a nation that is ambitious for its people. It is unfortunate that the Liberal Democrats appear ambitious only for themselves.

The curriculum for excellence will drive up standards—

The Presiding Officer: I must ask the minister to speak to the terms of the motion. It is up to the members who lodge the motion to dictate its terms.

Keith Brown: I repeat the point that I believe the outputs mentioned by Margaret Smith are extremely important; that is why I mentioned the curriculum for excellence.

On the question of teachers raised by Margaret Smith, the most recent final outturn figures we have available are for 2007-08 and show that net revenue expenditure on education by local authorities continued to increase to more than £4.4 billion, up more than £180 million on the previous year.

For too long in Scotland we have rested on our laurels in relation to education. I acknowledge the fact that successive Governments have raised the

level of investment in schools—as Margaret Smith mentioned—and in education, and we now invest record amounts of resources in education, more than 40 per cent more in real terms since the advent of the Parliament. Despite all that investment, however, a range of national and international reports and indicators tell us that we have not yet made the progress that we might expect.

John McLaren, who is well known to the Labour Party, said before the previous election:

“England has continued to progress while Scotland has stood still since 1999”.

Very worryingly, international comparisons for standards tell us that, while we have reached a plateau, some of our competitor countries have forged ahead. We are being overtaken, and unless we raise our game we will be left behind. The curriculum for excellence is the means by which our game will be raised.

This Administration works in partnership with local government. Margaret Smith made the point that we have signed up to various commitments, but so have her councillors across Scotland in signing up to the concordat. Perhaps she should remember that fact.

The Administration, in partnership with local government and a wide range of other partners, is making excellent progress. The experience and outcomes were published on 2 April, and two more of the key building blocks of the programme of transformational change, on assessment and on skills, will be published in the coming months. I will make an important announcement about qualifications in due course.

The importance that we place on education is clear. At the start of the Administration, we invested an extra £9 million in teachers for the curriculum for excellence and in general terms.

Margaret Smith: Will the minister give way?

Keith Brown: No, I will not.

A total of £4 million was specifically invested to allow teachers to come in to help us with the implementation of the curriculum for excellence. In that context, we should ask where the Liberal Democrats would have us concentrate our efforts. They would have us return to the culture of compliant central direction that I described, and with a vengeance.

The Government will not take that route. We believe that our new relationship with local government is the right one and that local decision making in education authorities and in schools about how to drive forward improvement and raise standards will pay the highest dividends. Of course, that means we need to have a robust,

honest and frank relationship with local government and COSLA. We have exactly that.

I make no secret of the fact that the Government was disappointed by the results of the teacher census published on 24 March. We said that publicly at the time and I have said it since privately in discussions with COSLA and local authorities. We were also disappointed that the proportion of children in P1 to P3 classes of 18 or fewer increased by only a marginal amount.

However, we should not let that disappointment cloud the facts that remain. Average class sizes in P1 to P3 in Scotland are at a record low, which Margaret Smith did not mention, and pupil teacher ratios across Scotland are also at a record low. Councils have made significant and important progress in reducing the proportion of children in P1 to P3 in the largest classes of more than 25. Immediately that the Government took office—and to clean up the mess we had been left by the Labour-Liberal Democrat Administration—we invested £9 million in providing 300 new teaching posts in schools, funding that was baselined into the settlement. We have invested record amounts in local government in Scotland—£23 billion for the period 2008 to 2010—and local government knows that, which is why—

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the minister take an intervention?

Keith Brown: No, I will not.

We are investing £4 million in new resources to create 100 new teaching posts for the next school year, which means that 100 teachers who would not otherwise obtain employment will be given jobs in the classroom and 100 experienced teachers will be freed up to support the curriculum for excellence implementation plans that authorities are pulling together.

We established the teacher employment working group, and to her credit Margaret Smith acknowledged the difficulties in teacher planning. Although that group concluded that the system was fit for purpose, it recommended a closer liaison between national and local planning. We are taking that and the group's other recommendations forward.

Let us not forget that when the teacher census was published on 24 March we acted, as all responsible Governments would, to ensure that we have enough teachers to fill vacancies and maintain a pool of supply teachers but not to train more than we need.

These are the real facts of this debate. The Liberal Democrats say they would have employed 1,000 more teachers. How can they square that

with an £800 million cut in public service expenditure?

Mike Rumbles: Can we tell the minister?

Keith Brown: No, and if the member put it in front of maths teachers, they would not accept it either: the sums do not add up. There is a certain degree of disconnect between what the Liberal Democrats said they want to do and the fact that they wanted to cut expenditure by £800 million.

I hope that, when Rhoda Brankin speaks on behalf of Labour, she mentions the £500 million cuts that we all have to face—some say it will be substantially more than that in future years.

My ministerial colleagues and I are engaging with COSLA and councils to discuss how progress on teacher numbers and on reducing class sizes can be improved in the next school year. That dialogue will continue, and it will deliver results.

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

Keith Brown: No.

The half-baked plan set out in the motion before us today will not do that. Unlike the Liberal Democrat plan, our dialogue is not solely focused on inputs. Our dialogue will focus on how through the curriculum for excellence—which is missing from the motion—we can deliver the transformational change in Scottish education that our children and society depend on for our continued prosperity.

I move amendment S3M-4007.1, to leave out from “the index” to end and insert:

“spending on education has risen by more than 40% since the advent of devolution; further notes that, despite a decade of investment, standards of attainment and achievement have only been maintained while key international competitors have improved; welcomes the recent report by HM Inspectorate of Education, *Improving Scottish Education 2005-2008*, highlighting the need for further and faster improvement in our education system; believes that the focus on inputs under previous administrations masked the lack of significant improvement on standards of attainment and achievement; further believes that the reform of the curriculum is a critical step in improving standards of attainment, and calls on the Scottish Government to maintain progress towards implementation of the Curriculum for Excellence.”

09:34

Elizabeth Smith (Mid Scotland and Fife) (Con): Education debates in this chamber currently seem to fall into two categories. There are those that are led by the Opposition parties, as we systematically expose the catalogue of broken promises in the SNP election manifesto, and there are those that are led by the Scottish Government, which seeks to select the appropriate spin that will most conveniently divert attention away from the extent of those failures.

I am not surprised by the Scottish Government's tactics, but even a Government that has used every opportunity to hide behind the convenient excuse of the historic concordat—which, as Margaret Smith said, shifts the blame on to local authorities—cannot ignore the facts. On class sizes, school meals, teacher numbers, nursery staffing and school discipline, there have been huge let-downs for the Scottish electorate and—more important—for parents, pupils and teachers.

It is desperately sad that that comes at a time when so many good things are happening in Scottish schools and when there is huge potential for exciting new developments within the curriculum and the examinations structure. It is simply unacceptable, as is the evidence that each of the local authorities supplied in response to two freedom of information requests that the Scottish Conservatives commissioned last month.

In response to the first request, the answers from local authorities exposed the true extent of the postcode lottery in determining which higher and advanced higher courses are on offer in different schools. In response to the second, there were shocking statistics about the lack of accurate data held by local authorities on teacher numbers.

Fiona Hyslop: With regard to the first freedom of information request to which the member refers, does she realise that there has been a net increase of 33 in the availability of highers and of 114 in the availability of advanced highers? That completely negates some of the comments that were made at the time of the request.

Elizabeth Smith: I am sorry, but I do not accept that. It is true that the presentations of highers and advanced highers have increased, but there is a postcode lottery with regard to where certain subjects are on offer. The point is that there is no level playing field.

The response to the second FOI request flagged up a huge amount of inaccurate data on teacher issues. I have a great deal of sympathy with the section of the Liberal motion that flags up our concern about teacher recruitment, especially as the cabinet secretary assured us that the joint working party on workforce planning would address that issue. Broken promises are broken promises, but positive action is important now, so I turn to the amendment in my name.

The Government amendment states the need for

“further and faster improvement ... on standards of attainment and achievement”.

We all agree with that sentiment, but it is time to take full responsibility. Every party in the chamber agreed—and confirmed by a unanimous vote—in the first debate of this year that no issue is

currently more important in education than ensuring all our pupils are properly schooled in the three Rs. I want to hold the Scottish Government to its duty to do something about that.

Margaret Smith: Although I agree with the member about literacy and numeracy, does she agree that it is worrying that one reason why the SSTA appears to be concerned is that it is not so keen for the testing and the work on literacy and numeracy to be carried out in the way that has been discussed in the Parliament? Does she agree that the cabinet secretary should turn her attention to that?

Elizabeth Smith: Many aspects about the testing issue are concerning, but when I canvass opinion among the teaching profession—and particularly among secondary level teachers—I find that they are adamant that we must have more rigorous testing: end of story.

I suspect that virtually every member agrees that, when parents send their children to school, the one thing that they expect them to do when they come back is to be able to read, write and count. Parents rightly expect us, as members of Parliament, to ensure that the teaching of the three Rs is at the top of the schools agenda. They know, as we do, that it is completely unacceptable for only 30 per cent of secondary 2 pupils to have a competency in maths when 85 per cent had that competency in primary 3; and for 10,000 pupils to leave Scottish schools each year unable to read, write and count properly. They see the unfortunate slide in Scotland's position in too many international league tables, and they know as well as we do that we should be doing much better.

It is the depth of that concern that makes every party in the Parliament deeply anxious about what the future holds if we cannot improve those outcomes and rebuild confidence in our system. That is why we voted for better testing of primary school pupils. We did not vote for more testing, or for tests that are applied only when a teacher thinks that the child is ready to cope with them or when the league tables are about to be announced, but for more rigorous tests that are conducted against nationally agreed standards and that truly reflect the ability of the pupil by the end of primary 7, before they move on to secondary school.

There are two important facts. One is that far too many Scottish pupils are leaving school without competency in the three Rs, and the second is that the Parliament voted unanimously to introduce more rigorous, nationally agreed tests by the end of primary 7.

I move amendment S3M-4007.1.1, to insert at end:

“and calls on the Scottish Government to bring forward

detailed proposals by the start of the 2009-10 academic year as to how it will implement amendment S3M-3164.1, which recognised the need for the Scottish Government to ensure that pupils in Scotland are properly tested in the basic skills of literacy and numeracy by the end of primary 7 and which was given unanimous support by the Parliament on 7 January 2009.”

09:40

Rhona Brankin (Midlothian) (Lab): I congratulate the Liberal Democrats on bringing forward a ringing denunciation of the SNP's record on education.

It was education that brought me and many other people into politics, where we work and try our hardest to create a Scotland of opportunity in which people can get on no matter where they live or who they are. That is what drives many Labour members, including me, and that is why education and our children should be at the heart of our thinking and our politics.

Our ambition is to have the best education system in the world, in which no one is left behind and all young people can develop their full potential. I think that all members recognise that we face significant challenges to that in Scotland.

As has been said, Labour, working with the Liberal Democrats in government, made real progress in improving our education system, which included the delivery of the biggest school building programme that Scotland has ever known. The SNP has squandered that progress; yet now, more than ever, we need a world-class education system. As we seek to come through the global financial crisis, we cannot afford to waste the talent of a single person.

The SNP election manifesto made lots of promises on education, but many of them have now been ditched or broken. The SNP said that it would deliver class sizes of 18 in primaries 1 to 3 by 2011, but the latest figures show that, at the current rate of progress, that promise will not be delivered until 2096. Teacher numbers are down by 1,000, which makes a mockery of the SNP's manifesto promise to maintain teacher numbers in the face of falling rolls.

To reverse the previous Government's record numbers of teachers is bad enough, but to preside over the loss of 1,000 jobs in one year since coming to office is unforgivable—and Scotland's teachers will not forgive the SNP.

Keith Brown: Will the member take an intervention?

Rhona Brankin: No—the minister did not take an intervention from me. I am happy to take interventions from other members, but the minister has something to learn and should perhaps try listening.

Newly qualified teachers are not getting jobs. Barely a day goes by in which I do not receive another heartbreaking e-mail from a newly qualified teacher who is desperate for work. Such people are still passionate about their chosen career, but they are bewildered and increasingly angry at an SNP Government that has cruelly misled them with empty promises about a teaching career.

Fiona Hyslop: Is the member aware that the post-probationers who are currently seeking jobs started their training under the workforce planning that was devised, implemented and decided on by the Labour-Liberal Democrat Administration?

Rhona Brankin: I am aware that under Labour and the Liberal Democrats we had a record number of 53,000 teachers, whereas the SNP has lost 1,000 in one year.

The SNP pledged to match Labour's school building programme brick for brick. To be fair, Alex Salmond and Fiona Hyslop are scuttling around in ministerial cars to open quite a few new schools—but every one was commissioned by the previous Government.

The SNP Government's promise to have more than 20,000 teachers in training between 2007 and 2010 is yet another empty promise, as we now know that teacher training places are being cut. New schools are an abject failure, which is why SNP ministers are scuttling around to open schools that were started by the previous Government.

Last night, I met two outstanding pupils from Lasswade high school, both of whom were the first from their families to go to university. Lasswade is a great school, but the school buildings are simply not fit for purpose: they are category D. Midlothian Council was told by the previous Labour education minister that Lasswade high school was a priority for the new round of funding, but today, under an SNP Government, there are still no plans for Lasswade. There will now be no new school before the next election—it is a disgrace.

On nursery education, the SNP manifesto promised to increase access to nursery teachers. No amount of SNP spin can hide the truth of the real figures that the Government's own statisticians use, which show a cut in whole-time equivalent nursery teachers. Perhaps the cabinet secretary should listen to what I have to say: the fact is that there are now fewer, not more, nursery teacher hours. I would be interested in getting an honest response to that—indeed, I challenge the cabinet secretary to tell the truth for once on the issue.

These failures are serious and put at risk the progress that has been made in the past decade at Holyrood and in local authorities across the

country. One cannot run an education system by press release. SNP spin will not build new schools, it will not teach a single child to read, and it will not employ any teachers. As the recently released figures on pupil expenditure clearly show, this Government has presided over the worst ever education budget settlements and the lowest real-terms improvement in expenditure—0.3 per cent—since the Scottish Parliament's establishment. No amount of spinning can get away from that. That is not political point scoring; it is simply the truth. I urge members to support our amendment.

I move amendment S3M-4007.2, to insert after "remains high",

"; deeply regrets that the SNP government's response to the reduction in full-time teaching posts has been to cut teacher training places by 18% despite its pledges to maintain teacher numbers and reduce class sizes".

09:46

Karen Whitefield (Airdrie and Shotts) (Lab): Two years ago, the SNP came to power on a manifesto that contained a raft of bold promises, and none of those promises was more radical and bold than those on education. The SNP not only promised parents that their youngest children would be taught in classes of no more than 18 and that their pre-school children would be taught by qualified nursery teachers; it promised that it would match the previous Executive's school building programme brick for brick.

This morning's mid-term debate provides us with a valuable opportunity to reflect on the SNP Government's progress. I have to say that, despite Ms Hyslop's protestations, its report card two years on looks very poor indeed. Those bold promises have quickly become broken promises, producing a catalogue of disappointments that has left parents throughout Scotland feeling disappointed and betrayed. For example, on class sizes, the Government has singularly failed to meet its flagship pledge to reduce all P1, P2 and P3 classes to 18. In fact, recent Government figures show that only 13.2 per cent of P1 to P3 classes have 18 pupils or fewer. Class sizes of 18 look more distant than ever; indeed, based on the current rate of progress, it will take the SNP another 87 years to meet its manifesto pledge. Of course, it will blame our local authorities for that.

I find it astounding that, in the face of such failure, the SNP Government has made matters even worse by reducing teacher numbers and training places. Despite its promise to maintain teacher numbers, the latest Scottish Government figures show that there are now 1,000 fewer teachers in Scotland. To compound the situation, the SNP Government has decided to cut teacher training places by 500, which is an 18 per cent reduction.

It is little wonder that for an increasing number of Scotland's young people who might have wanted to enter teaching, the profession is becoming insecure and disheartening. Of the newly qualified teachers who have been fortunate to find jobs, almost 60 per cent are in temporary employment. The situation in primary education is even worse, with the figure standing at 70 per cent. In some local authorities, between 300 and 400 qualified teachers are chasing every job.

All that stands in sharp contrast to the Labour and Liberal Democrats' time in office, when the Executive delivered an extra 2,000 teachers and increased teacher numbers in Scotland to a record 53,000. Indeed, had we remained in office, we would have maintained that figure.

The SNP also made bold promises and pledges on early years education. It suggested that every nursery child would be taught by a nursery teacher, but after the election the Government admitted that such access might mean seeing a qualified teacher only once a week, if they were lucky. According to the Scottish Government's pre-school and child care statistics for 2008, the number of qualified nursery teachers employed in Scotland has declined.

Alasdair Allan (Western Isles) (SNP): The member paints a picture of local authorities that have been starved of the necessary cash to employ teachers. If that is the case, why, at the concordat's launch, did COSLA president and Labour councillor Pat Watters say:

"The package has been agreed within a tight financial context but the role that local government plays in the governance of Scotland has been substantially enhanced and the decline in local government's share of total expenditure has been halted?"

Karen Whitefield: Unfortunately the picture that the member paints is not accurate. According to what teachers throughout Scotland and particularly in my constituency have told me, things at the chalkface are very different to what he has suggested.

Let me move from the broken promises on nursery education to school building. Although the SNP promised parents that its Scottish Futures Trust would match the school building programme brick for brick, not a single brick has to date been laid as a result of that funding mechanism. Nevertheless, the SNP is running around attempting to take credit for schools that were built by the Labour and Liberal Democrat Scottish Executive in partnership with local authorities.

In fact, Ms Hyslop is so desperate to cut a ribbon and open a new school that the Government even opens schools more than once. For example, in Dunfermline, Duloch primary school, which was built by the previous Labour

council, was opened to pupils early in 2007, was opened again by Douglas Chapman in May 2007 and was opened yet again—officially this time—by Fiona Hyslop just a few months ago. In other words, one school was opened three times.

The Presiding Officer: You should close now.

Karen Whitefield: The Scottish Government is letting down Scotland's children. I urge members to support the motion and Labour's amendment.

09:51

Aileen Campbell (South of Scotland) (SNP):

Over the two years of this session of Parliament, I have been delighted to support the massive steps forward that the SNP Government has taken to improve the quality of education that is available to every level of Scottish society. The Government reinstated free higher education, has legislated for free school meals for our youngest children and is making real progress on reducing class sizes. I am happy to defend the SNP Government's strong record on education. On the other hand, the Liberal Democrats' motion is like a broken record, endlessly repeating the same old complaints with little to back up its claims and even less in the way of positive suggestions.

Margaret Smith: Are you genuinely happy to stand there and defend the fact that your Government has managed to lose 1,000 teachers in a year and that, as the cabinet secretary herself has admitted this morning, there will be a 4 per cent drop in teacher training numbers in the face of the recession?

The Presiding Officer: I remind all members to speak through the chair, not directly to each other.

Aileen Campbell: I believe that you delivered 1,100 fewer teachers than you said you would, so I am quite happy to stand here and defend the Government.

Perhaps more than any other sector, investment in education is investment in the future. It takes time for the full rewards of any particular policy or funding decision to be seen, because time spent in education is about preparing learners for what they will do afterwards. That is as true for youngsters entering P1 as it is for mature students in one of our colleges or universities. As a result, the Scottish Government has invested in the full spectrum of our education services in order to benefit not just individual learners but, ultimately, society as a whole.

Some of this Government's education legislation is among its finest and most important achievements. Having campaigned as a student for the restoration of free education, I am proud to have been able to vote here in Scotland's Parliament for the legislation to reinstate that

policy. The Liberal Democrats might not understand the egalitarian principles behind the introduction of free school meals, but that move was one of the Parliament's most progressive acts. Tavish Scott might dismiss it as feeding "rich kids", but that does a disservice to a policy that reduces inequality in the playground, improves concentration in the classroom and is, in itself, educational by teaching kids from all walks of life healthy eating habits that will last a lifetime.

The Lib Dems complain that progress on reducing class sizes has been neither fast nor significant enough. They might want to tell that to the nearly 14 per cent of P1 to P3 pupils in South Lanarkshire who are now benefiting from being in a class of fewer than 18. In 2006, under the previous Administration—of which the Liberal Democrats were a part—only 6.9 per cent of young primary pupils were in small classes.

Rhona Brankin: Will the member give way?

Aileen Campbell: I want to make progress.

Of course, the motion says nothing about the previous Administration, which, after all, formulated the plans for training the current number of teachers now entering the workforce. If the Liberal Democrats believe that there are more trained teachers than there are places available, they should perhaps have thought of that when their ministers were signing off workforce planning models before 2007. As the minister made clear, the Government has taken steps to reshape those models for the future to ensure that the right number of teachers are in place to give our children the education that they need and deserve.

There is also a responsibility on councils to spend the funding that they have been given through the concordat in a way that helps to reduce class sizes. February's statistics show that 18 out of 32 councils are making progress and that more than 75 per cent of pupils in the early years are in classes of fewer than 25 pupils, which is an improvement on the figure of 60 per cent in 2006, under the Lib-Lab Administration.

The motion, like most of the motions that the Liberal Democrats bring to the Parliament, could simply read that they are still shocked that the voters of Scotland had the bare-faced cheek not to vote them back into government in 2007. However, two years ago, people voted for a different kind of government, because they were fed up with the lack of ambition and the steady-as-we-go managerial complacency that was the hallmark of the previous devolved Administrations. People in Scotland voted for the SNP Government and Alex Salmond as First Minister because they were ambitious about the future of the country. People believed that the devolution settlement could deliver more than it already had and they

were ready for the boundaries of the settlement to be pushed. That is what people voted for and that is what is being delivered. Opposition members might not like it, but that does not mean that the SNP Government is not making real and tangible progress on the ground.

Of course, more can always be done, and the task will become more difficult in the face of the cuts that the Prime Minister and the Chancellor of the Exchequer are imposing on the Parliament. The Liberal Democrats might be happy to live with a union dividend of £500 million-worth of cuts to public services, including education, but I believe that the best future that we can build for our teachers and the children whom they teach is in an independent Scotland. If the Liberal Democrats were prepared to concede to the people of Scotland the liberal and democratic option of a referendum, we might be prepared to take some of their arguments a bit more seriously.

09:56

Patricia Ferguson (Glasgow Maryhill) (Lab): If the SNP Government has failed in one area, it is education, as the motion and some of the amendments make clear. Scotland's established teachers, our newly qualified teachers and our schoolchildren have been failed. Good and enthusiastic young teachers are unable to find anything other than supply posts and the few posts that are available often attract upwards of 300 applicants. Manifesto pledge after manifesto pledge has been broken, and parents, teachers and children have been let down.

Let us not forget what the SNP manifesto said about new schools. The SNP said that it would match Labour's school building programme brick for brick. On Monday, I had the pleasure of visiting a new school in my constituency that was opened to pupils just last week. It is a replacement for two old schools and a nursery, and provides new community facilities, including a library, gym and other opportunities for people to gather together. That is the kind of school that every community wants and that every child and teacher deserves. It is only one of 11 secondary and 53 primary schools that Glasgow City Council has built in the past 10 years, at a cost of about £0.5 billion. However, that school is one of the last that the council will be able to build because, since 2007, the money has dried up and the ability to borrow has disappeared.

Fiona Hyslop: Presiding Officer, I know that the debate is meant to be on the motion, but if we are addressing school buildings, I ask the member whether she is aware that the previous Administration left an unpaid bill of £60 million a year for public-private partnership projects. Is she also aware that Glasgow City Council has

available to it £300 million in capital over the next two years, but that for some reason it has made the political decision to spend only £5 million on school buildings?

Patricia Ferguson: Of the capital that the member talks about, £115 million is ring fenced to pay for measures such as the M74 extension and the White Cart Water flood prevention measures. Glasgow City Council was at least able to decide to build those 11 secondary schools using PPP, although it decided to use its own resources to build the 53 primary schools in the past 10 years. We do not need to take any lessons from Ms Hyslop.

It is no secret that I have opposed proposed school closures in my constituency. I have done so because I do not believe that all the options have been explored or that all the arguments have been considered. However, I am in no doubt about the real culprit—it is the Government, which has overseen a reduction in capital spend on education in Glasgow of astronomical proportions. Let me put some of the figures on the record. In the past 10 years, Glasgow City Council has spent £550 million building new schools. This year and next, the council will spend £100 million to deliver new-build schools that were commissioned under the previous Labour-led Scottish Executive. The Wyndford and Cadder areas of my constituency would benefit hugely from new joint-campus schools, but it is their misfortune to be part of phase 5 of the on-going school review process and not part of a previous phase, because phase 5 is taking place when the SNP is in power in Scotland and when education strategy is in disarray. What does the minister have to offer the pupils and teachers in the schools in my constituency that look set to close in June?

The Government stands accused of letting down the pupils, parents and teachers of Scotland. It is about time that the Government faced up to its responsibilities and did something to ensure that Scottish pupils and teachers work and operate in the best possible facilities.

10:01

Bob Doris (Glasgow) (SNP): I am shocked and stunned to hear Patricia Ferguson, a Glasgow constituency member, being an absolute apologist for Glasgow Labour, which is closing schools in my city. You should be ashamed of yourself. I will remind the parents that you were that apologist.

The Deputy Presiding Officer (Alasdair Morgan): Speak through the chair, please.

Bob Doris: Sorry, Presiding Officer but, like the parents, I get passionate about these issues.

Patricia Ferguson: Will the member give way?

Bob Doris: No, thank you. We have heard quite enough from you.

To borrow a word from the Liberal Democrat motion, it is with much lament that I must criticise that illogical and ill-considered motion. The Liberal Democrats know very well that councils, not the Scottish Government, employ teachers throughout Scotland. They also know that the concordat between COSLA and the Scottish Government sets a direction of travel on class sizes. That direction of travel is clear—class sizes are falling and pupil to teacher ratios are the best in the United Kingdom. The motion is not constructive opposition; it is political opportunism. The figures show that the bulk of the drop in teacher numbers—55 per cent—is attributable to only four councils. I will return to that shortly.

Mike Rumbles: The cabinet secretary said on 20 June 2007:

“After only a month in office, we are already working to meet other parties’ demands for 1,000 new teachers.”—*[Official Report, 20 June 2007; c 882.]*

Does the member accept that the cabinet secretary has not been working very well and that she could do better?

Bob Doris: I am aware that 300 additional places have been funded.

In all likelihood, if the Liberal Democrats and Labour had signed a third partnership agreement, Scotland would now have even fewer teachers. We must remember that the former coalition partners promised 600 fewer teachers than there currently are in Scottish schools. Given that councils, not Governments, employ teachers, if Opposition parties had been in government now, that figure might have been far worse. The record funding of councils by the Government has given councils the opportunity to maintain teacher numbers.

I will assist Opposition members with constructive opposition.

Rhona Brankin *rose—*

Bob Doris: As a back bencher in the Government party, I am happy to provide Rhona Brankin with that assistance, so I ask her please to listen. Opposition members should ask the Government how it intends to work with local authorities that are not performing to drive forward the agenda on teacher numbers and class sizes. The approach of blaming the Scottish Government for any council that is not making better progress on education surely gives local authorities a get-out-of-jail-free card. For example, in Glasgow, a Labour council is acting with impunity and arrogance in closing schools and not replacing retiring teachers. The Liberal Democrats had an opportunity to use the topic of teacher numbers to

place the spotlight on a wayward local authority and to attempt to help devastated parents throughout Glasgow but, oh no, the Lib Dems did not choose that option. Instead, they put narrow party-political opportunism ahead of parents.

Let me help out the Liberal Democrats. Will the minister enter into discussions with those local authorities that we would like to make more progress than they are currently making? When he does so, let us hope that the message that he passes on from the Liberal Democrats and the Labour Party is not to encourage councils to do as poorly as possible so that they can blame the SNP Government. Parents will not buy it and voters will not buy it. We will stand up for education.

10:05

Ms Wendy Alexander (Paisley North) (Lab): I begin by thanking the Liberal Democrats for introducing a useful debate this morning.

As members have made clear, it is unarguable that education has been the poor relation in the first two years of the SNP Government. On teacher numbers, it has failed. On class sizes of 18, it has failed. On physical education in schools, it has failed. On nursery teachers, it has failed. On the school building programme, it has failed. Nowhere in the SNP manifesto did it say, "These are our hopes for education, but it is entirely up to each and every local authority as to whether they choose to fulfil any of these promises," yet that is the policy stance of this Government.

I genuinely welcome the regret that the Minister for Schools and Skills has expressed today—I think for the first time—about the falling teacher numbers in Scotland, and I hope that we will also hear regret about the cuts in nursery teacher numbers in Scotland. However, the disturbing aspect of the Government's approach is that in this place it continues to profess commitments on teacher numbers, nursery teachers, class sizes of 18 and physical education in schools, yet it is not prepared to do anything about them. The Government has a laissez-faire approach to what is happening in schools up and down the country.

The odd private chat with a council does not make a policy. After two years, that is what the schools minister and the cabinet secretary need to address. Even more disturbing than trying to suggest that a private chat amounts to a policy is the fact that while ministers rarely miss the opportunity to condemn publicly the education decisions of Opposition party-run councils—we have just had a spectacular example of that from the back benches—they avoid studiously any criticism of SNP-run councils. As so often with this Government, we are driven to the conclusion that party politics comes first and the fate of our

children second. I want to hear from ministers today whether they will do better than praising Renfrewshire Council, whose performance on education, spending, teacher numbers and curricular choice is frankly a disgrace. However, so far, we have had nothing but warm words from the cabinet secretary.

Fiona Hyslop: I know that the member is astute in researching her figures. Is she aware that there has been an increase in spend per pupil in Renfrewshire under the most recent council budget?

Ms Alexander: Indeed I am. I will deal directly with the spending issue. This year, the Scottish Government received a 4 per cent increase in cash terms from the Westminster block grant. Renfrewshire Council got a grant increase of more than 3 per cent from the Scottish Government this year, but it spent less than 1 per cent extra on education services—that is a real-terms cut in education spending in Renfrewshire. I would like to hear what the cabinet secretary has to say about that, because when she has been challenged on the point before, she has defended it on the basis that rolls are falling. Let me enlighten her—school rolls in Renfrewshire are falling by less than 2 per cent and teacher numbers have fallen by in excess of 6 per cent. Is that acceptable?

I offer the cabinet secretary more statistics. Renfrewshire now has the worst pupil to teacher ratios of all Scottish secondary schools. Average class sizes in primary 1 did not come down or stabilise last year in Renfrewshire; they rose. Renfrewshire has one of the worst records on curricular choices as regards the withdrawal of higher and advanced higher, and the total number of nursery teachers has been halved.

I will conclude on this point: personally, I have a lot of time for the Cabinet Secretary for Education and Lifelong Learning—we sat on the Education Committee together. However, two years into office, she faces a fundamental choice.

The Deputy Presiding Officer: The member must wind up.

Ms Alexander: Is the character of her leadership of Scottish education simply to defend what her party colleagues have done or will she mount a defence of parents, pupils and teachers irrespective of the political colour of the local administration? I hope for the sake of Scottish education—

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

10:10

Murdo Fraser (Mid Scotland and Fife) (Con):

This morning, the Liberal Democrats have given us yet another opportunity to discuss the SNP's broken promises on education. As members know, it is a recurring theme in the chamber, in that it does not seem many weeks since we debated the self-same topic. Much to the dismay of members on the SNP benches, no doubt, this is a well that never runs dry when Opposition parties look for a subject to debate.

Although the subject of this morning's debate is education, it is disappointing that the Liberal Democrat motion does not refer to higher education or student funding. This week, an unprecedented coalition of student leaders in Scotland and Opposition education spokesmen have queued up to point the finger at the SNP Government for breaking its manifesto pledges. We well remember that just two years ago, SNP candidates on campuses up and down the land were wooing students with promises to wipe out student debt. How quickly that relationship with the student body has turned sour. Earlier this week, the cabinet secretary told student leaders to grow up and stop complaining. Perhaps she needs lessons in how to win friends and influence people, if that is the way that she approaches an important body of the electorate.

There is much in the Liberal Democrat motion with which we can agree. The Liberal Democrats are right to draw attention to many of the problems in education, such as the drop of 1,000 in teacher numbers in Scotland's schools and the microscopic progress on class size reductions. However, the Liberal Democrats seem to have a selective memory when it comes to some of the longer-term problems in Scottish education. We know—and this point is fairly made in the Government amendment—that achievement and attainment standards have stayed steady in Scotland while those of our international competitors have improved considerably. Although Scotland once did well in comparison with the rest of the world, we have been slipping down the table in recent years. For their part in government during the previous eight years, the Liberal Democrats must bear at least some of the responsibility.

We cannot agree with the proposal in the Liberal Democrat motion for a detailed workforce plan for teaching. That is the top-down centralist approach that is exactly the opposite of what we require if we are to improve Scottish education.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I am interested in what the member's solutions are to local discretion or a top-down approach. Is he comfortable with the Conservative policy of primary academies, about

which we are hearing, but from which the member has distanced himself? That policy would mean a top-down approach from private enterprises.

Murdo Fraser: The member refers to a policy that is being introduced south of the border. Of course we will study the detail of it with great interest.

I am glad that Mr Purvis intervened, because he is the Liberal Democrat finance spokesman. I am interested to know how the Liberal Democrats have costed the proposal in their motion—I listened in vain for Margaret Smith to spell that out.

As the Liberal Democrats know, the Parliament's Finance Committee heard earlier this week that the Scottish budget is likely to fall in real terms by between £2 billion and £4 billion, a figure that puts in the shade not just the current concerns about cuts of £500 million but, even more significant, the proposed Liberal Democrat cuts of £800 million that we heard so much about during the budget discussions.

Margaret Smith: Will the member give way?

Murdo Fraser: I am sorry; I do not think that I have time.

We all know that the blame lies entirely at the door of Gordon Brown and Alistair Darling for their economic mismanagement and ruination of the public finances of this country. Notwithstanding that fact, we in this Parliament cannot ignore the impact that those cuts will have on public funding. That means that every time we make a proposal in this Parliament, it is incumbent on us to say how much it will cost and where the money will come from. Once again on that score, the Liberal Democrats have been found wanting.

10:14

Ken Macintosh (Eastwood) (Lab): I, too, thank the Lib Dems for this morning's debate.

This week, I met a bright young probationary teacher who was full of enthusiasm for his job, school and pupils. However, when I asked him about his plans for the future, his enthusiasm dimmed visibly—his hope was replaced by anxiety and pessimism. I discovered that both he and his wife are probationers and that both are so depressed by their job prospects that they are actively considering finding work in Spain. That is not the first time that I or other members have heard such a story. How long must we hear such stories before the cabinet secretary takes action to help? For how many years is the cabinet secretary willing to preside over such an appalling loss of talent?

The contrast with the record of the previous Administration could not be greater. The teacher to whom I referred was in charge of a small group of pupils. I was asked, as MSPs often are, which achievements we in the Scottish Parliament are most proud of. Like many, I mentioned first the smoking ban, but I went on—as I nearly always do—to point to the difference that we have made over the past decade to our schools and the life chances of many young people. We have provided new school buildings, smaller classes, better-paid teachers, nursery education for all and classroom assistants in all schools—the list is comprehensive. In fact, it is so comprehensive that it makes a mockery of the SNP's attempt to defend its record by challenging and attacking us. I challenge the Cabinet Secretary for Education and Lifelong Learning to find one teacher who does not believe that the previous Administration made a significant difference to Scottish education.

Perhaps what is most ironic, or just depressing, this morning is that I used to think that there was a shared agenda and that at least some on the liberal/social democratic wing of the SNP—if it exists—identified with our vision and shared some of our commitment to education. In government, as in opposition, SNP ministers have not been shy about using our language or adopting our policies. For example, this morning the SNP promised—in theory, at least—to continue the reforms that are encapsulated in the curriculum for excellence. However, in practice, we find that ministers will not provide any money for implementation or continuous professional development. They then wonder why teachers are unhappy.

Another example is the SNP commitment to build schools, which was mentioned by Margaret Smith, Karen Whitefield, Rhona Brankin and almost everyone else who has spoken this morning. The commitment is to match brick for brick what we would have done; it is framed with reference to one of our benchmarks, rather than the SNP's targets. How hollow repetition of that promise sounds now. In practice, the SNP's dogmatic opposition to public-private partnerships comes before the needs of our children. Two years on, we find that not one new school has been commissioned in the whole of Scotland. Given the shortfall in public construction projects, SNP dogma appears to come before the needs of our economy, too.

Over the past couple of weeks, all members of the Education, Lifelong Learning and Culture Committee have found out that the SNP has similarly refused to fund the Education (Additional Support for Learning) (Scotland) Bill. Ministers talk a good game and say that they want to work with the committee to identify and improve the rights of Scotland's most vulnerable children but, when put

to the test, they refuse to will the means to make that happen.

As many members have reminded us, this week Scotland's students have issued a general reminder to the cabinet secretary to address their needs, especially the issue of hardship. They could have castigated the SNP for breaking its promise to dump the debt; instead, they restricted their comments to questioning whether best use was being made of the limited sum of money that is available to tackle student hardship. As Murdo Fraser pointed out, the cabinet secretary's response was an arrogant and condescending put-down.

Aileen Campbell: In his discussions with the students, did the member remind them that, if Labour had won the 2007 election, they would still be having to pay for their tuition?

Ken Macintosh: Yet again we are presented with the rather puerile defence, "Never mind us, you were even worse than we are." That is not an excuse for the SNP's failures.

I am disappointed by the SNP's contribution to the debate. The motion calls on the Scottish ministers to learn from their mistakes. I urge members to support it and Labour's amendment.

10:19

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): The Government is fully committed to improving Scottish education. Excellence in education is central to the ambitions that we have for Scotland and its people.

Scotland has succeeded and prospered and has historically made its mark on the world precisely because of the quality of our education. We have been at the leading edge of educational innovation in the world since 1696. Of late, under the previous Administration, Scotland has fallen behind the front-runners in education performance internationally, and into the following pack. That point was highlighted most markedly in the trends in international mathematics and science study survey that was carried out in April 2007. Between 2003 and 2007, performance in secondary 2 science declined. The Government is determined that we should regain our place at the forefront of change and improvement. Our education science summit will take place on Tuesday, and we will tackle the decline in performance that took place under the watch of the Liberal Democrats and the Labour Party.

The vehicle that will propel us to the front of the field again is the curriculum for excellence—the programme of transformational change that will drive up standards by freeing the professionalism

of teachers to support our children and young people. Given how important that agenda is to Scotland's future, the failure of the Liberal Democrats to present constructive education policies in the debate is disappointing.

To address some of the points that have been made, I will focus on the action that the Government has taken on teachers. Despite the fact that we provided funding to maintain teacher numbers fully, despite the fact that we provided an extra £9 million in baseline funding to provide 300 additional teachers in 2007—I make that point to Mike Rumbles—and despite the fact that we have provided £4 million to fund 100 teachers to support the curriculum for excellence this year, the Liberal Democrats still want to attack the Government.

Mike Rumbles: Will the cabinet secretary take an intervention?

Fiona Hyslop: We provide the funding—we are not the employers.

Mike Rumbles: Is she feart?

The Deputy Presiding Officer: Order.

Rhona Brankin: Will the cabinet secretary take an intervention?

Fiona Hyslop: No.

Margaret Smith may want to consider raising her concerns with Jenny Dawe in Edinburgh, Kate Dean in Aberdeen and Eileen McCartin in Renfrewshire—all Liberal Democrat leaders—and asking them why they have not used the resources with which they have been provided to maintain teacher numbers. They are the Liberal Democrat leaders—granted, in administration with the SNP—of three of the four local authorities that are responsible for more than 50 per cent of the drop that is recorded in the teacher census.

Rhona Brankin: On a point of order, Presiding Officer. Is it in order for a cabinet secretary not to take any interventions after members took many interventions from her?

The Deputy Presiding Officer: I suspect that Rhona Brankin, who is a member of long standing, knows the answer to that question. It is up to the member who is speaking to decide whether to take interventions.

Fiona Hyslop: Thank you, Presiding Officer.

I would like to address some of the points that have been made in the debate. The number of people in teacher training is back at 2007 levels. This year 3,662 students will be trained in four-year and one-year courses. That figure is higher than the average number of teachers who were trained each year under the previous Administration, which was only 3,144.

Mike Rumbles: Will the cabinet secretary take an intervention?

Fiona Hyslop: I ask the member to wait for one second.

The figure is down by only 4 per cent. Teacher training will take place at levels that are comparable with those of 2007. If Mike Rumbles is patient, I will give him the opportunity to intervene.

Mike Rumbles: The cabinet secretary has already heard me refer to the statement that she made on 20 June 2007, in which she said:

“After only a month in office, we are already working to meet other parties’ demands for 1,000 new teachers.”—*[Official Report, 20 June 2007; c 882.]*

Does she accept not only that the Government has failed to do that but that it has dropped 1,000 new teachers? Does she take personal responsibility for that failure?

Fiona Hyslop: If Mike Rumbles had been listening, he would have heard me make the point that in August 2007 we provided £9 million in extra baseline funding for 300 additional teachers. Do I take responsibility for putting extra funding into education to increase teacher numbers? I do indeed.

More primary and secondary teachers are in employment now than in any year of the previous Administration except 2006. Even with the reduction in teacher numbers, we are still making progress. We have the lowest class sizes in primary 1 to P7, the lowest pupil to teacher ratios and record-level funding for pupils. There has been a real-terms increase, despite the tight settlement from Westminster. Murdo Fraser provided us with a reality check. The £500 million of public sector cuts that may extend into the future are a serious agenda, which is why quality in education must be the focus.

I am conscious of time and want to address the Conservative amendment. Elizabeth Smith talked about issues related to assessment. Work on assessment generally, and on literacy and numeracy in particular, continues. I have already stated publicly that the assessment framework plans will be announced this summer. The means for ensuring that primary school children are properly assessed and tested in literacy and numeracy before they leave primary 7 will be part of that framework. As the member knows, the Government is not in favour of external tests in this area, but we need a robust assessment system that is nationally benchmarked.

The Deputy Presiding Officer: The cabinet secretary needs to wind up.

Fiona Hyslop: I will. I am happy to accept the Conservative amendment on the basis that I have outlined.

The Liberal Democrats want us to revert to a centralist form of administration. We think that local authorities, including those that are led by Liberal Democrats, can and will achieve. We will continue to discuss with them how we can roll out the curriculum for excellence to improve our education system.

10:24

Hugh O'Donnell (Central Scotland) (LD): I wish to clarify a couple of comments that Murdo Fraser made in relation to our motion. The workforce planning group, as part of the programme that it is working on, could easily address the point that Margaret Smith's motion highlights, about the plan. It would not necessarily cost any more money. I would be interested to see what progress the cabinet secretary will make on the recommendations that the workforce planning group has made—which she has already accepted, of course.

That aside, birthdays and anniversaries, even second ones, are normally happy occasions. The debate perfectly illustrates the fact that this second birthday of the Government is far from being a happy one as far as education is concerned. The catalogue of failures and broken promises that have been inflicted on Scottish education is thicker than the one than Argos provides. The details of failure have been amply demonstrated by various speakers in the debate this morning, so there is no great value in my intruding on private grief within the SNP and on the part of the cabinet secretary, when many members have already done so much more effectively than I could.

I agree that everyone here recognises the importance of a good education base for the success of individuals in our country. All the political parties, including the Liberal Democrats, made substantial commitments on education two years ago. In the end, however—this is the point of our motion—the SNP became the Administration on the back of its substantial promises, including a brick-for-brick pledge and the commitment on class sizes. At current rates, as Margaret Smith has already said, it would take 87 years to bring them down. The SNP also made promises on the numbers of teachers, nursery teachers and training places, on student support, and so on. It is the SNP that must be held to account. This is not a comparative exercise about who is doing better. The fact is that the SNP made its commitments, but has universally failed to deliver on them.

"Scottish education has been lacking in strong political leadership. It's time for new energy, actual delivery".

It was not me who said that, but I agree entirely with the cabinet secretary's assessment—although how she could have known when she

said it just how badly the SNP was going to do is a mystery.

The lack of teachers in Scottish schools is a ticking time bomb in education. Well, cabinet secretary, that time bomb has exploded on your watch. Who are you going to blame this time? Are you going to blame Westminster? Most of the events concerned took place before there were any indications of budget cuts in the block grant.

Keith Brown: Will the member take an intervention?

Hugh O'Donnell: I will not at this stage, I am afraid.

How about the councils? You cannot blame them, cabinet secretary. You are in a concordat with them. You are supposed to be making them do what you want as part of that concordat. That is what Government is about. However, you are so afraid of rocking the boat—

The Deputy Presiding Officer: Could the member speak through the chair?

Hugh O'Donnell: I beg your pardon, Presiding Officer. The cabinet secretary is so afraid of rocking the boat in relation to the concordat that nothing happens. The cabinet secretary made promises as a candidate, time and again. There was press release after press release—and I have every one of them with me here.

One deputy minister has already been sacrificed on the altar of failure in education—the failure of the cabinet secretary. The new Minister for Schools and Skills has barely had time to get the seat warm but, if the past is anything to go by, he had better not get too comfortable in the job. The cabinet secretary has to take responsibility for the Government's unmitigated failures. She must stand up and be counted—they are the cabinet secretary's failures. Nobody is fooled any more—if anyone ever actually was—by the SNP blaming Westminster for shortages of money, rolling up budgets and claiming that it has given local authorities bigger budgets. It was all in the SNP's manifesto pledges, with no ifs, no buts, no maybes, and nothing contingent on compliance. It is time the SNP Government realised that Lincoln was right: you can fool some of the people some of the time,

"but you can't fool all of the people all the time."

That is coming home to roost for the Government.

Economy

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a debate on motion S3M-4006, in the name of Liam McArthur, on the economy.

10:30

Liam McArthur (Orkney) (LD): It is almost a year since Alasdair Allan, Tavish Scott and I were engaged in a Dutch auction as to whose constituency boasted the most outlandish price for a litre of petrol or diesel. I won, or rather Eday and North Ronaldsay in my constituency won, but it was a victory from which I drew absolutely no satisfaction. Since that debate, the price of oil has tumbled from about \$130 to just over \$50 a barrel. That has provided some relief to islanders and to those who live and work in rural communities throughout Scotland. However, the consensus remains that oil prices will not stay this low for long—that is a reflection of economic and environmental reality.

Consensus exists, too—at least, it did during the debate last May—on the need to take steps to safeguard our more fragile communities and economies. There is recognition that in remote rural areas a car is rarely a luxury, and that public transport alternatives to the private car will inevitably always be limited. There is also recognition that such communities, particularly on the islands, already pay a significant premium through far higher fuel costs. A Liberal Democrat survey that has been published today puts that premium at between 10 per cent and 12 per cent. The financial and social impact of that on households and businesses can be punitive, especially when there are the sort of price rises that occurred through the back end of 2007 and into 2008.

Will that consensus give rise to a solution to the specific challenge that faces remote rural areas? I believe that it could and should. It is a solution that will be achieved through action by the United Kingdom Government at Europe level, but a clear statement of intent from this Parliament can help to bring it about.

The energy products directive, quaintly named 92/82/EEC, states:

“it is possible to permit certain Member States to apply reduced rates to products consumed within particular regions of their territories”.

On that basis, France, Greece and Portugal operate derogations for their remote and island areas. Inexplicably, however, although the UK Government has supported that approach in those member states, it has resisted any attempt thus far to introduce such a scheme in any part of UK.

Each time my Liberal Democrat colleagues at Westminster have tabled amendments to finance bills calling for such a derogation for remote rural areas in Scotland, it has been voted down by Labour and Tory MPs.

Alasdair Allan (Western Isles) (SNP): I welcome the support of the member's colleagues at Westminster for the plight of rural car users, but could he explain why some of his colleagues at Westminster—at least Ming Campbell, Jo Swinson and Willie Rennie—all voted to increase the price of fuel in the recent budget?

Liam McArthur: It is interesting that Alasdair Allan issues his attacks before the debate, although it is usually done through Dave Thompson. I will come to that. The SNP supports the establishment of a regulator, which would have absolutely no impact on the premium that is paid by Alasdair Allan's constituents or, indeed, by mine.

UK Labour ministers warn of the dangers of petrol tourism, but that is frankly ridiculous. It is akin to suggesting that people will drive around looking for free parking spaces. Prices are likely to remain higher in rural areas, albeit that they will be less dramatically or painfully high than at present, even after the introduction of such a scheme. I encourage Peter Peacock, David Stewart and other Highland colleagues to use their influence to ensure that when the UK Cabinet next goes on tour, it makes it north of Inverness, so that ministers can see for themselves why the notion of the Highlands and Islands ever becoming a Mecca for petrol tourists is the stuff of “Alice in Wonderland”.

Tory MPs, too, have consistently voted down any attempt to have such a derogation considered at Westminster. Last May, Gavin Brown at least agreed that the initiative was “worthy of examination”.

David Stewart (Highlands and Islands) (Lab): I thank the member for raising the issue of the Cabinet tour. I can let Mr McArthur know that I have already written to the Prime Minister, inviting him to come to the Highlands to hold a full meeting of the Cabinet there.

Liam McArthur: That is excellent and welcome news. I am sure that the Cabinet will consider the derogation then.

Despite Gavin Brown's comment, there was a catch, as is invariably the case with Mr Browns. Sure enough, the Tories have provided the long grass into which the Scottish ministers will happily kick the issue later today. I am a little surprised that Alex Johnstone is performing the role of gardener. If SNP ministers are so thirled to the idea that the Tories have put forward in their amendment, it is hard to fathom why Mike Russell

did not implement it immediately after last May's members' business debate on fuel costs. Alasdair Allan did not call for an impact assessment on a derogation last May when we debated the motion in his name, and nor did his SNP colleagues who spoke in the debate. The SNP called for action and for a clear statement from Parliament. The SNP called for a commitment to press the UK Government for a derogation. Given that there was no vote on Alasdair Allan's motion, perhaps they felt able to speak up for their constituents.

Of course, the SNP's preference is not for a derogation but for a fuel duty regulator. The basis on which that would operate has changed almost as often as oil prices have changed over recent years. Stewart Hosie, to his credit, has been remarkably honest in his assessment of the ever-changing approach to a regulator, and has said that the approach is not perfect—there is no false modesty there. When he was asked whether a fuel duty regulator would do anything to address the premium that is paid in rural areas such as the Western Isles and Orkney or whether the premium would be enshrined by the regulator, he confessed that,

"Sadly, it is the latter".

In its most recent incarnation, SNP policy is that

"indexed fuel duty increases shall be frozen until the international oil prices"

drop. Mr Hosie has said that freezes on fuel duty would be

"automatically triggered by world oil prices."

and that

"It is not our intention to deny the Government any money ... when the price goes down."—[*Official Report, House of Commons*, 6 July 2005; c 362-3.]

Therefore, under the SNP's proposal, when oil prices dropped in January, the SNP's regulator would have automatically ended and duty rises would have been unfrozen. Under the SNP proposal, Scottish motorists, including motorists in my constituency and Alasdair Allan's constituency, would have experienced duty rises in January rather than in April, when they voted against rises, or in September. The SNP MPs were quite happy to wave the September rises through Parliament without demanding a vote.

It is sad that there was no opportunity to vote on Alasdair Allan's motion last May, but Liberal Democrats are offering Parliament another opportunity today. I will be interested to see whether SNP members vote with their consciences and for their constituents or with their whip.

I am pleased to move,

That the Parliament notes the UK Budget and the plans to increase fuel duty; recognises the high premium over the national average paid for fuel at filling stations in remote rural and particularly island areas and the financial and social impact that this has on individuals and businesses; believes that increased fuel duty will have a damaging effect on the economy and competitiveness in these areas, not least due to the limited public transport alternatives; notes that current EU law allows fuel duty to be cut by up to 2.4p per litre and that this power is already used in France, Portugal and Greece, and calls on the Scottish Government to work with the UK Government and the European Commission before the final passage of the Finance Bill to construct a derogation under the EU energy products directive, or otherwise, to permit variable rates of duty for specified remote rural areas to bring down the price of fuel at the pump to that available in other parts of the United Kingdom.

10:37

Alex Johnstone (North East Scotland) (Con):

It is my pleasure to speak to the amendment on behalf of the Conservative group. I welcome the opportunity that the Liberal Democrats have given us to consider the price of fuel, which is a fundamental problem for Scotland's rural economy. I assure members that we are not opposed in principle to the proposal in the motion and will not oppose it. Towards the end of my speech I will explain why we think Parliament should support the amendment that we have lodged.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the member take a quick intervention on that point?

Alex Johnstone: No.

It is important that we address rural fuel prices, because as fuel prices have risen they have had a compound effect on the cost of running businesses and vehicles in rural Scotland. When fuel costs are high, it is natural that they should be even higher in remote areas, because the cost of transport is higher in such areas. We need to tackle that compound effect.

The Government has considered options for relieving the burden on business and travellers in Scotland's far-flung areas—particularly the islands. The jury is still out on the current experiment with the road equivalent tariff on routes to our islands, but it will be interesting to learn how the approach affects investment and tourism in island communities.

Liam McArthur: I note that the Conservatives have never argued for an impact assessment that considers whether emissions increase or decrease as a result of the RET. Will they call for such an assessment now, for consistency?

Alex Johnstone: We might consider the need for such an assessment, which we have not called for in relation to the RET. We have taken no

position on whether we support the RET because we want to examine the results of the current trial before we decide whether it is appropriate. The figures to which Liam McArthur referred might well be made available in the future.

The Scottish Government has proposed a fuel price regulator. Many members are aware that the Conservatives in London are considering the possibility of a fuel price stabiliser, which has significant similarities to the SNP's proposed regulator. We hope to consider our proposal when we are in government and in a position to bring it forward.

We must be careful not to tie ourselves into a particular course of action. That is good advice for the Liberal Democrats, whose record on fuel tax demonstrates that they have had a number of policies over the years. I understand that they fought the 1997 election campaign on a commitment that the fuel price escalator be increased to 8 per cent. Since then, they have proposed that fuel taxes be slashed and the equivalent money raised through higher vehicle excise duty. Today, Liberal Democrats are proposing a different option.

Mike Rumbles: Will the member take an intervention, given that he has talked about the Liberal Democrats' position?

Alex Johnstone: Okay—go on then.

Mike Rumbles: I thank Alex Johnstone. The member is never out of *The Press and Journal*, calling for action to reduce petrol prices for rural areas in north-east Scotland. We are giving him the chance to do just that, but the amendment in his name would remove that chance by calling instead for a study.

Alex Johnstone: We are considering the impact on the islands and the most distant areas. However, Mike Rumbles has raised the issue, so I make the point that all Scotland's distant rural areas and areas that have more urban populations, such as the north-east, suffer from high fuel costs. The Liberal Democrat proposal would not address problems in Scotland's fishing and farming communities, nor would it address the impact on the road haulage industry and all the other industries in more distant rural areas that depend on road haulage for their profitability. That includes industries that are based in Aberdeen, which are affected by the cost of road haulage, given their distance from the main markets. We need to think more broadly about the impact of fuel tax on the Scottish economy, particularly in the peripheral areas. The motion does not do that and addresses only the cost of fuel at filling stations.

I would like to think that the Liberal Democrats will take a responsible position on funding their

proposal. Will they clarify whether they want the proposal to be addressed through Westminster or should the power to do that be devolved to the Scottish Government, as they said in their submission to the Calman commission on Scottish devolution? If the latter is their preferred route, they must identify the funding savings that will be necessary.

I lodged the amendment to ensure that at decision time we do not simply ask the Westminster Government to note a position. We want direct action by the Scottish Government.

I therefore move amendment S3M-4006.1, to leave out from "notes that current" to end and insert:

"and calls on the Scottish Government to report back to the Parliament on the extent to which a fuel duty derogation for rural areas would be permissible under EU law and what impact such a derogation would have on carbon emissions and the Scottish budget."

10:44

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): I congratulate the Liberals on lodging the motion and giving us the opportunity to debate an important subject. The Scottish Government is concerned about increases in fuel duty, which affect our rural communities and businesses throughout Scotland. That is why our parliamentarians at Westminster voted against rises on Tuesday night. I congratulate Mr Rumbles's colleague Robert Smith on voting against the fuel duty rise, and I hope that the debate will provide the Liberals, who voted every which way on Tuesday night, with an opportunity to clarify their overall position.

Liam McArthur: I am interested in the minister's point about voting patterns, as the SNP MPs did not vote against the September rise. The fuel duty regulator would have done nothing to the premium that is paid for petrol in the Highlands and Islands. The fuel duty rise was also irrelevant to it.

Stewart Stevenson: I make it clear that we will support the motion in Liam McArthur's name. We are open to any effective way of addressing the problem.

There is a substantial volume of letters flowing between us and other parties on the subject. My colleague, the Cabinet Secretary for Finance and Sustainable Growth, wrote to the Chancellor of the Exchequer on 14 November highlighting what had been done in France using derogation, and commented that

"By applying for this derogation the UK Government could reduce the tax on fuel borne by consumers in rural Scotland, including the islands."

However, the chancellor seems to think that administrative barriers would get in the way. He said in his reply of 27 November that

“The process of drawing the boundaries of any fuel duty rebate area would be extremely complicated.”

It is quite simple. We have already done it. There are 149 filling stations in Scotland that we suggest should be considered for such a derogation. They are defined as being very remote, which means that they are at least 60 minutes’ travel away from a community of 10,000 or more. That is 45 per cent of our filling stations. They are all low-turnover rural stations that are vital to the communities in which they operate.

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

Stewart Stevenson: I am sorry—I do not have time, in my short speech.

The bottom line is that there are aspects on which we have broad sympathy with the motion, which gives us the option to consider a range of ways forward. We should be sensible and pragmatic and exclude nothing. I hope that the debate will draw together across the Parliament consensus that there is, although there is a range of options available, the necessity for action. If derogations can be applied elsewhere, it should be possible to do so in the UK. By the way, a proper scheme would also benefit filling stations in other parts of the United Kingdom, such as Cumbria, the south-west of England and Wales.

We provide various supports to transport for our remote and rural communities, particularly ferry services. We are bearing the fuel price risk for many ferry services, which at least insulates communities from that risk. We are also conducting a substantial trial on the road equivalent tariff. We have seen some local reports, which I have not yet personally verified, that the fuel price difference between the Isle of Harris and the mainland has shrunk substantially mainly because the RET means that new tankers are carrying fuel to Harris in competition with some of the incumbents.

There are things happening and we are doing things. We have carried out initial work on how a derogation might apply in Scotland and we continue to explore options for going some way towards offsetting the current differentials. However, I am afraid that the UK Government is remarkably intransigent and inflexible in respect of considering options. Therefore, I hope the Parliament will unite—and that the Labour Party will join the other parties, which are, so far, indicating a broad consensus on the subject—to find a way forward that will benefit rural dwellers throughout the UK and fundamentally those whom we represent in Scotland.

10:49

Lewis Macdonald (Aberdeen Central) (Lab): We debated a motion on the cost of fuel in the Western Isles and the northern isles on 28 May 2008, which also happened to be the day on which Gordon Brown and Alistair Darling held a summit meeting in Aberdeen with the leaders of the UK oil and gas industry. Those of us who attended the cross-party group on oil and gas yesterday evening heard a good deal about the consequences of that meeting and the ways in which it was reflected in the announcements that were made in last week’s budget. The discussions in May last year also set the context for today’s debate.

As members know, the price of Brent crude peaked last summer at \$147 a barrel. The average price in 2008 was \$97; in the year to date, it has been only \$45. Those crude oil prices are the greatest influence on the cost of fuel at the pump, and the lower oil price is the main reason why unleaded petrol retails at £1 or less a litre in most of mainland Scotland and, indeed, in the Isle of Harris today.

Stewart Stevenson: What proportion of the pump price is taxation and how does that compare with the proportion elsewhere in Europe?

Lewis Macdonald: The minister knows the answer to that question and knows that it is high for reasons to do with tackling climate change, an issue that I would have thought is close to his policy priorities.

The differential in retail prices in rural Scotland still exists, albeit that it is less than it was. It is entirely reasonable to ask the Scottish ministers what they will do about that, but it is also important to acknowledge that the price of a litre of diesel in Kirkwall or Lerwick today is some 10p less than it was in Aberdeen or Edinburgh at the time of our previous debate on the matter.

Today’s motion offers little challenge to the Scottish ministers to address the relative disadvantage of island consumers. That is disappointing, because Tavish Scott said last May:

“We certainly need action, but we need it here in Edinburgh as well as in London.”—[*Official Report*, 28 May 2008; c 9069.]

That emphasis seems to have been lost a little today. Instead, the focus of the motion is entirely on UK excise duty on fuel.

The chancellor wisely postponed a 2p rise in fuel duty when oil prices were at their peak. He has now brought in that increase while, at the same time, introducing new field allowances offshore and abolishing some elements of the taxation that used to apply when North Sea assets changed hands. That seems to me a sensible balance of

maximising production, limiting carbon impacts and protecting public revenues.

That sensible balance of production and consumption has its origins in the Aberdeen summit that took place at the time of our previous debate. Following that summit, Treasury ministers considered a rural fuel duty rebate but rejected the idea for a wide range of reasons. The most fundamental was the simple fact that differentials in price are not a result of differentials in duty, because differentials in duty do not exist. Differentials in price arise despite the Government charging consumers everywhere a single, standard rate. If the tax take on a litre of fuel in the islands is greater than that on a litre of fuel in the cities, it is not because of a difference that the Government has imposed but because of a difference that those selling the fuel have imposed.

That is why it is disappointing that parties in the Scottish Parliament continue to focus on matters for which the Parliament is not responsible. It is disappointing that John Swinney continues merely to write to Treasury ministers about the tax issue as if he believed that he was unable to address it directly. Surely the right approach for the Scottish ministers and members of this Parliament is to focus on the causes of the differential prices that fuel suppliers set and to consider what they can do to address them. That is the real issue within the scope of devolved powers.

The Scottish ministers are piloting road equivalent tariffs on ferry travel to the Western Isles, but they need to explain why they have failed to extend that price intervention to the retail or wholesale price of fuel. They have responsibility for harbour dues, which directly or indirectly have a bearing on the cost of delivering fuel. They also have powers to provide additional support for rural transport. All those measures are within their competence, and John Swinney and Stewart Stevenson should take a leaf out of Alistair Darling's and Gordon Brown's book—

Stewart Stevenson: The world's biggest debt?

Lewis Macdonald: Presiding Officer, I want to complete this point without sedentary interventions from the minister. I am encouraging him to follow the good example of the chancellor and Prime Minister of Great Britain, and to sit down with the producers and refiners of oil, the suppliers of fuel and the retailers of petrol and diesel and agree what they can do to address differential pricing. John Swinney and Stewart Stevenson should accept that varying the tax rates is not a simple answer that they can hide behind when it comes to addressing variable prices. They should stop using fuel duty as an alibi for doing nothing and use the powers that they have, as any mature and responsible Government should.

10:55

Rob Gibson (Highlands and Islands) (SNP): If anything sums up the limitations of devolution, it is a debate about fuel duties that are set in London. We should first consider the issue of fuel prices in the round. The current situation in Scotland, according to this month's AA survey, is that the average price of diesel is 102.3p. Of course, it is much dearer than that in the north and the Western Isles. In Ireland, the comparable price is 84.2p—so a country that is derided for its economic difficulties has not set further difficulties for its remote communities.

Interestingly, much of the fuel that is used in Donegal comes from tanks in Belfast. The lorries pass through the international boundary and their contents are then served up to customers in Ireland. Setting fuel prices in that international context shows that it is possible to have different policies in different countries. Unfortunately, however, we are tied to the inflexible UK policy, and UK policy making means that the north of Scotland, the northern isles and the Western Isles suffer hugely year in, year out. It is a bad policy for the whole of Britain, but the Lib Dems seem to support the idea of continuing that policy in Britain. Have they not submitted to the Calman commission the idea of dealing with fuel duties in the Scottish Parliament? If not, why not?

Liam McArthur: When Alasdair Allan moved his motion last May, he was at pains to point out that he was not arguing for lower duties in the round and that his was an environmental argument. He said that he was trying to attack the premium that was paid in the Highlands and Islands. What alternative system does Rob Gibson advocate? Is it to have flat-rate duties à la Spain, or what?

Rob Gibson: We are in a moving situation. We advocate a different proposal from that of the Lib Dems, but I will come to that in a minute. First, I want to deal with the proposers of the motion and how they behave.

If we had the relevant taxation powers in the Scottish Parliament, we could decide what levels were suitable and, indeed, whether people in cities should pay more than those in the countryside, rather than the other way round. We could decide whether the duty should be a flat rate. We could decide many such matters in Scotland, as other countries do for themselves.

Des McNulty (Clydebank and Milngavie) (Lab): Will the member take an intervention?

Rob Gibson: Not at the moment, thank you. I want to make some progress, and I would not do so if the member intervened.

The Liberal Democrats say one thing in one part of Scotland and another elsewhere in Scotland.

The minister referred to the fact that the Liberal Democrats' recent voting record in the House of Commons has been all over the place. Thirty-seven Liberal Democrats, including some from the central belt of Scotland, voted for increases in duty. Mr Rennie, Menzies Campbell and Jo Swinson were among those who voted against the interests of the people of the north. We found that only two Highland and Islands Liberals, one of whom is from Argyll, had the guts to get up and vote against the increase. The others—Mr Kennedy, Lord John Thurso, Alistair Carmichael and Danny Alexander—managed to absent themselves from the vote. However, they were present for the vote on the next amendment or the previous one—whichever it was—on alcohol duties.

I have to ask members: where are their guts? They do not stand up for the people in the Highlands, despite the fact that every time an election comes along there is another Lib Dem fuel petition. "Yes, indeed," they say, "we are fighting hard to stop what amounts to an unfair fuel tax on the north." I wonder what happens to all the signatures that they claim they get for their petitions. Do the petitions get ripped up in Liberal headquarters before they are presented to anyone because they oppose—

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Will the member give way?

Rob Gibson: I am not finished.

Do they get ripped up because they oppose UK Lib Dem policy? We need an answer to that question.

Jamie Stone: Charles Kennedy and I delivered the petition on fuel prices to the Treasury. The member may care to ask the chancellor what he did with it.

The Deputy Presiding Officer (Trish Godman): Please face the microphone when speaking, Mr Stone.

Jamie Stone: Members can hear me anyway.

Rob Gibson: Every time an election is imminent, those Lib Dem petitions arise. We have a proposal today from the Liberal Democrats that seeks to ask the British Government to apply here European Union powers whose use in other countries it supported. I suggest that, in the UK context, we could use the SNP's fuel duty proposal. A forecasting mechanism for VAT revenues would be created so that, when VAT went past a specific point, the high revenues would be used to offset the price of fuel. There would be specific reductions in sparsely populated areas. As the minister pointed out, the 149 fuel pumps that represent 45 per cent of filling stations in Scotland would be targeted.

The Deputy Presiding Officer: You are over your time, Mr Gibson.

Rob Gibson: We ask members to support the idea of having such a method, but we must ensure that we have the basic right to decide fuel prices here in future.

11:00

David Stewart (Highlands and Islands) (Lab): I welcome the opportunity to make a brief contribution to the debate. I thank Liam McArthur and his team for giving us an opportunity to have the debate today.

I am a Highlander whose first job was in Dumfries. I must confess that I was once a fresh-faced councillor in my 20s. I am well aware of the effect that—

Jamie Stone: You still are fresh faced.

David Stewart: I thank Jamie Stone for that sedentary remark—I appreciate it.

I am well aware of the disproportionate effect that high fuel prices have on rural communities—on the haulier from Lerwick and the pensioner from Lossiemouth. I start with a slight health warning. Rural areas cannot be easily packaged as a single, uniform area across Scotland. To be fair, the Scottish Government recognises that in its classification system, which goes from urban to accessible rural to remote rural. There is a world of difference between Inverness and Ardnamurchan and between Dumfries and Eskdalemuir.

I want to touch briefly on the work that was carried out by the previous Enterprise and Lifelong Learning Committee for its 2001 report on fuel prices, and consider briefly the Office of Fair Trading and EKOS reports from the same era. I make a passing reference to the important EU context for the debate, namely article 19 of the energy products directive.

Some members have already asked what determines the price of fuel in our rural filling stations. The Enterprise and Lifelong Learning Committee considered that in detail in 2001. As we all know, the price is determined by the elements of duty and VAT, along with upstream elements—for example, the cost of extraction and refining—and downstream retail elements. As Lewis Macdonald and other members have pointed out, there is also the element of the price of crude oil on the spot market in Amsterdam and the technical issue of the exchange rate between the pound and the dollar—international fuel prices are quoted in dollars.

In addition, individual petrol stations operate individual agreements with suppliers, leading to

discounts, rebates and price support. As a general rule, prices in larger towns in rural areas, such as Dumfries and Elgin, are the same, within a few pence, as prices in cities such as Glasgow and Edinburgh. Why? Because suppliers provide price support there. However, lower-volume rural sites with standalone petrol stations that have no immediate competition have no price support and a higher retailer mark-up because volumes are lower, which leads to the higher price. For the technocrats among members, there is a good worked example of that process in appendix A of the OFT report of July 2000. Obviously, the prices were different then, but the underlying logic remains the same. As members have pointed out, that pricing effect is amplified in our super-rural and island communities.

The motion focuses on reserved issues and EU derogations on fuel duty. However, as Lewis Macdonald said, surely the emphasis should be on what the Scottish Parliament can do to promote social inclusion, economic development and community cohesion in Scotland, particularly in our remote rural and island communities. When the proposed fuel duty derogation was debated in Westminster, a series of issues was raised. Perhaps Mr Stone can address some of them in his winding-up speech. For example, what are the qualifying criteria for retail outlets? What guarantees will there be that the fuel duty reduction will be passed on to the customer? Danny Alexander MP quoted a cost of £35 million for the measure.

Alasdair Allan: Will the member give way?

David Stewart: I will just finish this point.

Is that to be a new Liberal Democrat spending commitment?

Alasdair Allan: The member has outlined some of the pressures on fuel prices in rural areas. Does he believe that Greece, France and Portugal are wrong to think that the effect of fuel duty on pricing is relevant? Are they wrong to think that fuel tax needs to be adjusted in rural areas?

David Stewart: I am glad that the member has raised that point, because I hope to touch on what happens elsewhere in the EU in a few seconds. That will answer the member's point.

What will happen with leakages across the borders between urban and rural areas? Who will qualify—will they be domestic users, businesses or tourists?

Finally—I see that my time is running out—there are other proposals that would benefit rural motorists. I flag up, for example, the rural transport fund that the previous Administration introduced, the rate relief that was introduced for rural petrol stations and the derogation from EU legislation

that the UK Government secured for petrol vapour recovery.

In conclusion, I am in no doubt that fuel prices are a major burden, particularly on remote rural and island communities. However, there is no magic bullet. We must develop new public transport solutions—which will also be good for climate change—and support existing petrol stations. We should also consider the Scandinavian model of having unmanned petrol stations and look at co-operative buying, which Highland Council has done in the case of fishing. Of course we must pass on the savings to motorists. We must also pursue the idea of hosting a summit of rural petrol retailers. All those proposals would contribute to sustaining our rural communities.

11:06

Dave Thompson (Highlands and Islands) (SNP): In Scotland, we have one of the world's most beautiful and diverse regions. For thousands of years, people have made their homes in places such as Skara Brae, Glencoe and Calanais. Captivated by the deep allure and stunning tranquillity of such areas, generations of appreciative Scots have nurtured the landscape and made a living out of it. Today, those communities face a harsh reality: economic inequalities and high transport costs make it harder to pay the bills and maintain a home. As a result, many people have left and our peripheral communities are in severe decline. Nowhere is that worse than in the more remote and isolated parts of the Highlands and Islands. That is why we will support the motion today.

As Liam McArthur's motion states, a derogation would allow us to reduce fuel duty by up to 2.4p per litre and is perfectly permissible under EU law. Unfortunately, we must rely on the Westminster Government to do that for us.

Lewis Macdonald: Does the member believe that there are any steps that the Scottish Government could take to address the differential pricing that affects rural areas?

Dave Thompson: I will come to that later in my speech, when I will answer Mr Macdonald's point.

I am afraid that we will have an awful long wait for Westminster to do anything, given Mr Macdonald's comments and those of David Stewart. Labour claims that introducing such a derogation would be too complicated but, as others have already pointed out, France, Portugal and Greece have secured derogations. I wonder how those countries managed to deal with the issues. Are we unable to come up with the same sort of arrangements that they have devised?

David Stewart: Has the member analysed what happens in France? There may be a reduction in fuel prices in one part of France but there must be a higher price in urban areas, so the net effect on the French Government is zero. Is the member arguing that higher costs should be imposed on motorists in our urban areas?

Dave Thompson: I am arguing that we have the brains and wherewithal to devise a system that would benefit our remote and peripheral communities in Scotland.

In my work as a trading standards officer in the Highlands and Islands, I had responsibility for petrol licensing and storage and for enforcing pricing legislation. In that capacity, I was instrumental in getting the Office of Fair Trading to undertake quite a number of investigations into the supply and price of petrol. Mr Stewart suggested that ideas such as unmanned filling stations and so on would solve the problem. I tell him that although the OFT and Highland Council have been looking at the issue for 30 years, nothing has happened, so none of David Stewart's proposed solutions would affect the price of petrol in the Highlands and Islands.

Jamie Stone: Dave Thompson was nevertheless a good director at Highland Council.

Dave Thompson: I thank Jamie Stone for that. He was a good councillor, too.

As a result of high prices over the past 30 years, many of our small filling stations are struggling to survive. Many have closed down and those that remain rely on subsidies and on the sterling efforts of local communities. The fact that the OFT has been unable to do anything about the price of fuel means that the only way that the Highlands and Islands can ever achieve a level playing field is through political action. Unfortunately, almost all the cards are in the hands of Westminster and of those who do not want to do anything about the problem.

Lewis Macdonald: Will the member give way?

Dave Thompson: No, I need to make progress.

Of course, some in Westminster say that they want to tackle the problem of high fuel prices but never seem to get round to doing anything when the crunch comes. Enter the happy band of Scottish Liberal Democrat MPs, who supported a 2p per litre increase in fuel duty in a vote on the budget proposals in Westminster two nights ago. As has already been mentioned, Ming Campbell, Willie Rennie and Jo Swinson voted in favour of that increase, whereas the rest of the Scottish Lib Dem contingent was posted missing. In answer to an earlier intervention, Liam McArthur said that the proposal will make no impact on the premium that is paid by our constituents. That is correct, but it

will raise four times the amount that is raised by the new 50p tax rate and it will hit Scotland's poorest disproportionately hard.

I have no idea why Charles Kennedy, Danny Alexander, Lord Thurso and Alistair Carmichael—to name but four—did not turn up to protect the interests of their constituents, but the people of the Highlands and Islands deserve an answer. As leader of the Scottish Lib Dems, does Tavish Scott have anything to say about that? He has plenty to say about high fuel prices in his local press, but he remains strangely silent about his MPs' failure to protect his constituents. Perhaps Liam McArthur can give us the answer. Did they not think that the vote was important? Do they support increasing taxes as part of their green taxation policy? Do they just not care?

Whatever the answer, the Lib Dems did not take the opportunity to support the Highlands and Islands two days ago, and no amount of motions and waffle in this Parliament will hide that fact. They talk a good game, but their actions rarely match their words—"mealie-moothed" and "two-faced" are the words that spring to mind. Nevertheless, I will support the Liberal Democrats' motion and hope against hope that they might just mean it this time.

11:12

Elaine Murray (Dumfries) (Lab): I actually have some sympathy for the Liberal Democrat motion. Many of my constituents, and people across Dumfries and Galloway, are almost totally dependent on private cars for access to employment and services. As Liam McArthur said, in many rural communities a car is a necessity rather than a luxury. Coupled with that, wages in rural areas tend to be below average and housing is often difficult to obtain: there are long waiting lists for social housing and house purchase is impossible as prices are above what is affordable to local people. Fuel prices are higher at rural petrol stations for the very reasons that David Stewart explained. Deprivation in rural areas might not be as large scale or as visible as in urban areas, but such deprivation exists and is endemic. Therefore, I sympathise with the motivation behind the Liberal Democrat motion.

However, there are questions about how the system that the Liberal Democrats propose would operate in practice throughout the UK. For example, in France—which was referred to by both Mr McArthur and the minister—variable excise duty is part of a decentralisation agenda, under which excise duty collection and some powers to reduce excise duty have been devolved to the regions. In the context of the UK, the proposed derogation would presumably be applied by the four nations rather than by local councils. Is

it the Liberal Democrats' intention that there should be further devolution to local authority level? Would that be possible under EU law? Moreover, as David Stewart said in his intervention, the system in France requires the total excise duty take to be constant so, in effect, any reduction of excise duty in some areas must be cross-subsidised by other areas.

In addition, I am not quite sure whether any part of Dumfries and Galloway would be on the minister's list of areas that are a 60-minute drive from a major town, but I suspect that those constituents who did not qualify might be a little miffed if they ended up paying more in excise duty to subsidise people in other rural areas who would benefit from lower duty. Given the difficulties of defining remote and rural areas, some places with real problems might well be missed out.

Is the motivation behind the proposal to stimulate the local economy, or is it to benefit private individuals? In France, only petrol for domestic users is subject to the derogation. Under a similar regime in Scotland, local freight businesses in rural areas would not benefit.

Stewart Stevenson: The member asked whether her constituency would meet the 60-minutes measure. The answer is that it would not, but a substantial number of filling stations in her part of the country would meet the 30-minutes rural measure. However, if she wants to encourage the Parliament to use the rural areas definition, rather than the very rural areas definition, of course we will be interested in considering that.

Elaine Murray: I thank the minister for clarifying his definitions.

However, it is more fundamental that we address the other part of the equation. According to a written answer by Paul Clark, the Parliamentary Under-Secretary of State for Transport, to a question on transport costs that Norman Baker MP asked in March this year, the real cost of transport by private car declined by 13 per cent between 1997 and 2008, whereas there were real-terms increases in bus and coach fares of 17 per cent and in rail fares of 7 per cent over the same period. Over the past 30 years, the cost of motoring has declined by 17 per cent in real terms, whereas bus and coach fares and the cost of rail travel have increased by 55 per cent and 49 per cent, respectively, in real terms.

In rural areas in particular, public transport is expensive and infrequent. As of last December, for example, the frequency of buses in Dumfries, which is a town of significant size, was reduced—it is now an hourly service—and routes were curtailed. Residents who live west of the River Nith can no longer access the hospital using one bus. If

that is how bad the situation has become in the town of Dumfries, I am sure that members can imagine how poor bus services are in the more rural parts of the region. Fuel excise duty is only a green tax when there is a genuine alternative to the use of private transport. In the absence of such an alternative, it is solely an income generator.

Why is public transport in much of the UK so poor in comparison with other parts of Europe? That is the case, I would argue, for the same reason that bus fares rose by 42 per cent in real terms and rail fares by 41 per cent in real terms between 1979 and 1997—it is down to privatisation and deregulation during the 18 years of Conservative rule. That is why my colleague Charlie Gordon's proposed member's bill on the reregulation of bus services is so welcome.

The chancellor will be able to exercise his discretion later this year. If fuel prices, and therefore the VAT take, remain high, he will be able to decide whether to implement the proposed increase. In the meantime, as my colleagues have said, the Scottish ministers need to consider what action they can take to help the situation. They should consider the proposal to hold an oil and gas summit, which could examine issues such as what the devolved Administration could do. However, in my view, the real challenge is first to reverse the decline in, and thereafter to improve, public transport in rural areas so that people in those areas will be able to make the green choice of leaving their car at home.

The Deputy Presiding Officer: We move to the winding-up speeches.

11:17

Gavin Brown (Lothians) (Con): Like my colleague Alex Johnstone, I welcome the opportunity to debate fuel duty. To be fair, good comments have been made by members of all parties and the standard of debate has been reasonably high.

The problem is clear. Our fuel is close to being the most expensive in the world. Almost 70 per cent of the cost is made up of tax—both fuel duty and VAT. The present weakness of sterling means that the drop in oil prices from \$147 a barrel to approximately \$50 a barrel has not resulted in a dramatic drop in prices at the pump. The drop in prices that we have seen has not been as dramatic as we might have hoped for because of the weakness of sterling, against the dollar in particular.

As a number of members have said, costs in Scotland's islands and remote communities are particularly high. Some members have suggested that they are 10 to 12 per cent higher than in

urban areas. Coupled with those higher costs is the greater reliance on the car of people who live in rural areas, which do not have the same public transport infrastructure as urban areas.

Last week's proposal by the chancellor to increase fuel duty by 2p a litre from September this year will put quite a big burden on our economy as we try to stem the tide of recession. It is worth noting that a few months later, in December of this year, VAT, which of course applies to fuel, will go back up to 17.5 per cent from 15 per cent. The AA described the proposal as "highway robbery" and the RAC said:

"It's time for the Government to stop treating motorists' pockets as a bottomless pit of money and recognise their right to drive at a fair, affordable price."

In addition, the road haulage industry believes that the lifeblood has been sucked out of the industry. Insolvencies among road haulage companies have doubled in a year and the number of drivers who are looking for work has quadrupled.

What should we do? What solutions should we adopt? Derogation has been the main subject of debate. As others have said, it is a measure that works in a number of other EU countries, such as France, the Azores and on the Greek islands, but in some of those cases, exceptions have been made. David Stewart told us about the position in France, and Greece was allowed to implement a derogation as part of its accession to the EU.

The proposal is worthy of consideration, but Alex Johnstone's amendment is slightly different from the motion because we think that there are genuine questions to be answered about the legality of derogation in parts of Scotland. That is why we have asked the Scottish Government to explain to Parliament why it thinks that such a measure is legal. Another critical question is what impact such a programme might have on the public finances, were it to be implemented. It is clear that it is more difficult to obtain a derogation on fuel duty than some SNP and Lib Dem members have suggested. If it were as easy as putting together a business plan and sending it off to the EU, I suggest that more than three countries in the EU would have been granted such a derogation. We support the proposal to investigate the issue, but we think that there are questions that need to be answered before we rush headlong into anything.

The Conservatives have pushed long and hard for a fair fuel stabiliser. We are consulting on plans under which a fair fuel stabiliser would replace entirely the current fuel tax regime. The basic gist of the proposal is that the level of tax would fall when the price of fuel rose, and vice versa. Such a system would help families to cope with rapid changes in the cost of living and would protect the

public finances from fluctuations in the international oil price.

The exact wording that the chancellor used in last week's budget speech is worth noting. He said:

"I expect that fuel duty will increase by 2p per litre in September".—[*Official Report, House of Commons*, 22 April 2009; Vol 491, c 244.]

Does the fact that he used the word "expect" mean that if there is sufficient campaigning and a good case is made, the increase will not be implemented? Has the door been left ever so slightly ajar?

11:22

Des McNulty (Clydebank and Milngavie)

(Lab): It has been an interesting debate. It is clear that there are considerable tensions between the three other parties on how a subsidy should be secured and how it should be applied. The main thrust of SNP members was that the Lib Dems are two-faced. Well, that might be true. Jo Swinson would have some difficulty in explaining to people in Bearsden why they should pay more in order to subsidise fuel prices in the Highlands; perhaps that is why she has not done so. On a previous occasion, Liam McArthur argued for increased prices for air travel, except for air travel from the north of Scotland, so inconsistency seems to be the hallmark of Lib Dem policy.

Liam McArthur: During the campaign for the most recent election, I was coruscated by my Labour opponent for suggesting that the Labour Party was recommending that lifeline services should not be exempt from such a duty. Is the member really suggesting that the Labour Party should make no distinction between lifeline air services and air services that people can choose to use when other modes of transport are available?

Des McNulty: We helped to introduce lifeline air services, but the point is that Liam McArthur argued that other people should pay more but that services for his constituents should be exempt from the process.

Hypocrisy is not entirely the purview of the Liberal Democrats. If I have heard Rob Gibson talk about peak oil once, I have heard him talk about it 100 times, but what he is arguing for would involve more emissions and faster depletion of oil.

I do not hear Scottish National Party members from urban areas arguing vociferously for their constituents to pay more in taxation on fuel in order to subsidise people elsewhere. Bluntly, if the minister has identified 149 filling stations in Scotland where he thinks that subsidies should be put in place, why does he not do it? There is a

rural petrol stations grant scheme. He could make money available if he wished to do so. It is perfectly straightforward, and he would not come across any EU difficulties in so doing. It is a matter of political choice—a political choice that he has not made.

Alasdair Allan rose—

Des McNulty: The Liberal Democrats accused the Conservatives of sitting on the fence. All I can say is that it must be a stout fence for Alex Johnstone to sit on it.

Members: Oh!

Des McNulty: There is a point here, which the other parties are missing.

Alex Johnstone: I explain directly to the member that there is no chance of me sitting on that fence because there is no space left, given that the Liberal Democrats are crouched on it.

Des McNulty: It does seem to be a crowded place.

There is something that we could do. There is a particular case in relation to fuel costs on Scottish islands. I am looking at the average fuel prices as of 28 April 2009, and I inform Mr Johnstone that Aberdeen has the lowest average fuel price in Scotland—so much for the problems in Aberdeen.

For a litre of diesel, the following places are a sizeable amount above the Scottish average: Brodick, at 115.4p; Kirkwall, at 110.9p; Lerwick, at 114.4p; Stornoway, at 113.7p; and Tobermory, at 111.9p. Those prices are significantly different from the average. The island communities are particularly disadvantaged with regard to fuel prices, and we could do something about that. There is an argument that we could successfully make and carry forward on behalf of the island communities. The Scottish Government has introduced an RET scheme that discriminates between some islands and others, but we could have an RET fuel scheme that applied to all islands. The Scottish Government could say, “Because of the particular problems in the island communities, we think that there is a case for introducing a fuel subsidy to protect those islands from an undue cost of fuel.”

It is a real problem and there is a real way forward but the Government is not taking it. Why not? Why does the Government not stand up for island communities? The Government is politically fettered from doing so because it knows that everyone else will want it. If we say that island communities will get it, people in remote rural communities will want it. If people in remote rural communities want it, people in rural communities will want it. People in urban communities would then say that they were not prepared to subsidise it.

Mike Rumbles rose—

Des McNulty: There is a genuine case for derogation for island communities, and I think that the case is winnable. Why do we not consider it? Why are we not having a sensible discussion? It is because the other parties are not prepared to do that.

11:28

Stewart Stevenson: It has been an interesting debate, although the final remarks from the Labour benches have created a shared sense of mystification among the other political parties because, suddenly, we seem to be hearing the Labour Party arguing for a derogation scheme. There is more joy in a sinner who repenteth, and so on—if repentance is what we heard. We will perhaps have to examine the *Official Report* very carefully indeed.

I will try to deal with a number of the points that members have made in the debate. Fuel duty derogation is a matter that engages the European Union, and is therefore is a matter on which the UK Government needs to represent Scotland's interests. However, it would also be representing the interests of rural areas throughout the UK—we would be equally pleased if other places were also to receive that benefit.

Elaine Murray said that the tax on fuel is income generating. Indeed it is. It is probably one of the things that are keeping the fragile UK economy afloat. With fuel duty currently at 54.19p a litre, we can see the scale of the revenue. Of course, there is VAT on top of that. That raises an interesting little question. If the prices are higher, the VAT take is higher. I have done a back-of-an-envelope sum. I am happy to have someone tell me that my sums are wrong, but if there is a 20p difference in price, the increase in VAT take, curiously enough, is almost exactly the 2.4p that we require to put into the system under the derogation that the Liberals talk about in the motion.

Therefore, the people who are collecting the extra tax on rural communities through the existence of a higher price are precisely the people who have that extra money to feed back and reduce the prices. That is precisely why we cannot allow Westminster off the hook. Westminster is getting the financial and fiscal benefit of higher prices through the tax system. I would be happy if Westminster were to remit that extra money to the Scottish Parliament, for us to deal with. That might be a proposal—we will see in due course.

Lewis Macdonald: Does the minister accept that the higher tax on petrol and diesel in island communities is a result of the higher price and not the other way around?

Stewart Stevenson: That is self-evident. However, the point remains that if there is a higher tax, there is a higher tax take for the Westminster Government. It has the money that could fund derogation.

Of course, that is not the only thing that Lewis Macdonald and other Labour members said. In a rather incoherent contribution on fuel prices, Lewis Macdonald said that because fuel prices in Kirkwall today are lower than they were at their peak in Aberdeen, everything is okay. I do not see many nodding heads round the chamber, but that is what he actually said.

Lewis Macdonald: I hope that the minister will check the *Official Report* very carefully, because he will find that that is far from what I said. I pointed out to him that the critical issue on fuel prices was, first, the price of crude oil, and, secondly, how that price was passed on to consumers. The price for consumers throughout Scotland is a good deal less now than it was a year ago. Surely that is the critical point, and therefore the issue of differential price is one that the minister and his devolved Government ought now to address.

Stewart Stevenson: The differential price is the issue that we are debating. However, I am absolutely clear that Lewis Macdonald made that comparison. It is a comparison for which he will have to account to others.

Lewis Macdonald encouraged us to follow the good example of the Prime Minister and the chancellor—two individuals who have led the United Kingdom into a position of debt greater than at any time in a generation, and greater as a proportion of gross domestic product than anywhere in Europe. If we look for examples of how to conduct ourselves in public finances, I suspect that few would wish to follow the example of the chancellor and the Prime Minister, and that many would wish to look elsewhere.

Lewis Macdonald said that reducing prices runs counter to climate change reduction. Of course, what he is actually saying is that those who have the highest prices should pay the biggest price for climate change, yet they are the very people who have the fewest alternative transport options. I do not think that that commends his argument to members.

I very much support the motion.

11:34

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): It is a pleasure to wind up for my party in this most interesting debate.

My colleague Liam McArthur and other members pointed out that certain parts of Scotland

have some of the most expensive motor fuel prices in Europe. Liam McArthur said that a car is rarely a luxury in constituencies such as his and mine.

A clear statement of intent from the Parliament, speaking with one voice if we can, would be of enormous assistance to the minister in his endeavours to persuade Her Majesty's Government, the Chancellor of the Exchequer and the Prime Minister of the absolute validity of our case.

I was most encouraged by Des McNulty's speech. I welcome Labour's acceptance of the notion of derogation for the islands—and, of course, I would never suggest that the acceptance had anything to do with wanting to gain seats in the islands. However, if Mr McNulty were to look across the Pentland Firth at some mainland areas, he would see that his notion of derogation could be extended. Mr McNulty has made a good move, and Labour did not lodge an amendment to our motion.

In Alex Johnstone's speech, there was some confusion about where all the money was coming from. We are talking about an amendment to the Finance Bill, and the Liberal Democrats at Westminster have been tabling such amendments steadily for the past few years. We have been consistent.

We reckon that the figure required to finance our proposal—this builds on what the minister has just been saying—is round about £50 million. That figure should be compared with the £25 billion of revenue that goes to the Treasury in fuel duty.

We should all study the *Official Report* of this morning's debate, but I got the impression—if I am wrong I apologise—that Lewis Macdonald was jumping about the calendar a bit. We must compare like with like.

Mention has been made of the figures for diesel prices, and I remind members that we are paying 104.9p a litre in Bettyhill in my constituency, compared with 94.3p in Edinburgh and 93.9p in Dundee and Aberdeen. That is the problem that is hitting my constituents.

Rob Gibson referred to his party's policy of the regulator. That policy is to be welcomed as being on the right lines. However, there is a problem: as Liam MacArthur said, the regulator would have come off earlier this year. However, such things can be worked on and tweaked.

David Stewart challenged me to flesh out some things. First, if he has not done so, I would be grateful if he were to read John Thurso's paper, which addresses the problems and presents a very workable scenario. Secondly, the fact that Greece, France and Portugal have—as others

have said—introduced this form of derogation is surely very important indeed. Despite what David Stewart contends about the French view, it would behove the chancellor and the Prime Minister to instruct Treasury officials to go to those countries and see how they do it. Those countries have acknowledged the type of problem that is shared, alas, by rural parts of Scotland.

Dave Thompson's contribution should not be underestimated, although—how shall I put this?—it introduced an entirely new dimension to the standard idea of support. His experience as an official in Highland Council is important, and he was part of protracted discussions and a series of moves that we tried to make when we were in Highland Council. I am afraid that Mr Thompson is quite right: all the approaches that we made to the Office of Fair Trading, and all our discussions, were as naught. We considered every way of getting down the costs, including bulk buying, green measures, automated filling stations and others; we used the maximum power that we could, as a large council in Scotland; and we used to send Alison Magee down here frequently to raise the issue. However, we still could not get to the heart of problem, which I am certain is a derogation. Dave Thompson's contribution was hugely important.

As I say, our figures are that derogation would cost some £50 million out of £25 billion. I recommend that members read John Thurso's paper.

We have a clear choice. No amount of obfuscation or prevarication will alter the fact that, if we accept the Conservative amendment, we will kick the issue into the long grass. Other nation states use the mechanism and use it effectively. Our constituents will be watching: will we vote for the long grass, or will we vote for the Parliament to speak with one voice, thus giving the minister maximum support to go to Westminster and bring to bear maximum pressure on the Government? This problem is a dagger pointed at the heart of our most rural and remote communities in Scotland.

Question Time

SCOTTISH EXECUTIVE

General Questions

11:40

Sea Lice (Emamectin Benzoate)

1. Robin Harper (Lothians) (Green): To ask the Scottish Government, in light of research from Chile, Canada, America and Norway showing that emamectin benzoate (SLICE) treatments to control sea lice on salmon are decreasingly effective, what actions it will take and what guidance is being considered. (S3O-6708)

The Minister for Environment (Roseanna Cunningham): I am aware of concerns here and in other salmon farming countries about the effectiveness of SLICE. We propose therefore to establish a group of experts, drawn from our salmon farming, pharmaceutical and scientific communities, to examine the range of factors that could contribute to the effectiveness of current treatment strategies and make recommendations on how effectiveness can be optimised.

Robin Harper: I thank the minister for that assurance, but I would like two further assurances. Will she assure us that the Scottish Government will not pursue the line that the Norwegians are rumoured to be taking—sacrificing their wild salmon stocks on the altar of the commercialisation of fish farming?

The minister said that an expert group will be set up. Will she assure us that the group will consider the idea of having fully enclosed tanks with pumped sea water from the benthic levels, below which sea lice larvae are unlikely to survive?

Roseanna Cunningham: A number of people in the industry have raised the issue of sea lice with us, which is why we are setting up the group. The group will work from the summer onwards and a ministerial working group on aquaculture will oversee it.

I expect the expert group to consider a wide range of options, including ones that may or may not have been mentioned by Robin Harper, and come to a reasoned response. Aquaculture is an extraordinarily important industry to Scotland; its value is greater than the value of sea fisheries. We have to keep that in mind.

Protection of Vulnerable Groups (Scotland) Act 2007 (Implementation)

2. Johann Lamont (Glasgow Pollok) (Lab): To ask the Scottish Executive what the timescale is

for implementation of the Protection of Vulnerable Groups (Scotland) Act 2007. (S3O-6729)

The Minister for Children and Early Years (Adam Ingram): The Protection of Vulnerable Groups (Scotland) Act 2007 is expected to go live in 2010. The exact date will be confirmed by the Scottish Government after the successful conclusion of contractual negotiations with our information technology provider. The date will be announced well in advance, to allow stakeholders adequate time to prepare.

Johann Lamont: What discussions has the minister had with voluntary organisations, Disclosure Scotland and the Scottish Council for Voluntary Organisations about the change in disclosure policy by Disclosure Scotland? Does he acknowledge that groups find themselves in a contractual trap because disclosure checks have to be part of contracts, but groups are no longer entitled to receive them from Disclosure Scotland? Does he acknowledge the urgency of the situation? Will he consider bringing the 2007 act into force as soon as possible? Groups are deeply concerned about the effect on the services that they seek to deliver.

Adam Ingram: Officials had a constructive meeting with representatives of the voluntary and charitable sector on 22 April, at which they listened to concerns about entitlement to seek disclosure checks. With input from those officials, we intend to expedite a legislative amendment to address the concerns. We will work closely with Disclosure Scotland, the Convention of Scottish Local Authorities and others to improve guidance on eligibility. It was not a policy change but a misinterpretation of current legislation that resulted in some checks being undertaken at enhanced level rather than at basic level.

To ensure that vulnerable groups are not affected, we intend to expedite a legislative amendment. We are working closely with our partners.

Karen Gillon (Clydesdale) (Lab): Clydesdale Befrienders had to threaten to withdraw services before they were given an entitlement to enhanced disclosure checks. Will such groups be covered?

The minister's officials responded to my inquiries by saying that only 5 per cent of enhanced disclosures provide any additional information. That response completely missed the point. Groups such as Clydesdale Befrienders place befrienders in one-to-one situations with very vulnerable adults. It is precisely that 5 per cent that groups such as Clydesdale Befrienders want to find out about and should be able to find out about. Will the minister instruct Disclosure Scotland to ensure that befriending and advocacy

services can continue to receive enhanced disclosures?

Adam Ingram: I am afraid that I do not know the details of the case regarding Clydesdale Befrienders that the member raises but, as I said, we intend to address expeditiously the situation in which such groups have found themselves through no fault of their own.

Community Halls

3. Aileen Campbell (South of Scotland) (SNP): To ask the Scottish Executive what support it provides to local authorities to maintain and develop community halls in rural areas. (S3O-6679)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Our concordat with local authorities leaves them free to make their own decisions on spending priorities in the context of their single outcome agreements with the Scottish Government. In addition, the Scottish rural development programme can support community halls through rural development contracts and through the LEADER programme.

Aileen Campbell: The cabinet secretary may be aware that South Lanarkshire Council has decided to close the Jubilee hall in Lesmahagow, in the South of Scotland region. A survey that I am conducting shows that that has caused extreme disappointment among the local community. Does the cabinet secretary agree that such halls represent more than simply local facilities and can play a role at the heart of their communities? Does he also agree that any decision to close or change the use of such halls should be taken with full transparency, consultation and accountability?

Richard Lochhead: I agree with the member's comments. Our rural community facilities, especially halls, play a role as the hub of many of our communities and should be supported where that is possible. In this case, the decision is for South Lanarkshire Council, which I hope is taking into account the factors that the member raises. As I said in my original answer, support is available to communities who want to refurbish or improve their community facilities. I do not know whether community ownership is an option in this case; the community may wish to discuss that with South Lanarkshire Council.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Can the cabinet secretary tell the Parliament how many halls have received funding from the Scottish rural development programme and how many single outcome agreements with local authorities include support from the Scottish Government, through the historic

concordat, to provide security for public halls in rural areas?

Richard Lochhead: I can tell the member that £4 million this year and a further £2 million next year has been allocated to community facilities. Examples of community facilities that have benefited include Newlands primary school in Romanno Bridge, near Peebles, and the Garelochhead youth and community centre in Argyll. Those are just a couple of examples—many other worthwhile projects are receiving funding and we would welcome many more from the member's constituency or any other constituency in Scotland.

Karen Gillon (Clydesdale) (Lab): I thank the minister for the answers that he has given and welcome the funding that has been made available from the SRDP to the Coalburn Miners Welfare Institute in my constituency. Does he accept that well-resourced new community schools can provide enhanced access for communities in rural areas throughout Scotland? Will he encourage local authorities to ensure that, when they build new primary schools, they ensure that there is proper and adequate community access to them throughout the day and particularly in the evenings?

Richard Lochhead: The member makes several important points. In recent years, we have seen the development of new community schools providing access to local communities for a variety of purposes. That is welcomed and is enhancing the quality of life in many communities, both urban and rural, in Scotland.

Transport Scotland

4. Karen Whitefield (Airdrie and Shotts) (Lab): To ask the Scottish Executive when the Minister for Transport, Infrastructure and Climate Change last met Transport Scotland. (S3O-6748)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Transport Scotland is part of the Scottish Government and meetings with ministers occur regularly in the normal course of business.

Karen Whitefield: Is the minister aware that recently published research by the University of Glasgow and the University of Southampton shows that the electrification of the Glasgow to Edinburgh main line will reach capacity by 2022? The line provides huge added value to the Scottish economy through reduced travelling times between the two cities. What proposals is the minister considering to introduce high-speed ground transport between Glasgow and Edinburgh before capacity is overtaken?

Stewart Stevenson: The issue of capacity is complex. Part of our proposals involves the

creation of four-line capacity from Winchburgh junction to the centre of Edinburgh, which will provide extra capacity. The opening of the Airdrie to Bathgate line will increase capacity between Glasgow and Edinburgh, taking the number of trains per hour to 13. We recognise the economic value of time, which the member mentions. We reckon that every minute off the Glasgow to Edinburgh journey time is worth £60 million. That is why we want to get journey times down from the current 52 minutes to around 35 minutes.

Shirley-Anne Somerville (Lothians) (SNP): The minister will be aware of the concerns among residents of South Queensferry regarding some of the details of the new Forth crossing. Will he ensure that Transport Scotland's officials meet the residents—especially those who will be directly affected by the scheme—as early as possible? Will he also ensure that they are given full access to information on the design of the approach roads and issues such as the park-and-ride facility and the Echline plaza? Will he ensure that those residents have as much access as possible to the people who will make the decisions before the final decisions are made?

Stewart Stevenson: The member asks a range of questions. The key point is that Transport Scotland is engaging directly with many of the parties involved in South Queensferry, and that will continue. We want to ensure that, as we finalise the design of the approach roads prior to introducing the necessary consents that will take the project forward, we have addressed all the concerns. It is not our intention to proceed with the proposed park-and-ride facility on the south side as part of the overall programme.

Scottish Football Clubs (English Premier League)

5. Michael McMahon (Hamilton North and Bellshill) (Lab): To ask the Scottish Executive what assessment it has made of the economic implications for Glasgow and Scotland of any Scottish football clubs playing in the English Premier League. (S3O-6736)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): The Scottish Government has not made any assessment of the economic implications of such a move. The issue is primarily one for the relevant football authorities, both domestic and international. The Scottish Government will continue to monitor the situation.

Michael McMahon: I am somewhat surprised by the cabinet secretary's response. If an engineering company, an electronics company or a financial services company that wished to expand into an English market met with the same inactivity from the Government, we would question

the motives behind the Government's inaction. Given the fact that both Celtic Football Club and Rangers Football Club have made it clear on several occasions that they believe that they have outgrown Scottish football and that, to expand further, they require to find a new marketplace, will the Government give a commitment to assist both those football institutions to expand into the English Premier League if that becomes a viable proposition?

John Swinney: Mr McMahon trivialises the support that the Government habitually gives to companies that are focusing on their development plans. He should know better than anyone the scale of the activity that is undertaken to support companies in their business development plans. To trivialise that support in the pathetic way in which he raises his question exposes Mr McMahon's real interests in the matter.

The operations director of the Scottish Premier League, Mr Iain Blair, has said:

"No plan has been brought forward to us so it's too early to comment."

Why on earth should the Scottish Government spend taxpayers' money exploring a proposition that is not even on the table? On a day of public spending frugality—frugality—Mr McMahon should be careful about what he wants to spend public money on.

Road Network

6. John Scott (Ayr) (Con): To ask the Scottish Executive what discussions have taken place between ministers and local authorities regarding the condition of the road network. (S3O-6668)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): The condition of Scotland's local roads network has been raised in general discussion between ministers and local authorities during the past year.

I recognise the difficulties that Scotland's local authorities face in addressing local road problems, particularly in the current economic climate. Although it may not be possible in all cases for me to engage on an individual basis with each of Scotland's local authorities on their difficulties, I have asked my officials to respond positively to any request that is made by a local authority for a meeting to discuss the issue.

John Scott: The minister will be aware that a report from Audit Scotland in 2004 estimated that, at that time, £1.5 billion needed to be spent by Scottish councils to eliminate their road maintenance backlogs—around half of A, B and unclassified roads were in need of repair. Given the scale of the problem, which has built up over

many years, and the severe pressures on local authority budgets, it is clear that, in order for real progress to be made on repairing Scotland's roads network, additional resources are required. Will the minister therefore tell Parliament what action he has taken—or will take—to help councils address the poor state of our non-trunk roads?

Stewart Stevenson: The member will be aware of the substantial financial support that is being given to councils and in his area and in other parts of Scotland. In the current year, East Ayrshire is receiving £253 million, North Ayrshire is receiving £305 million and South Ayrshire is receiving £230 million. It is for councils to make decisions in relation to their spending priorities. I reiterate the point that we have a fruitful and helpful relationship with local councils, which is why my officials and I stand ready to talk to councils and develop solutions.

Dave Thompson (Highlands and Islands) (SNP): When will the first meeting of the Government and Highland Council transport working group take place?

Stewart Stevenson: A date is not yet set, although I have had face-to-face discussions with the leader of Highland Council, Michael Foxley. We are of one mind that it is important that the council, the Government and other interested bodies work together. I welcome that collaborative approach, which will depoliticise the situation and ensure that a proper course of action is determined by an objective assessment of needs and opportunities.

Violence Reduction Unit (Injury Surveillance Pilot)

7. Stewart Maxwell (West of Scotland) (SNP): To ask the Scottish Government what information it has on the progress of the injury surveillance pilot at Glasgow royal infirmary that is being undertaken by the national violence reduction unit. (S3O-6694)

The Minister for Community Safety (Fergus Ewing): Stewart Maxwell has been a strong advocate of the benefits of using anonymised injury data collected in hospitals to inform local police action. That approach, based on groundbreaking work in Cardiff, is one that we fully support, and the Scottish Government has been working in partnership with the national violence reduction unit to introduce it more widely throughout Scotland.

Initial pilots in hospitals such as the Glasgow royal infirmary have shown that the approach can be labour intensive, diverting clinicians from their primary tasks. That is why we are supporting a fully electronic system in the NHS Lanarkshire area, which will overcome those issues.

Stewart Maxwell: When does the minister envisage the current pilot being completed and the results being made available? Can he provide me with his view on whether the scheme will be rolled out to other areas, particularly Glasgow and the West of Scotland, and what the timescale for such a rollout might be?

Fergus Ewing: Yes, I can and yes, we will.

The results will be available shortly. Given that the model was based on a project in Cardiff that resulted in a 40 per cent reduction in the level of violence as a result of the co-operation between medical personnel and police, we expect that that excellent work will be rolled out across Scotland in due course.

Aberdeen Western Peripheral Route

8. Richard Baker (North East Scotland) (Lab):

To ask the Scottish Executive what funding mechanism it will use for construction of the Aberdeen western peripheral route. (S3O-6711)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): The funding mechanism for the Aberdeen western peripheral route has still to be determined.

Richard Baker: We have been waiting for two years to hear what the funding mechanism will be. Contributions will be required from both local authorities at this time of frugility—to use the words of the Cabinet Secretary for Finance and Sustainable Growth. If the decision is to be made after the receipt of the planning inquiry report, how long after that will it be? Does the minister have an early view of the likelihood of the route being funded through the Scottish distant futures trust?

Stewart Stevenson: The member is perfectly correct to point to the planning system as being the next step in the progress of this project, which is of great importance to the north-east of Scotland. I note that the fact that the public-private partnership/private finance initiative approach to raising funds for projects has been discredited means that 100 projects in England are stalled because of an inability to raise funds.

The member can be absolutely assured that we are fully engaged in this subject. We are not taking the planning process for granted; we will have to consider to the outcome of the planning process. However, I should note that the reduction in the cost of steel and cement and the increased competition in the market means that there is every opportunity to get the best possible deal for the public purse on this project and many others. We are working to deliver that.

The Presiding Officer (Alex Fergusson):

Before we come to questions to the First Minister, I invite members to join me in welcoming the

Spanish ambassador to the United Kingdom, His Excellency Carles Casajuana i Palet.

First Minister's Question Time

12:00

Engagements

1. Iain Gray (East Lothian) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S3F-1646)

The First Minister (Alex Salmond): Later today, I will have a range of engagements, including participating in the Scottish Cabinet committee on civil contingencies in the Scottish Government resilience room to look at the latest information on the swine flu outbreak.

As members in the chamber will know, the World Health Organization increased its alert status to phase 5 yesterday evening, which suggests that the virus is becoming increasingly better adapted to person-to-person spread. It means that countries are called on to activate their contingency plans. Fortunately, Scotland is very well prepared, not just because we have a long-standing plan but because we activated that plan last weekend when we became aware of the possible cases in Scotland.

Iain Gray: Yesterday, the Cabinet Secretary for Health and Wellbeing outlined to Parliament how Scotland's national framework for responding to an influenza pandemic is being implemented and is working. I agree with the First Minister: it is clear that the United Kingdom is one of the best prepared countries in the world. However, as he said, last night the WHO raised its alert level to phase 5. Yesterday, the health secretary reported that 32 cases in Scotland remained under investigation. Will the First Minister update us on that figure and on the status of those cases?

The First Minister: Yes, and I am grateful to Iain Gray for framing the question in that way. I would like to provide the chamber with an update. As people understand, this is a fast-moving situation, but this is the information as at 10.30 this morning. There are still only two people confirmed as positive for swine flu. The last two tests of those who had been in close contact with the confirmed cases have been declared negative. Two new possible cases of close contact have been identified and one individual is being retested. Within the past 24 hours, a further 19 travel-related possible cases have been identified and 24 possible cases have been cleared by testing; there is also one travel-related case, unrelated to the confirmed two cases, in Glasgow, which we now consider as a probable case.

That means that a total of 27 suspected cases are now under investigation. It is a fast-moving situation, but the summary as of now is that there

remain two confirmed cases, there are 27 cases under investigation and the total number of people who have been cleared by testing is 41.

Iain Gray: Some cases in Scotland have remained under investigation for several days; I appreciate the update on those from the First Minister. What is the timescale for a determination to be made? What is the difference between a possible case and a probable case?

Containment is serving us very well, but at what point does that strategy have to move on in a situation that is fast moving, as the First Minister says?

The First Minister: Again, I thank Iain Gray for the nature of his question. It is a very good question and it is helpful to express it in that way. We have a number of tests that can identify this virus. The tests can take place in the west of Scotland specialist virology centre at Gartnavel and the final reference lab test takes place in Collingdale.

The test that we can do first is to see whether the person has type A flu. Clearly, if that test proves negative—and that can be done relatively quickly in a matter of hours—then that can be declared as a negative test. However, if someone has type A flu, it does not necessarily mean that they have this particular strain of the virus. The molecular tests that are necessary to identify that take some considerable time, sometimes 48 hours and indeed more in some cases. The reason why we have been able to clear some 40 people—I think that it is 41, as of the past few minutes—is that the first test showed up negative for type A flu.

Iain Gray asked what the difference is between a possible case and a probable case. A probable case is someone who has tested positive for type A flu but who has not been confirmed as having the full strain of the virus, which can be confirmed only by the more detailed tests, which take some time.

Iain Gray: Yesterday, the health secretary gave strong and very welcome reassurances with regard to the stockpiling of antivirals throughout the UK. Given the change in alert level to phase 5, will those antivirals now be moved from central stockpiles to more local distribution points?

The First Minister: That is under way as part of our activation plan. As Iain Gray rightly surmises, we currently have stockpiles of the two antiviral drugs that have been demonstrated to be effective against the virus to meet the needs of 50 per cent of the Scottish population. That figure is now being increased throughout the UK.

We also have substantial stockpiles in Scotland of other materials that will help us to combat the virus. For example, we have 9 million surgical

face-masks in Scotland—a very substantial stockpile indeed—which are aimed at medical staff who are treating people with suspected infections.

Iain Gray referred in his earlier question to something that is quite important. The evidence that we are gathering because we were able to identify the two confirmed cases very quickly in Scotland is important for us and probably worldwide, given that there is a limited amount of information about clearly identified cases. Information is coming in all the time.

We cannot be certain about these things but, as I mentioned earlier, two people are still under investigation and one person is being retested. The very least we can say is that the immediate effect of the measures to interrupt the spread of the virus appears to have been successful. We do not know whether those measures will be totally successful until the final testing is completed, but at the very least we can say that a substantial number of those who have had close contact with the two confirmed cases have already been cleared of the virus.

Iain Gray: We can be pleased that the framework has worked, as the First Minister has indicated, and we hope that the outbreak has been contained. The framework requires preparations to be made, and those have served us well.

The First Minister referred to a meeting that is to be held later today of the Scottish Cabinet committee on civil contingencies. With the alert level now at 5, what plans, beyond the direct health measures that are in place—which he outlined today, as his health secretary did yesterday—are now being made for wider civil contingencies?

The First Minister: That is, again, a very helpful question. A meeting with stakeholders through the wider civil contingencies network is planned for tomorrow, which will explain the nature of the phase 5 alert from the WHO and the further activation of our plans.

The phase 5 declaration by the WHO means that it has identified person-to-person spread in at least two countries. That means that we have to anticipate that person-to-person spread will occur. In effect, by identifying the cases and interrupting the spread of the virus, we have bought ourselves time. That is obviously very valuable, because the more time we can buy, the fewer people will fall ill.

It is valuable to interrupt the spread of the virus not only through the measures that we have taken in relation to the identified cases, but through the general health measures that have been circulated through the country and, as Iain Gray rightly surmises, the involvement of the social partners in the wider civil contingencies programme. We need the help not only of the social partners and of

every party in the Parliament but of the general public in Scotland in responding to the important health messages that are now being broadcast.

However, according to the WHO, the reality is that, however good our measures are, however effective our countermeasures are and however we try to interrupt the virus's spread, it is likely that there will be more cases—and, indeed, person-to-person cases. What we are doing is minimising the virus's impact, and the work of everyone who is engaged in doing that is very valuable.

Prime Minister (Meetings)

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

To ask the First Minister when he will next meet the Prime Minister. (S3F-1647)

The First Minister (Alex Salmond): I have no plans to meet the Prime Minister in the near future. However, the Deputy First Minister and Cabinet Secretary for Health and Wellbeing is participating in Cabinet Office briefing room A—COBRA—meetings, in which the Prime Minister is also participating.

Annabel Goldie: We all agree that it is undesirable to overdramatise swine flu. However, the World Health Organization's decision to declare a level 5 alert—one short of a full pandemic—raises public fears and requires continued clarity from the Scottish Government. The first thing that needs to be done is to separate myth from fact. Will the First Minister confirm that, despite its name, the swine flu virus is spread by human-to-human contact; that pork products are safe and can be eaten safely; and that pork production is not at risk?

The First Minister: Those are certainly the indications that we have. The WHO raised the alert status because it has evidence of human-to-human transmission in two countries—Mexico and the United States—with the assumption that there will be human-to-human transmission in other countries. However, there is no evidence at all that the virus can be communicated by any means bar human-to-human transmission.

Annabel Goldie: We very much hope that the precautionary principle and actions that have been applied in Scotland and the seemingly mild nature of the virus outwith Mexico mean that its impact can be limited and contained. However, such viruses are notoriously unpredictable and can be highly infectious. In the contingency plans that all Governments must have, what is the trigger point in Scotland for curtailing the free movement and association of people, no matter whether they are travelling, are at their workplaces or centres of education or are taking part in leisure activities such as attending football matches? In other words, would such restrictions be triggered by the

number of people infected, the infection's rate of spread or some other factor?

The First Minister: The point would be reached when there was evidence of widespread infection. There is no such evidence at the moment.

As a result, the best thing for all of us and indeed the general public to do is to pay heed to the clear health messages that are being broadcast on how we can interrupt the virus's progress from identified cases. I have to say that measures in that respect have probably been implemented in Scotland more quickly—and at least as effectively if not more so—than anywhere else in the world. We must engage the wider community's co-operation in taking up these simple health measures and messages, which will help to stop and limit the virus's transmission. I suspect that the answer to Annabel Goldie's question is that everything that we are doing is designed to prevent us from reaching the point that she has referred to.

Cabinet (Meetings)

3. Tavish Scott (Shetland) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S3F-1648)

The First Minister (Alex Salmond): The Cabinet will discuss a range of issues of relevance to the people of Scotland.

Tavish Scott: This morning, under pressure from Opposition members during a Liberal Democrat debate, the Cabinet Secretary for Education and Lifelong Learning admitted that the Government's plans for teacher training are changing. Instead of the 9 per cent increase in training places that was announced only on 3 March, there will be a cut of 4 per cent. Given that teacher numbers have fallen by 1,000 under the First Minister's watch, how is such a cut the right thing to do?

The First Minister: I remind Tavish Scott that that would not only take teacher training places to 2007 levels but mean that the level of teacher training places would be substantially higher than the average level that prevailed throughout the Labour and Liberal term of office.

Tavish Scott: The cabinet secretary said that there would be a 4 per cent cut in teacher training places next year, with teacher numbers under the Scottish National Party down by 1,000. The statistics are bad. For example, the number of mathematics teachers is down. Has that been done on purpose to stop children ever counting up how badly they have been let down? Although children should know that the progress on class sizes has been microscopic, they do not, because the number of science teachers is also down. Will they ever learn how to use a microscope?

Children might also have called the whole policy a pantomime, but the number of drama teachers is—yes, you've guessed it—also down. How can we tell? In 2007, Fiona Hyslop said:

"If we get it right, we will energise an entire generation".—[*Official Report*, 20 June 2007; c 883.]

Every set of Government statistics shows that she has not got it right. How much longer has she got?

The First Minister: One would not have to be a maths student to identify that we have the best teacher pupil ratios in Scottish history at present. Tavish Scott says that that progress is microscopic, but it is clearly progress on the record of the past Liberal-Labour Administration in Scotland. It is no coincidence that some of the best results on teacher numbers and the reduction in class sizes are in the areas of excellent councils such as SNP-controlled West Lothian Council. Rather than progress through the variety of subjects, Tavish Scott should consider that he would not even have to be an arithmetic student, never mind a mathematics student, to know that it is invariably true, and an iron law of education and politics, that, in this Parliament and in any Parliament, Liberal Democrat sums never add up.

Robert Brown (Glasgow) (LD): Continuing on the education theme, the First Minister is aware of Glasgow City Council's decision to close several primary schools in Glasgow. The council blames a reduction in the finance for primary school renewal under the SNP Government. Is the First Minister aware that local parents are singularly unimpressed with the tit-for-tat argument between Labour and the SNP on the issue, when there are viable options? For example, there could be joint-campus community schools in the areas, despite the relatively limited access to capital funding, although that might not necessarily happen immediately. Will the First Minister take up the suggestion that I made in a letter to him last week—which I hope he has received—and meet parents from the Wyndford schools and particularly St Agnes primary school in Cadder, as well as representatives of Glasgow City Council, to discuss as a matter of urgency whether a more positive approach is possible? That might provide clarity on what funding stream will be available under the Scottish Futures Trust to avoid the closures, which will be damaging to local communities.

The First Minister: We would be happy to arrange meetings with concerned parents. The puzzle that I genuinely do not understand is that Glasgow City Council representatives, including its education convener, have said that the council's education budget has been rising in real terms. I genuinely do not understand how a rising education budget in real terms can translate into fewer teachers and schools in Glasgow. Glasgow

City Council owes an explanation of that not only to the concerned parents but to everyone else in Scotland.

Pandemic Flu

4. Ian McKee (Lothians) (SNP): To ask the First Minister what steps are in place to support the national health service in handling pandemic flu. (S3F-1655)

The First Minister (Alex Salmond): As the Cabinet Secretary for Health and Wellbeing set out in her statement yesterday, the Scottish Government and NHS Scotland take the threat of a flu pandemic very seriously. Work has been carried out with partner organisations since at least 2005 to ensure that Scotland is in the best possible position to respond to a pandemic. In 2007, we consulted on and published a framework for responding to an influenza pandemic, based on the United Kingdom's influenza pandemic contingency plan. As we discussed earlier, last evening, the World Health Organization raised its alert level to 5, which means that member Governments are called on to implement their plans on preparedness. Fortunately, because we identified the cases in Scotland last weekend, we are already in that position and will carry forward the implementation of our contingency plans.

I have just been passed information that I am sure that members will wish to hear. The couple who tested positive—Iain and Dawn Askham—have now been released from Monklands hospital and are very well indeed. I am sure that everybody will be delighted to hear that news.

Ian McKee: The First Minister referred to the WHO's decision to move to phase 5 in its six-point pandemic scale. What direct contact has there been between the Scottish Government and the WHO?

The First Minister: The director general of the WHO, Dr Margaret Chan, spoke with the Cabinet Secretary for Health and Wellbeing on 28 April. Dr Chan expressed confidence about and support for the actions that the Scottish Government is taking to deal with the situation. She also agreed—this is very important—that the work that we are doing would be important in informing international understanding of the swine flu outbreak, which is obviously incomplete at this stage. In that regard, we are making available to the WHO and to all partner organisations the detail of the confirmed cases in Scotland, how the virus has been progressing, its infectivity and how that has been, at least at this stage, restricted by the actions that have been taken.

Cathy Peattie (Falkirk East) (Lab): The First Minister will be aware that the two confirmed cases of swine flu are my constituents. Like

others, I wish them well. Will the First Minister join me in commending NHS Forth Valley on its quick and efficient implementation of its emergency programme last weekend?

The First Minister: Yes, I will. The constituency member obviously has the right to ask that question and will be well thought of for carrying out her duty of care towards her constituents. I was delighted to be able to say that Iain and Dawn Askham have been released from Monklands hospital.

NHS Forth Valley and the other affected health boards have reacted extremely well over the recent period. The WHO put out its alert last Friday—at midnight, I think—to partner organisations, including NHS Forth Valley, and the action to take Iain and Dawn Askham to Monklands hospital happened within hours of their reporting to NHS 24 on the Saturday. That action has proved extremely valuable, not just in potentially restricting the infectivity of the virus but in allowing us to learn a great deal more about the progression of the condition. That would not have been possible unless the local health board, along with other health boards, had followed the action plan and taken full part in making the contingency plans that were put in place.

Student Finance

5. Claire Baker (Mid Scotland and Fife) (Lab): To ask the First Minister whether reducing graduate debt or tackling student hardship should be the priority for the Scottish Government. (S3F-1649)

The First Minister (Alex Salmond): Both reducing debt and tackling student hardship are priorities for the Scottish Government. That is why we have introduced a number of policies to tackle those issues, which include abolishing the graduate endowment fee, benefiting more than 50,000 graduates and indeed students; introducing a £38 million package of grants for part-time learners, benefiting up to 20,000 students a year; and providing £16 million a year to institutions to alleviate student hardship. Because of the combination of those actions, for the first time since devolution the average student loan debt fell in 2007 and now stands at £5,354 in 2008, compared with £9,580 south of the border.

Claire Baker: The First Minister is missing the point yet again. Did he not hear the wake-up call from students on Monday, or was he just not listening? Students' patience with the Scottish National Party has run out. The First Minister's Cabinet Secretary for Education and Lifelong Learning is completely out of touch with the reality for students in Scotland today. Under the SNP, Scottish students are living in far greater financial hardship, student support levels are far behind

those in the rest of the United Kingdom and hardship funds are being stretched to breaking point—all that from a party that promised students so much at the last election. Will the First Minister now respond to the wake-up call from students, swallow his pride and work with us to deliver the real help that students want and need?

The First Minister: The member talks about student support. Why do students need support south of the border? It is because they pay tuition fees. In Scotland, students no longer pay tuition fees; they do not pay front-end fees as they do south of the border and they do not pay the back-end fees that were implemented by the Labour and Liberal parties. As regards hardship, if the member was correct in her surmise about the position of Scottish students, why for the first time since devolution is student loan debt so much lower in Scotland than it is south of the border?

As the member knows, the consultation period for “Supporting a Smarter Scotland: A consultation on supporting learners in higher education”, which sets out a range of options on how student support can be improved, has been extended by eight weeks to midnight tonight, 30 April. That reflects the importance that we attach to these issues. A range of proposals have been made in the consultation but, as of half an hour ago, the Labour Party had submitted no evidence to it. Is the reason for that that the member realises how incredible it would sound for the Labour Party to suggest additional spending at a time when it is cutting £500 million off the Scottish budget?

Christina McKelvie (Central Scotland) (SNP): Does the First Minister share my disgust at the Labour Party demanding increases in student support after ignoring students throughout the time that it was in office, and demanding that Scotland pays students £7,000 a year, tax free, while Labour supports without complaint a UK Government that pays a state pension that is £2,500 less than that? Given that the state pension is taxable and earned, does the First Minister find it strange that Labour members have nothing to say in defence of Scotland’s pensioners against their Government at Westminster?

The First Minister: I do not find it strange. We already know that the Labour Party in Scotland, unlike the Labour Party in Wales, is unable to stand up on the pressing issue of the £500 million budget cut to which I have referred.

I can report from the budget debate at Westminster, which I attended this week—[*Applause.*] Yes, I attended and spoke up for Scotland, which is more than any Labour MP for a Scottish constituency managed in the entire debate. I found that revolt was spreading through the revolting benches of the Labour Party at Westminster. Even the arch-Blairite Stephen

Byers—the arch right-winger of the Blair Government—was moved to say that he could not face his constituents with cuts to health and education while a Labour Government supported the Trident replacement programme and identity cards.

Murdo Fraser (Mid Scotland and Fife) (Con): I can tell the First Minister that the Scottish Conservatives’ response to the consultation will be submitted this afternoon. [*Laughter.*]

The Presiding Officer (Alex Fergusson): Order.

Murdo Fraser: Earlier this week, 25 student leaders combined to raise serious concerns about Government policy and broken SNP promises on higher education. Does the First Minister really think that it is satisfactory that the sole response of the cabinet secretary to that serious criticism should be to tell the students to grow up and stop complaining?

The First Minister: I hope that, when the Conservatives’ submission comes in, the cabinet secretary is careful not to get wet ink on her fingers, as Murdo Fraser desperately tries to complete his submission within the timetable. In his conversations with student leaders, as the new-found hero of students in Scotland, did Murdo Fraser pledge or reveal that the Conservative party intends to reintroduce the graduate endowment and student fees and to make every student in Scotland pay for their education, or did he keep quiet about that bit?

Community Sentences

6. Mike Pringle (Edinburgh South) (LD): To ask the First Minister what progress the Scottish Government is making on the replacement of short-term prison sentences with robust community sentences. (S3F-1660)

The First Minister (Alex Salmond): As Mike Pringle knows—I know that he and many of his colleagues appreciate this—three out of four of those who are sentenced to six months or less in prison offend again within two years. By contrast, 42 per cent of those who are sentenced to community service have a clean record after that time. Those figures speak for themselves. We plan to build on them through our legislative proposals for the new community payback order and the presumption against prison sentences of six months or less. We are working hard to ensure that community service is started immediately and completed more quickly, and that there is adequate and appropriate guidance and training for support staff. That is why we have invested additional resources in the programme.

Mike Pringle: The sentencing figures for 2007-08, which were released by the Government this

week, show that 12,681 custodial sentences were for six months or less. Is the First Minister aware that his officials estimate that, following sentencing reform, the number of community sentencing orders that are issued will increase by only up to 1,240? As I am sure he is aware, we have read in the press this week that it is taking longer and longer for people to get on to a community sentencing order. Is he concerned that judges will simply ignore efforts to steer them away from short-term sentences? Does he agree that, if short-term sentences are to be effectively replaced with tough community penalties, focusing on sentences of three months or less would be preferable?

The First Minister: I believe that every sensible person who has studied the judicial system in Scotland will agree with the direction of the Government, as set out in the McLeish commission's report. I could indicate comments made by the Liberal Democrats, who I think are pretty firm and solid on this issue. I could indicate comments made in the past by Cathy Jamieson, who recognised the folly of short sentences with regard to changing offending behaviour. I could even indicate comments from the Conservative party and from Iain Duncan Smith's analysis of the social position, as described by his commission's report. There is a wide range of support for the Government's direction of travel. I believe that that support extends throughout the judicial system, and I believe that we will get great co-operation as we move towards community sentences and away from short-term prison sentences.

12:31

Meeting suspended until 14:15.

14:15

On resuming—

Question Time

SCOTTISH EXECUTIVE

Health and Wellbeing

Parkinson's Disease

1. Hugh O'Donnell (Central Scotland) (LD): To ask the Scottish Executive how it supports people who have Parkinson's disease. (S3O-6756)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): As with all long-term conditions, we want people with Parkinson's disease to get services that are personal to them, fully integrated and delivered as close to home as possible, but with ready access to specialist care when they need it. Implementing clinical guidelines and clinical standards, both of which are under development, is a key way of improving support and services to people with Parkinson's disease.

The Scottish Government very much welcomes the support that the Parkinson's Disease Society gives the around 10,000 people in Scotland who are living with the condition. I offer my congratulations to the society on its 40th anniversary.

Hugh O'Donnell: There is no hidden agenda behind the question. A local group in my region raised with me an issue in relation to Parkinson's disease, on which I seek clarification. The cabinet secretary will be aware of the difficulties in ensuring equity in access to specialist nurses. A number of Parkinson's groups in various locations have fundraised in order to facilitate that, realising the pressures that the national health service is under. However, there seems to be inconsistency in how health boards deal with such donations. Do guidelines allow the ring fencing of funds that are donated to underwrite the cost of a nurse or other facility? Alternatively, does the money just go into the general pot for the health board, and, if so, is there some way of remedying that apparent anomaly?

Nicola Sturgeon: That is a good question. Hugh O'Donnell might be interested to know that I have recently asked the Health and Sport Committee to consider the draft guidance to health boards that I asked for following the case in which the Royal Bank of Scotland donated a scanner to the NHS. Margo MacDonald suggested that guidance might be helpful. I will consider the Health and Sport Committee's views on the draft

guidance and determine the way forward. Although the guidance was initiated by the RBS situation, it would apply more generally.

Specialist nurses, however they are provided and funded, have an important role to play in the care of people with any long-term condition. Throughout Scotland, we have almost 1,600 specialist nurses in a range of specialist areas, for example we have 13 specialist nurses who are dedicated to Parkinson's disease. The development of clinical standards on Parkinson's disease offers an opportunity to consider further the role of the specialist nurse as part of the multidisciplinary team. That is part of the work that is being focused on as the standards are taken forward.

Leisure and Health Facilities (North of Scotland)

2. Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): To ask the Scottish Executive what action it is taking to maximise the use of leisure and health facilities in the north of Scotland. (S3O-6763)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): It is essential that we work together to change people's attitudes and behaviour towards physical activity and sport to help to achieve the outcome of people leading longer and healthier lives. As the Minister for Public Health and Sport said in a debate last week, the development of the common health legacy programme and community sports hubs will be key to our efforts in achieving that. We are committed to working with local authorities, health boards, community planning partnerships and others across the whole of Scotland to make greater use of existing facilities.

Jamie Stone: I thank the cabinet secretary for that informative answer. It is arguable that in my constituency some health and leisure facilities are not used as much as they could be, which is not the fault of the Government, and that there is an historical lack of facilities, which, again, is not the fault of the Government—it is probably due to the change in local government in the 1990s.

As part of the cabinet secretary's work with the organisations that she mentioned, such as the NHS, could her officials and officials in those organisations audit the take-up of facilities and where there are gaps in facilities? In the longer term, that might be useful in helping us all to decide where capital should be invested and where take-up could be increased.

Nicola Sturgeon: As I am sure Jamie Stone agrees, such work is best done locally. It is for local agencies to decide on the need for and the appropriateness of such work.

I agree that, as we strive continually to improve the population's health, people need to have access to sports and leisure activities, so that they can be more active. It is obvious that local authorities have a lead role in that. Highland Council has not finalised a facilities strategy, but I believe that it is working on one and that it will develop plans.

I agree with the thrust of Jamie Stone's question. It is important that, through various national plans and the work of local agencies, we increase access to facilities.

National Health Service Waiting Time Targets

3. David McLetchie (Edinburgh Pentlands) (Con): To ask the Scottish Executive whether it plans to introduce new NHS waiting time targets. (S3O-6665)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): The Government is committed to ensuring that patients have swift and safe access to the full range of services that they need from the NHS. In addition to our general 18-week referral-to-treatment target, we are working to establish by April next year a referral-to-treatment waiting time target for specialist child and adolescent mental health services. Access to psychological therapies will receive a similar focus, to inform consideration of establishing a waiting time target to access those services. This year, we also plan to set a clear target for reducing the time that drug users must wait to access treatment, with a view to introducing a formal measure in April 2010.

David McLetchie: I thank the cabinet secretary for her comprehensive answer. She might know that a focus on targets is not always in patients' best interests. Did she read the article in *The Herald* on 13 April by Gavin Tait, a consultant orthopaedic surgeon from Kilmarnock? He said:

"It is now ... recognised that since the SNP took power, targets are being driven so hard ... that priorities in clinical care are being distorted. Patients who may breach their target date are treated ahead of others who may have more pressing problems."

His view is based on his professional experience as a surgeon. Is there any truth in his remarks?

Nicola Sturgeon: As far as I know, Gavin Tait is an excellent surgeon—he is certainly of high repute. I hope that he will not take what I say as a criticism, because it is not meant to be. He is entitled to his opinion and he vehemently opposed my decision to save the accident and emergency unit at Ayr hospital—he is based in Crosshouse hospital. That was a difference of opinion that we had.

I listen to Gavin Tait's opinions. On this occasion, his comments are incorrect. Targets are important, because they give patients certainty about how long their maximum waits for treatment will be. We all remember when patients had no such certainty and when waiting times could be a year or 18 months. Patients now know the long stop. Within that, clinical decision making determines—as it always does and should—the time that patients wait. That is how the system should work and how I believe it is working, but I will always listen to the views of clinicians or patients throughout Scotland who want to tell or advise me how that system can be even further improved.

Ian McKee (Lothians) (SNP): Will progress on waiting times be affected by the planned cut of £129 million in the health board budget next year as a result of the chancellor's budget last week?

Nicola Sturgeon: The chancellor's budget last week—the point is serious—places under threat public services and thousands of jobs in Scotland. That is why it is serious and potentially damaging. As well as the so-called efficiency savings that the chancellor talks about—in anybody else's language, they are cuts, because the money does not stay with front-line services—a baseline cut to the health capital budget in England means sustained year-on-year cuts to the health budget in Scotland. That is serious, and the Scottish Government must consider how to deal with it, but the Scottish Government will always work extremely hard to protect health services, as we have done throughout the past two years, and to ensure that patients continue to receive speedy access to good-quality treatment. That is my priority and the priority of all Scottish National Party members.

Trish Godman (West Renfrewshire) (Lab): The cabinet secretary will be aware that 40 per cent of wheelchair users are using wheelchairs that belong to someone else and are not therefore fit for individual needs. In some instances, there can be a waiting time of more than two years before someone gets a wheelchair that fits them. Does she believe that wheelchair users should be included in the waiting time initiative? Does she believe, as I believe, that being confined to home because of an inappropriate wheelchair is just as much a mobility issue for someone as needing a new hip?

Nicola Sturgeon: Trish Godman previously asked me a similar question. I commend the passion that she brings to the issue. I agree in general that for someone who needs a wheelchair, not having access to one damages their ability to be mobile and to live a normal and independent life. The issue should be seen in that context.

As I think I have said to Trish Godman, I cannot say that everything in the garden in terms of wheelchair and seating services is rosy: it is not. That is why we have made such an effort to put in place a new strategy, which is backed by significant sums of additional funding. It will take time to bring those services up to where we want them to be. I am more than happy to ask the Minister for Public Health and Sport to write to or meet Trish Godman to give her a progress report on where we have got to in terms of the work around the strategy.

Care Homes

4. John Farquhar Munro (Ross, Skye and Inverness West) (LD): To ask the Scottish Executive what action it is taking to improve the quality and consistency of care that is provided by care homes. (S3O-6755)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): The Scottish Government is committed to improving the quality of all care services, including care homes. That commitment is, of course, shared by the Convention of Scottish Local Authorities, the Scottish Commission for the Regulation of Care, Scottish Care and other key stakeholders. Together, I believe that we are making significant progress in advancing the quality of care in care homes in Scotland.

Key initiatives in improving the quality and consistency of care include a specific shared commitment in the concordat with local government to improve care home quality. The national care home contract for care homes for older people now includes an improvement measure that is linked to fee levels and the care commission's new grading system. Of course, the care commission's primary role is to regulate for improvement.

John Farquhar Munro: It is interesting to note that the care commission recently found that 43 per cent of care home providers and staff do not recognise that they should be delivering palliative and end-of-life care to residents who have a life-limiting illness. How will the cabinet secretary ensure that the palliative care needs of care home residents with a life-limiting illness are recognised and met at every stage, in addition to their end-of-life care?

Nicola Sturgeon: The care commission report to which John Farquhar Munro refers is important. As he is aware, it contains a large number of recommendations, which I expect to be implemented. The importance of good-quality palliative care that respects individuals' choices, regardless of where they happen to be, is fundamental. I hope that we have reflected our commitment to improving the quality of palliative

care services in “Living and Dying Well”, our palliative care strategy, which covers many of the care commission’s recommendations. I give the member this assurance: we are very focused on improving the quality of palliative care for people in care homes, their own homes and other settings.

Nigel Don (North East Scotland) (SNP): The cabinet secretary will be aware of the concerns that care home directors have expressed about the implications of the European working time directive for the costs involved in employing live-in staff to provide care. How will the Government tackle those costs over the long term?

Nicola Sturgeon: To my knowledge, I have had no specific representations from care home directors on that issue, although they may have provided them recently. I am more than happy to have a discussion with them, albeit that, as employers, care home directors hold the primary duty to ensure that they comply with the law.

Whatever the context of the debate, the working time directive is about the quality and safety of care that is provided to the public. In addition to protecting employees, its aim is to ensure that services are not damaged by the people who provide them working too long hours. From the perspective of the national health service in Scotland, I appreciate the difficulties and challenges that employers face in adhering to the working time regulations. If Government can do anything to help the care home sector to meet the requirements, I am happy to have the conversation.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): The cabinet secretary mentioned people who are cared for in their own homes. She will be aware of the concerns that were raised in the recent “Panorama” programme. What action is the Scottish Government taking to ensure that people who receive care in their own homes receive proper care and are not simply warehoused in their own homes because that is a cheaper option than having them in proper residential care facilities?

Nicola Sturgeon: I take the view that everybody takes: people should receive the care that is appropriate to them and their needs. People have an element of choice—some will prefer to be in an institutional setting as opposed to their own home—but people’s care needs should be reflected in the type of care that they receive, and we must ensure that we properly regulate the quality of that care. Obviously, local authorities have a key role in ensuring that the services that are provided—and which, in the main, they fund—achieve the right quality and standards.

Many people would have been extremely concerned by the allegations that were made in

the “Panorama” programme; we certainly take them seriously. Any local authority that provides care services has a primary duty to ensure that they are up to scratch.

Mary Scanlon (Highlands and Islands) (Con): The care commission regularly makes recommendations about services that do not meet the national care standards. In some cases, little is done to check that service providers act on those recommendations, which results in many care homes continuing to operate well below the care standards that they and all of us should expect. Will the cabinet secretary outline the care commission’s auditing and monitoring process and confirm whether she is satisfied with the current system?

Nicola Sturgeon: It may be appropriate if I write to Mary Scanlon to give her a proper and detailed answer to that question and outline the audit arrangements. However, I make it clear that when the care commission considers complaints and finds failings on the part of care homes, it typically asks the provider to respond to the concerns. It has a range of powers and can take a range of actions, including, of course, deregistering a care home if it is not satisfied. Those possibilities exist. However, Mary Scanlon’s question about the auditing process deserves the courtesy of a detailed response.

In-patient Telephone and Audiovisual Use (Charges)

5. Bill Butler (Glasgow Anniesland) (Lab): To ask the Scottish Executive what discussions it has had with chief executives of national health service boards in respect of charges for in-patient telephone and audiovisual use. (S3O-6715)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): A number of NHS boards in Scotland choose to offer Patientline bedside entertainment and telephone facilities. No further discussion has taken place about that, because the provision of such services for patients in hospitals is primarily a matter for NHS boards. A patient’s access to those services is, of course, always voluntary.

Bill Butler: I have investigated charges throughout the NHS in Scotland and will forward my findings to the cabinet secretary later today.

I am extremely concerned about the exorbitant costs of calls to so-called bed-head phones. The cabinet secretary will know that many patients are confined to their beds and are unable to use a mobile phone or a BT pay-phone; bed-head phones therefore are their only link with loved ones. In Glasgow royal infirmary, for example, incoming calls cost patients’ families and friends 49p a minute at peak times and 39p a minute at

off-peak times, which is outrageous. That puts them on a par with premium phone lines. Does the cabinet secretary agree that such services should not be seen primarily as a licence to print money, but should be regarded as essential to the sick and vulnerable? If she does, will she assure members that the issue will be raised directly with the chief executives of NHS boards as a matter of urgency?

Nicola Sturgeon: I know that Bill Butler has raised this issue before, and I look forward to seeing the information that he has gathered.

Obviously, the contracts in question are matters for NHS boards and the companies that provide the services. I expect NHS boards to ensure that services that are provided by companies are not the only services that are available to patients and therefore that patients make a voluntary choice to access them. For example, I expect boards to ensure that telephone services that are provided by the NHS are available to patients and that, if a patient is confined to their bed, a phone can be brought to them.

The use of mobile phones is not now routinely banned in hospitals. Last year, we issued new guidance to boards on the use of mobile phones, and I am interested in monitoring how boards implement it. I appreciate Bill Butler's concern. My focus is on ensuring that patients have alternatives in hospitals in which private services are provided. However, in the light of the information that Bill Butler is going to send me, I am more than happy to have further discussions with him.

Authorisation to Lift Patients

6. Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): To ask the Scottish Government whether it will review the bodies and emergency services authorised to lift and raise patients who have fallen at home but do not have an immediate life-threatening condition. (S3O-6758)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): Various services are in place throughout Scotland to respond to people who suffer falls at home, including local authority and health board falls teams. The emergency services are also available to deal with falls victims. There are no plans at present to conduct a review of the arrangements, but cross-organisational working groups are in place to deliver enhanced systems of communication between the key stakeholders.

Jeremy Purvis: I am grateful for the cabinet secretary's reply, but I appeal to her to consider the issue again. In the past year, I have been approached by two families who have experience of falls at home. One gentleman who came to an

advice surgery told me that, after his wife had fallen, it was eight hours before the police came to lift her because, after contacting NHS 24, they were informed that the council had no ability to lift her and that the fire or ambulance services would not do so unless there was a 999 call-out. That is clearly not acceptable. I understand that procedures are in place, but they are insufficient to provide the support that people need, particularly people with degenerative conditions such as multiple sclerosis. Will the cabinet secretary reconsider the issue?

Nicola Sturgeon: I am more than happy to give Jeremy Purvis an assurance on that. I cannot comment on the detail of the cases that he cites but, if he writes to me giving more information about them, that might inform a further consideration of the issue. I agree with the general thrust of his question that it is important that people in such situations receive the right response. Preventing and dealing with falls is an important aspect of avoiding unnecessary admissions to hospital, for example. The issue is important, and I am more than happy to engage further with Jeremy Purvis on it, based on the experience of his constituents.

Short-term Lets (Antisocial Behaviour)

7. Malcolm Chisholm (Edinburgh North and Leith) (Lab): To ask the Scottish Executive whether it has considered the various options for regulation of houses in multiple occupation with particular reference to addressing the problem of antisocial behaviour in short-term lets. (S3O-6716)

The Minister for Housing and Communities (Alex Neil): Houses in multiple occupation are required to be licensed primarily to ensure that they meet standards that are designed to protect their residents from the risks of that type of accommodation. We have stated that we will discuss with stakeholders the possibility of including short-term lets in HMO licensing, to extend the protection. However, it would not be appropriate to extend HMO licensing to any category of accommodation solely to address antisocial behaviour.

Malcolm Chisholm: As the minister will know, I wrote to him a few weeks ago asking him to consider various options for dealing with antisocial behaviour in short-term lets. Why will he not bring such lets into the HMO licensing regime so that action can be taken when there is a persistent problem, as with the stag and hen weekends at Western Harbour in my constituency? Over and above that, why will the Scottish Government not consider modifying by order part 7 of the Antisocial Behaviour etc (Scotland) Act 2004 to ensure that antisocial behaviour notices can be served on the landlords of such properties?

Alex Neil: I have two points. First, we will discuss with stakeholders the possibility of extending HMO provision to short-term lets. Secondly, I want to make a clear distinction between short-term lets and holiday lets. Based on advice from the City of Edinburgh Council, we believe that the kind of incident to which Mr Chisholm refers is primarily related to people who are in holiday lets, not short-term lets.

Shirley-Anne Somerville (Lothians) (SNP): I welcome the minister's statement that he will examine the matter and that all avenues will be explored. Is he aware of the potential negative impacts that some changes might make to the holiday and short-term lets sectors, which are important to tourism not just in Edinburgh and the Lothians but the rest of Scotland? Will he ensure that, while we deal with the antisocial behaviour that is undoubtedly happening in a small but significant number of cases in Edinburgh, we still protect our vital tourism market and the contribution that it makes to the economy?

Alex Neil: Holiday lets are already covered by part 7 of the Antisocial Behaviour etc (Scotland) Act 2004, so legislation is in place to deal with the problem of antisocial behaviour in holiday lets. For us to extend licensing to holiday lets could do enormous damage to the tourism industry in Scotland, including to the Edinburgh festival, which accounts for a lot of holiday lets.

Sarah Boyack (Edinburgh Central) (Lab): The minister has to listen to the residents of the city as well as to the tourism industry. He said that he is not prepared to act solely on grounds of antisocial behaviour, but I put it to him that my constituents have raised significant safety issues with me about the lack of appropriate regulation in the sector, which urgently needs to be addressed.

Alex Neil: We are listening to what people say; we have had representation from three MSPs but none from anyone else. We have discussed the matter with the City of Edinburgh Council, which is strongly of the view that holiday lets should not fall under HMO licensing. Although we will deal with the problem of short-term lets, unless we see evidence to the contrary we will not include holiday lets within the ambit of licensing legislation.

Margo MacDonald (Lothians) (Ind): If the minister is listening to all voices, he will listen to Sarah Boyack's in particular because she speaks for most of Edinburgh when she says that most people are absolutely fed up with the city centre being trashed. It contains high levels of rental and owner-occupied property. The minister has to tackle the problem one way or the other; we wait to find out which way he will choose.

The Presiding Officer (Alex Fergusson): I do not think that that was a question, but I am happy if the minister wants to comment.

Alex Neil: I agree that the problem of antisocial behaviour in the centre of Edinburgh or anywhere else has to be tackled, but it is antisocial behaviour legislation that must be used to do so and not, in this case, any additional legislation that relates to holiday lets.

Children's Hospital (Project Team)

8. Pauline McNeill (Glasgow Kelvin) (Lab): To ask the Scottish Executive when it last met the project team responsible for the new children's hospital at the Southern general hospital. (S3O-6738)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): Officials have an appropriate level of contact on an on-going basis with those developing the new south Glasgow hospitals. That includes having representation on the executive board and the procurement and finance group for the project.

Pauline McNeill: I know that the minister is aware of how hard Glasgow MSPs and campaigners fought to preserve the world-renowned integrated child and maternity services that are currently at Yorkhill hospital and the Queen Mother's hospital in my constituency. I asked in a written question on 10 March whether there would be a delay in the transfer of integrated services to the new gold-standard children's hospital, and I was concerned to learn that, rather than the one-year gap that everyone expected, it will now be four years—the transfer will happen in 2014 instead of 2011.

I am aware that the cabinet secretary and clinicians are satisfied with the arrangements for that gap, but will she explain in some detail both to us in the chamber and the general public the reason for the widening gap, which is now at four years?

Nicola Sturgeon: Pauline McNeill referred to the campaign that she and other Glasgow MSPs were part of some time ago; I was also part of that campaign. The plans that we are now implementing were signed off by the previous Administration, but she raises two points about the current state of those plans and it is appropriate to give her answers.

Since the outline business case was approved, NHS Greater Glasgow and Clyde has, understandably and appropriately, undertaken further detailed planning work on the project, including on the redevelopment of the site. It has identified a timetable that it believes is deliverable. With that planning work having been completed,

the procurement process for the project has commenced. A gateway review took place in January that confirmed that the project had a strong basis on which to move forward.

Pauline McNeill is right when she says that there will be four years between the closure of the Queen Mother's hospital and the opening of the new children's hospital. However, it has also been made clear to her that, when the Queen Mother's hospital closes its special care neonatal services, they will transfer to the Southern general hospital and the Princess Royal maternity hospital.

The combined medical and surgical intensive care service will remain at the Royal hospital for sick children at Yorkhill until the new children's hospital opens at the Southern general. As the member fairly said—the point is worth emphasising—clinical staff fully support that service model for the gap period. I hope that that will reassure Pauline McNeill and that she will give her support to all of those in Glasgow who are working hard to take the plans forward.

Health Services (Young People with Disabilities)

9. Gil Paterson (West of Scotland) (SNP): To ask the Scottish Government what actions it is taking to support health services for young people with disabilities. (S3O-6700)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): Children and young people with complex health needs were identified as a priority for investment in the "National Delivery Plan for Children and Young People's Specialist Services" that was launched in January this year. A national managed clinical network has been established and will inform and support future work to ensure that each child is fully and appropriately assessed and has access to a full range of specialist care, underpinned by agreed clinical pathways and protocols. Each child should receive equitable, quality care regardless of their location and tailored to their individual requirements.

Gil Paterson: I thank the cabinet secretary for her full answer. We know that many children with disabilities experience a negative impact from poor moving and handling. What steps have been taken to address that issue?

Nicola Sturgeon: Gil Paterson will be aware that Scotland's Commissioner for Children and Young People has done work on moving and handling, and he is right to say that that is an extremely important issue for children with physical disabilities. The commissioner's work placed particular emphasis on the need to bring about greater clarity, inclusion and dignity in the moving and handling of children and young

people. On the back of that, the Scottish Government is working to develop a cohesive approach to the issue, to deal with some of the particular issues that have been raised. We have kept in touch with the commissioner's office as our work progresses. We plan to engage the office and, using its expertise, to engage children, young people and families when finalising our approach. I am more than happy to keep Gil Paterson updated on the progress of that work.

Ageing Population (Highlands and Islands)

10. Jamie McGrigor (Highlands and Islands) (Con): To ask the Scottish Executive what support it will give to NHS Highland and other key agencies in the Highlands and Islands to help them respond to the needs of a predicted increasingly ageing population. (S3O-6666)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): Local health and social care partnerships throughout Scotland must review and redesign services to ensure provision of sustainable good-quality services to meet the needs of an ageing population. The joint improvement team offers practical help with capacity planning, investment strategies and service redesign.

At a more strategic level, the ministerial strategic group on health and community care has recently approved plans to review the future costs and delivery of long-term care services for older people. The review is at an early stage of planning and will be taken forward jointly by the Scottish Government and the Convention of Scottish Local Authorities, along with other partners.

Jamie McGrigor: Is the minister aware of the recent comments of the respected University of Stirling academic Professor David Bell about the difficulties that my region of the Highlands and Islands faces as a result of the increasing number of elderly people in the area? Does the minister agree with his statement that

"In an era of static, or possibly declining, public spending, Highland communities need to work together to confront the demographic challenge"?

If so, will she consider factoring in demographic trends when determining how health sector funds are allocated in the Highlands and Islands?

Nicola Sturgeon: Jamie McGrigor is right to say that our whole society faces challenges as a result of the ageing population. I recognise that those challenges are more acute in some parts of the country than they are in others. In rural areas, especially in the Highlands, the challenges are stiffer than they are elsewhere.

I am not aware of the specific comments of Professor David Bell to which the member refers, but I know that one of the central points that Lord Sutherland made in his most recent report on free personal care was that we need to look holistically at the challenges that we face in caring for an increasing older population, as well as the other challenges that a society with an older population faces. I am more than happy to ensure that the particular perspectives of Highland, expressed through some of its key agencies, are well understood in the ministerial strategic group on health and community care.

As Jamie McGrigor will be aware, we allocate health board funding on the basis of a formula that takes into account various factors. We keep those factors under review to ensure that we allocate health board funding as fairly as possible based on the different characteristics of different areas.

Dental Waiting Lists (Borders)

11. John Lamont (Roxburgh and Berwickshire) (Con): To ask the Scottish Executive how many patients will be removed from dental waiting lists following the opening of new dental facilities at Coldstream and Hawick. (S3O-6667)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): NHS Borders expects that about 7,000 new national health service registrations will be achieved within 12 months of the opening of the new facilities, but that will be done in a phased way in order to manage the previously unmet treatment needs of patients.

John Lamont: I am sure that the cabinet secretary will agree that it is the massive underinvestment in dental services by the previous Liberal-Labour Administration that has resulted in this chronic shortage of NHS dentists in the Borders. I am sure that she will also agree that dental checks are an important part of general health checks. What action will the Scottish Government take beyond what has already been announced to address the fact that waiting lists in the Borders are still growing?

Nicola Sturgeon: I will resist the temptation to get involved in party politicking, which is against my nature as John Lamont well knows.

The member raises an important point. For a number of years, we have had a difficulty in Scotland in meeting people's need for NHS dentistry—and I say that regardless of who is to blame and what lies behind it. I am not going to claim that the problem is solved—it is not, as John Lamont knows from his local experience—but we are beginning to see signs of real progress, as is evidenced by the growing number of dentists who

now provide NHS care and by the growing number of people, both adults and children, who are registered with a dentist. That increase is reflected across the country, including in the Borders.

The new dental centre that John Lamont has spoken about and the other centre in the Borders will enable NHS Borders to increase capacity even further. I believe that the right things are happening, but I understand that, for people who do not have a dentist and who are on a waiting list, they are not happening fast enough, so we must all work harder to pick up the pace.

“Better care every step of the way”

12. Margo MacDonald (Lothians) (Ind): To ask the Scottish Executive how it plans to respond to the recent report by the Scottish Commission for the Regulation of Care, “Better care every step of the way”. (S3O-6765)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): “Living and Dying Well: A national action plan for palliative and end of life care in Scotland” aims to improve the quality of palliative and end-of-life care and to ensure that it is available for anyone who requires it, regardless of their diagnosis or location. The implementation of the plan includes work to support care homes in the delivery of effective palliative and end-of-life care.

The care commission expects providers to take the recommendations in “Better care every step of the way” seriously, and it will follow up progress towards achieving them at the next inspection. If satisfactory progress is not made, the care commission can make a legally enforceable requirement on the care service to take action.

Margo MacDonald: There might be cost implications if 57 per cent of services have not trained their staff in palliative and end-of-life care. How will the cabinet secretary deal with homes that are supplying a much-needed service but find themselves unable to provide the quality and depth of training needed for such a wide range of people?

Nicola Sturgeon: As I have learned over the past couple of years—albeit probably not as much as my colleague John Swinney, who has just joined us in the chamber—everything has cost implications, and these services are no different. However, it is an important question.

Many care home providers are private businesses that provide a commercial service as well as an essential service to many people. Therefore, they have a responsibility to ensure that the quality of the service that they provide is up to scratch. Fee levels between care homes and local authorities are now set in a way that brings

more of a focus on quality. We will be working hard using the “Living and Dying Well” action plan, and Scottish Care is represented on one of the working groups for delivering that plan to ensure that the recommendations are taken forward. As I have mentioned, the care commission has an oversight role.

In recent times, we have substantially increased budgets to the care home sector and to the care sector in general. Such decisions have to be kept under review as future budgets are settled.

United Kingdom Budget (Implications for Scotland)

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a debate on motion S3M-4004, in the name of John Swinney, on the UK budget’s implications for Scotland.

14:55

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I welcome this opportunity to present the Scottish Government’s response to last week’s budget. Before I do that, I want to set the response in the context of the economic conditions that we face, and to update Parliament on what the Scottish Government is doing to help Scottish households and businesses.

To increase sustainable economic growth has been the Scottish Government’s overarching purpose from day 1. It assumes even greater importance in the current circumstances, when economic conditions are the most challenging in recent memory. Data that were released last week confirm that the Scottish economy is officially in recession. In the past nine months, the United Kingdom economy has shrunk by more than 4 per cent, which has wiped out more than two years of economic growth. In Scotland, unemployment might be lower than it is in other parts of the UK, but it is on the increase and there is no room for complacency.

The Government is determined to use every lever at our disposal to respond to the downturn. We responded early and decisively in October with a six-point economic recovery programme. Since then we have introduced more than 60 measures to support the economy. We are supporting communities through increased and better investment. Through our 2009-10 budget, we are accelerating £293 million of capital spending, which—on top of the £50 million that we brought forward last year—will support more than 5,000 jobs. We are spending a record £644 million this year on building affordable housing.

We are also pushing ahead with our changes to the planning system. Yesterday we launched e-planning, which is a new online system that will speed up the planning process, save local authorities an estimated £17 million and save users a further £44 million.

We are supporting businesses on the issues that matter most to them. From the beginning of April, we have expanded our small business bonus scheme, which has helped tens of thousands of small businesses to pay reduced or no business

rates, and has saved the average small business around £1,400. We recently announced plans to create a Scottish investment bank, which will bring together £150 million of public sector investment funding to support Scottish businesses.

We are also helping individual Scots who face uncertainty and redundancy in these difficult times. We have provided the funding to freeze the council tax for a further year—that, at a time when bills are still rising in England and Wales. In co-operation with other parties in Parliament we are introducing an apprenticeship guarantee to help youngsters who are affected by redundancies to complete their training. We have signed our first local employment partnership with Jobcentre Plus in order to improve the training and job opportunities service for individuals. That is evidence of our determination to work in collaboration across the public sector and to marshal all our resources in support of Scottish households and businesses.

We are taking sensible, positive and significant measures, which are collectively supporting thousands of Scottish jobs. However, most of the short-term macroeconomic levers for responding to the recession rest with Westminster. The Chancellor of the Exchequer had an opportunity in his budget statement to take bold measures to address the economic crisis, but his statement fell well short of that mark.

There were announcements in last week's budget that we welcome. I am encouraged that the chancellor has listened to our calls to provide more support to savers and to improve incentives for investment in the North Sea. I also welcome the support for developing a low-carbon economy—a sector in which Scotland has a competitive advantage and real opportunities.

However, many of the measures that were announced will be deeply damaging to Scotland. The increases in alcohol and fuel duty will have a direct and adverse effect on the Scotch whisky industry and our rural communities. The chancellor has chosen to ignore our calls for reform in those areas. The cuts in public spending that the chancellor announced will have a real effect on Scotland for many years to come.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): If an amendment to the Finance Bill that would end the VAT reduction is tabled in the House of Commons, how will the cabinet secretary recommend that his Westminster colleagues vote on the amendment?

John Swinney: I would first have that discussion with my Scottish National Party colleagues in Westminster. I would then be happy to share the outcome with Mr Purvis, if such a

scenario had to be faced in the House of Commons.

It is clear that the Scottish economy will be in a fragile state next year. Her Majesty's Treasury estimates that the UK economy will grow by a modest 1.25 per cent in 2010, whereas the International Monetary Fund expects it to contract by a further 0.4 per cent and almost all forecasters expect, at best, zero growth next year. Whatever forecast is selected, it is clear that suppressing aggregate demand at this stage of the economic cycle is the wrong course of action. However, against that background, the chancellor announced real cuts in the Scottish budget.

Andy Kerr (East Kilbride) (Lab): Would the cabinet secretary care to agree with Professor Bell and his own director general for finance that the Scottish budget is increasing in real terms and not being reduced?

John Swinney: The director general made it clear to the Finance Committee that there will be a real-terms reduction in the budget for the Scottish Government in 2010-11 and confirmed that point again to the committee in a letter earlier today, from which I will quote. She states:

"it remains the case that there will be a real terms reduction in the budgets available to the Scottish Government between this year and the next."

That answers comprehensively the question that Mr Kerr asked.

Andy Kerr: Will the cabinet secretary admit that there would be a cut only if the money that the SNP Government, by its own decision, brought forward into this year's budget to be spent on measures that we supported, was taken out of a future budget that we are now discussing? There is a cut in that budget only because he cut it.

John Swinney: Mr Kerr ignores the fact that his Administration in the House of Commons is cutting £500 million out of the Scottish Government's budget. That is the cut in the budget. Mr Kerr, of course, was at the front of the queue demanding that we accelerate capital expenditure, which we have done to support jobs, although he now complains about the decisive action that this Administration has taken.

As we face £5 billion in so-called efficiency savings, we will face real cuts in public expenditure. This Government is at the forefront of work to deliver a real public sector efficiency programme. Our programme will deliver transparent, verifiable savings that stand up to scrutiny. Better procurement across the Scottish Government resulted in reported efficiency gains of more than £340 million in 2007-08. Improved national health service drug purchasing delivered efficiency savings of £33 million against a target of £20 million in 2008-09. Scottish Government

officials have negotiated with the National Policing Improvement Agency savings of £2.7 million for Scottish use of the police national computer and the Airwave radio system. Only this morning, I announced a new contract to bulk buy electricity for the public sector—an initiative that the chancellor encouraged us to take, that we have delivered in a matter of days and that will save taxpayers a further £10 million a year.

George Foulkes (Lothians) (Lab): I really welcome the savings that the minister has just indicated. When he was on “Good Morning Scotland”, he was repeatedly asked whether he would cancel the referendum on independence, which is not wished for by the people of Scotland—certainly not by Parliament. Under intense questioning, he said that it is up to Parliament to decide whether to spend money on a referendum. Will he confirm that that is the case? When Parliament decides on that, will he accept its decision?

John Swinney: I would have thought that, after Lord Foulkes’s lengthy experience in Parliament, he would understand that it must give authority for public expenditure to be undertaken. That is what we secure in the Budget (Scotland) Bill and the budget process. I am glad to say that he was an enthusiastic supporter of our 2009-10 budget.

The Scottish Government has to face the reality of the budget cuts that come from the United Kingdom Government. Their consequence on the Scottish budget will be a departmental expenditure limit reduction of £496 million, which will threaten 9,000 jobs in Scotland when economic recovery is at its most essential. That comes against the background of not warnings, but plans in the red book from the United Kingdom Government of long-term spending cuts, which are a result of the scandalous mismanagement of our public finances by the Labour Government over the past few years.

The Institute for Fiscal Studies estimates that, between 2011-12 and 2013-14, total UK departmental expenditure will fall by 2.3 per cent a year in real terms. If the UK Government chooses to implement across-the-board cuts in public spending, the Scottish Government budget is likely to fall by over 3 per cent in real terms every year between 2011-12 and 2013-14, with a fall of over 9 per cent a year in our capital budget. That would mean that, in 2013-14, public spending in Scotland would be between £2 billion and £3 billion lower in real terms than it is in this year, at a time when we will be wrestling with the rising cost of the private finance initiative. That expensive experiment of the previous Administration means that we must find £2.7 billion extra in cash in this parliamentary term to fund PFI repayments, compared with the 2007-08 year when we came to office.

Jeremy Purvis: Will Mr Swinney give way?

John Swinney: I am afraid that I must conclude my speech.

Of course, that all comes at a time when the UK Government could have made other choices. For example, it could have chosen not to embark on identity cards or the Trident nuclear missile system—it could have imposed the cuts elsewhere. However, the UK Government has decided to impose cuts on the core public services that will affect recovery of the Scottish economy, which is the wrong course of action to have taken. The Scottish Government will use all its energies to protect the Scottish economy in the face of the UK Government’s incorrect decisions.

I move,

That the Parliament expresses its deep concern at the contents of the Chancellor of the Exchequer’s Budget last week; recognises that this is a product of poor financial management of the UK economy in recent years that will leave unprecedented burdens of debt for many years to come; acknowledges the significant pressure that the reduction of planned budgets of £500 million will have on public services, and calls on the Scottish Government to bring forward budget proposals for 2010-11 that will support a sustainable economy and effective public services and include an assessment of the carbon impact of its budget.

15:07

Andy Kerr (East Kilbride) (Lab): I begin by making an announcement to members. In the teeth of the biggest recession for many years, there is a real-terms increase in our budget of some £2.2 billion over three years. It is a real-terms increase, not a cut. Of course, Mr Swinney fails to recognise that real-terms increase.

The increase was reported to the Finance Committee this week by none other than the Scottish Government’s head of finance. It was said four times at the meeting that the real-terms increase was 1.7 per cent, unwelcome though it was to the ears of Mr Swinney. Even with the revised figures that we received just before the debate started, there is still a real-terms increase of 1.3 per cent, which emphasises again that the SNP is choosing to mislead the Scottish people about the budget. Professor Bell agrees with that point, as does Scottish Parliament information centre research—it is all there in the tables. Again, it is simply the case that the SNP is misleading the people of Scotland.

I therefore suggest that the motion that we have before us today is built on the politics of the Tory-SNP alliance that we see so frequently in the chamber. Of course, no one has to study politics greatly to understand that that alliance props up this Administration. In turn, we should not be surprised by that alliance, because Alex Salmond recently expressed his admiration for Thatcherite

politics, but said that Scotland disliked the social consequences. Of course, it was the SNP who delivered Thatcherism to us by bringing down the Labour Government of the day. No doubt, the SNP will seek to do the same again.

On the point about fooling the people all the time, I suspect that the time is up on that particular tactic because the UK budget confirms that there will be an increase each year in cash and real terms—there will be an increase of £2.2 billion. Despite the cabinet secretary's repeated scaremongering, the Scottish Government will have more cash next year to spend. On top of that, the UK Government is spending an additional £400 million.

What therefore constitutes a cut in the twisted world of the SNP and its spin doctors? Here is what happened: the SNP decided to accelerate spending from next year to spend in this year, with which fiscal stimulus we agreed. However, the SNP is now trying to say that that very money, which it decided to bring forward, is a cut in its budget. Of course, it is ludicrous to suggest that. The SNP took the opportunity that the UK Treasury provided and brought forward that money, fully accepting that that advance would obviously count in the following budget.

John Swinney: When exactly in this analysis will Mr Kerr get round to the UK Government's £500 million of real cuts in the baseline budget of the Scottish Government?

Andy Kerr: First, the cuts are taking place under the SNP right now. Secondly, the Scottish Government must take its share of the responsibility to rebalance the books of this country, given the £2 billion that has been put into the pockets of Scots, the provision of £50 billion to save the Scottish banks and the underpinning of toxic debt to the tune of £580 billion. The SNP is being deliberately misleading in trying to distort the facts and figures in the budget. The cabinet secretary has yet again failed to admit that the Scottish budget is increasing in real terms and in cash terms, but that is exactly what is happening in the budget.

Gavin Brown (Lothians) (Con): Mr Kerr mentioned the need to rebalance the books. How many years does he think that will take?

Andy Kerr: The Chancellor of the Exchequer laid out his view and perspective on that matter, and I agree with him on that point.

Contrary to the claims of the SNP, the chancellor's budget will not cut public expenditure in the face of a recession. The chancellor announced £5 billion-worth of fiscal stimulus for this year, with increased support through tax incentives to help businesses to ride out the recession and with help for young people under 25

to ensure that they are assisted into employment or training.

John Swinney: Will the member give way?

Andy Kerr: I will in a second. I want to ask the cabinet secretary, who is about to rise to his feet, whether he will guarantee today that the consequentials from the budget—additional resources from the Labour Government that will be available to him to spend—will be spent on housing, green energy, youth employment, further education colleges, capital projects and much-needed assistance for the third sector?

John Swinney: Of course the Government will consider those issues in an orderly fashion and report back to Parliament. I point out that the Labour Party in this Parliament has made many other spending demands.

In his economic analysis, will Mr Kerr state whether he believes that the economy will come out of recession in the fourth quarter of this year?

Andy Kerr: There are many opinions and views on that matter. I have no reason to believe that that is not possible as, indeed, other economic commentators have said.

Another big subject on which SNP ministers have continued to get it wrong—in the real world of economics instead of the fanciful world that they live in—is VAT, which other members have already asked about. We know that the SNP was split on the matter, with its MPs at Westminster taking the view that the VAT cut was a good idea and its MSPs, in the shape of Mr Salmond and his colleagues, taking a different view. Would the cabinet secretary care to comment on the recent Centre for Economics and Business Research study that showed that

“the VAT cut is working”,

which echoed recent findings from the Institute for Fiscal Studies and from Goldman Sachs? In December, when the VAT cut was introduced, the SNP's MPs at Westminster supported it, but the party's ministers up here attacked the cut as “marginal”. This month, the CEBR—hardly an organisation that frequently supports the Labour Government—has published a document, appropriately called “Credit where credit's due”, which states:

“The figures are clear; the VAT cut is working ... retail sales for the year are likely to be £8–9 billion higher than would have been the case without the VAT cut.”

Moreover, the Institute for Fiscal Studies report makes it clear that, in respect of the VAT cut,

“those dismissing it as a failure”—

including many in the chamber—

"ignore the likelihood that things would be even worse without it."

Gavin Brown: Will the member give way?

Andy Kerr: I will in just a second.

Goldman Sachs—perhaps Gavin Brown will comment on this point—has stated:

"the VAT cut was instrumental in driving this strength" in retail sales.

Gavin Brown: If the VAT cut is so good, does Mr Kerr think that it should continue after December?

Andy Kerr: I think that that is a legitimate strategy for the chancellor to discuss. I am not aware of the entirety of what is on the Government books in respect of that matter, but I think that the issue should be considered.

The Tories, the SNP and others have been proven completely wrong on the VAT cut, which has provided an average of £275 for each family in Scotland in difficult times. That has been a good thing for Scotland. Salmond, Swinney, Mather and all the rest were wrong to dismiss the cut, but let us hear what they had to say. Mr Mather said:

"There is also concern about the marginal benefits to the economy of the 13 months' cut in VAT".

Perhaps he should have listened more closely to Mr Hosie, who said:

"I support fiscal stimulus ... and £12.5 billion of real money for the real economy"—[*Official Report, House of Commons*, 17 December 2008; Vol 485, c 1148-50.]

The Tories were not far behind that view either, but things changed on the way to Parliament. Before the pre-budget report, Ken Clarke said:

"I would look at a ... temporary reduction in VAT which is the best way of stimulating spending, consumer spending which helps businesses."

Derek Brownlee (South of Scotland) (Con) rose—

Andy Kerr: I am sure that Derek Brownlee will be happy to comment on those words of Ken Clarke.

Derek Brownlee: I am sure that Andy Kerr will have read *Hansard* this week, in which Mr Clarke commented on Mr Clarke. He made it absolutely clear that he was saying that if there was scope for a fiscal stimulus, a VAT reduction would be the appropriate response. When the Government is borrowing an extra £180 billion every year, there is no scope for such a fiscal stimulus.

Andy Kerr: That brings us to the nub of the issue. If Labour's VAT cut and the other fiscal stimulus measures that we have sought to take had been applied in the recession of the 1980s, when the economy was in the hands of the Tories,

300,000 or 400,000 additional jobs would not have been lost and we would not have seen the extended dole queues with which the Tories are associated. Alex Salmond agreed with that strategy. We will never forget that, and we will never forgive the Tories for it. That is the effect of sitting back and doing nothing, which the Tories advocate.

Sadly—because I had much more to say on the matter—my time is running out. There are no quick fixes, as the chancellor has said, but Scotland has received more cash in real terms as a result of his budget, and it is about time the Government grew up and started to spend that money more wisely.

I move amendment S3M-4004.3, to leave out from "expresses" to end and insert:

"welcomes the real-terms increase in the Scottish Government's budget for 2010-11; also welcomes the earlier measures that the UK Government has taken to support Scotland during the global downturn, such as the £50 billion funding to Scottish banks to support bank workers, families and businesses who rely on the banks and the £2 billion that has gone into the pockets of hard working Scots and the VAT cut that has given the equivalent of £275 to every Scottish family and boosted retail sales; recognises that last week's Budget continues to provide real help now to families and businesses, such as the guarantee that anyone aged between 18 and 25 who has been unemployed for 12 months or more will be given a training place or a job and the new investment in the renewable energy industry, which will benefit Scotland, and calls on the Parliament to recognise the role the UK Government has taken in leading the international response to the global economic crisis."

15:16

Derek Brownlee (South of Scotland) (Con): I agree with Andy Kerr—time is, indeed, running out. It is certainly running out for the Labour Party at Westminster. We might be discussing the impact of the UK budget on Scotland, but in reality we are debating the consequences of Labour's financial incompetence at UK level and its impact on Scotland. That is not just a debate for today or for later this year; it is a debate that we will be able to have for decades to come.

Andy Kerr: The member is fond of mentioning Labour's financial incompetence at UK level, but unemployment in Britain is 6.7 per cent. The latest European unemployment statistics show unemployment rates of 8.1 per cent in Germany, 8.6 per cent in France, 6.9 per cent in Italy, 17.4 per cent in Spain and 11 per cent in Ireland. The rate in the USA is 8.5 per cent. The fact that the UK has a lower unemployment rate than those countries hardly suggests that Brown is in charge of the worldwide economy.

Derek Brownlee: What the Labour Party will not tell us is that unemployment is projected to go higher than it ever did under the Conservatives.

According to the red book, which the Treasury published last week, the current recession will be deeper than the recession of the 1980s that Mr Kerr seems to care so deeply about. The state of the public finances is such that the members of Labour's front bench who tell us that the present situation has got nothing to do with the Labour Party will have retired before we get anywhere close to seeing a return to growth in spending.

Many of the tax changes that were announced in the budget will affect Scotland, as will those that were implied, but which the UK Government did not have the courage to announce. I note in passing that the cabinet secretary mentioned the tax changes that relate to the oil and gas industry but, as commentators have pointed out, they will make no difference at all to existing fields in which investment is falling, and whose continuation is crucial to maintaining the economic life of the North Sea.

As most members will, I suspect, choose to do, I want to focus on what the budget means for the Scottish Parliament's spending. Labour famously promised to abolish boom and bust, but we are experiencing the worst recession since the second world war. We have more national debt than every Government in history. Debt interest payments amount to six times what Scotland spends on health—assuming that the present debt interest rates do not increase.

How many times since 2007 have Labour MSPs come to Parliament to denounce cuts? Every week, they demand more money on something, whether health, local government or transport. Those siren calls will have to stop. From this year onwards, the debate will not be about where we spend more but where we spend less.

There have been many arguments at First Minister's questions and elsewhere about next year's budget and the impact of the £500 million squeeze. If the projections of the Centre for Public Policy for Regions that are highlighted in my amendment are in any way correct, that issue is the least of our worries. It is interesting that the chancellor has admitted that when he stood up in the House in Commons last week, he knew that the IMF would rubbish his growth projections. If the chancellor's figures are not correct, there will be another black hole to add to the already gaping black hole in the public finances.

If the first decade of devolution was marked by spending increases, the next one and the one after that will be marked by spending restraint. The current levels of spending are simply unsustainable, given the state of the public finances. Whether we like it or not, spending cuts will have to be made. Gordon Brown may prove to be a relatively short-serving Prime Minister, but his impact will be with us for many decades to come.

The debate will not be about whether to cut, but about where to cut. That is a huge shift in culture for this Government and this Parliament, but for the sake of the country it is one that we had better get to grips with, and quickly.

The responsibility for the mess may lie firmly with the Labour Government, but that does not excuse the Scottish Government from dealing with the consequences. The impact of the explosion in public debt means that the Scottish Government will have to contend not just with next year's spending squeeze but with a spending squeeze every year of the next session of Parliament, and possibly the session beyond that. That puts into context the £500 million argument.

Clearly, there is scope for Government to be more efficient, but that scope varies from department to department, and within departments. That is the flaw with a central target, whether it is 2 per cent or 3 per cent or whatever. For some areas, a 2 per cent target will be a real challenge; for others, there will be scope to go further.

At some point, however, the capacity to deliver services via efficiency savings becomes limited. At some point, people will have to stop kidding themselves that efficiency savings will be able to cope with the squeeze on the budget. At some point, Government has to make more difficult choices, for example on which programmes to scale back or stop, and whether staffing numbers need to be reduced. Those choices will have to be made, and the sooner we face up to that reality, the better able we will be to confront it. That is why our amendment calls on the Government to prepare contingency plans for dealing with the projected reduction in the DEL in the medium term.

Andy Kerr: Does Derek Brownlee support the shadow chancellor on aircraft carriers and whether those orders on the Clyde will be cancelled?

Derek Brownlee: Given that the chancellor has had to rework everything he has said in six months, it is difficult to expect the incoming Conservative Government to write a budget a year in advance. We will have to consider every area of spending, as will the Scottish Government. The impact of Labour will be there for many years to come. That will be the key issue in the 2011 election and the one after that. That is all thanks to the UK Labour Government.

I move S3M-4004.1, to insert at end:

“; notes the research by the Centre for Public Policy for Regions (CPPR) that predicts that in real terms the Scottish Government Departmental Expenditure Limit (DEL) will be between £2.1 billion and £3.8 billion lower in 2013-14 than in 2009-10; further notes the comments of John McLaren of CPPR that “the prospects beyond 2013-14 are also not good and although positive real terms growth rates are

likely to return, they are unlikely to be very large until UK net debt as a share of GDP falls, possibly not until the 2030s", and calls on the Scottish Government to prepare contingency plans on how such changes to the Scottish DEL will be managed."

15:22

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): There will never be a UK budget that the SNP will say is good for Scotland. In the years of unprecedented growth during the previous decade, every UK budget was met with condemnation by the SNP. That was when there was an average of 5 per cent growth in the Scottish budget. It will always be thus. The SNP will never argue that a UK budget is in the interests of Scotland. The SNP is a separatist party—it is as simple as that.

Equally, at local level, when any services are under threat or will be reduced, the SNP will say that that is a result of the £500 million cut. We could rightly ask constituents who are concerned about local services who they believe—the Scottish Government or the UK Government. In these unprecedented times, it would have been helpful if, first and foremost, there had been clarity in the UK budget. Of course, there was not. It was a typical Labour budget—good for the headlines on the day, but when we see the details the day after, and the week after, we have more cause for concern.

It should have been a green and a fairer budget that made the choice to support investment in sustainable technologies, infrastructure and education. Critically, the budget should have provided crucial support for low and middle-income families. Instead, we had the headline of the 50p tax rate, and then the details, which showed hardly any action being taken on the grotesque loopholes and exemptions for the richest and little being done for the poorest. We can all recall easily the 10p tax rate fiasco—unfortunately, Labour has continued that habit in this budget.

Brian Adam (Aberdeen North) (SNP): Mr Purvis makes the point, rightly, that the burden will fall on low and middle-income families. Is it not true to say that £191 million will come from fuel duty and VAT, but only £53 million from Scotland as a result of the new top rate of tax?

Jeremy Purvis: I will come to the choices that have been made on taxation in a moment. I do not think that Mr Adam will be pleased with my views.

Just this week, the Finance Committee received information from Professor David Bell and the Scottish Parliament information centre that the position of the Scottish Government is not entirely clear, and that there will be 0.5 per cent real-terms growth in next year's budget. That figure includes

the £391 million of cuts—although we reject that figure—as a result of the £5 billion of so-called value-for-money savings. The net growth is 0.5 per cent in real terms, and, for this year's budget in 2009-10, SPICe also shows that the Scottish DEL budget grew by 3.9 per cent from last year. That information never passes the lips of SNP ministers.

Last week, the First Minister said that there had been the first real-terms cut in the Scottish budget "since the Tory years". However, he baselined the accelerated capital investment that SNP ministers had asked for. We are not talking about conditions imposed on the Scottish Government; John Swinney was keen to tell us—as we can see in the *Official Report* of 26 November—that he wrote three letters to the Westminster Government in three weeks, asking for capital to be accelerated. In the week before the Easter recess, my colleague Ross Finnie asked whether the Scottish Government considered that funding brought forward from 2011 would have to be paid back. John Swinney answered:

"That is the basis on which we took up the offer. It would be nice not to have to pay it back, but I believe that that would be a difficult case to argue."—[*Official Report*, 2 April 2009; c 16497.]

However, the First Minister and the cabinet secretary have been arguing that case today, despite the fact that, three weeks ago, John Swinney was saying that it was a difficult case to argue.

John Swinney: If Mr Purvis works his way through later parts of that *Official Report*, he will find that, in a subsequent answer to Mr Finnie, I made it very clear that it would be advantageous not to take the money out of public spending while we were trying to recover from recession.

Jeremy Purvis: If the information exists, I am sure that the cabinet secretary will publish it through SPICe, but the difficulty with his position is that what he is saying now was never part of the discussions with the Treasury. The director general of finance in the Scottish Government confirmed that on Tuesday.

The cabinet secretary cannot simply change the argument as he moves along. We are seeing the difficulties that arise when people spin a position that is not reality. If the reality was that the Government could baseline the figures brought forward, the Scottish Government would of course allow exactly the same thing to happen with local government, colleges, universities and all the different bodies that the Government has asked to accelerate capital in their own expenditure. Those bodies would be allowed to baseline the money now. However, that is not going to happen; the Government will not allow colleges or local authorities to say that there is a real-terms cut in

their budgets from the Scottish Government next year—even though that is the rationale that the Scottish Government is using with the Treasury.

I have no truck with the Treasury's handling of the economy, nor with its budget. However, my constituents will have no truck with the Scottish Government playing politics and spinning a situation. Our key consideration should be the need for clarity for local public services. The First Minister, the cabinet secretary and the Treasury must act together to safeguard public services during this recession. They have signally failed to do so. The spin of the past week does no credit to officials in the Scottish Government, and does no credit to the cabinet secretary.

I move amendment S3M-4004.2, to insert at end:

“; agrees that the temporary cut in VAT has proved costly and ineffective, and regrets the decision of the Scottish MPs who voted to support the cut when the money could have been used to create thousands of jobs in green energy and public transport.”

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

15:28

Brian Adam (Aberdeen North) (SNP): I believe that it was Enoch Powell who said that power devolved was power retained. The actions of the UK Government in this year's budget demonstrate how right he was. The treatment of the devolved Administrations by the Treasury, as if they were Whitehall spending departments, shows clearly that whoever controls the purse strings dictates public policy.

This is not the first time that such a thing has happened. The Treasury has a long and dishonourable track record, which started with its refusal to give back to the previous Scottish Executive many millions of pounds in connection with the loss of the attendance allowance, when, collectively, we had agreed to provide free personal care. That happened despite the case being argued by the Parliament as a whole and by the then Labour First Minister, Henry McLeish. The Treasury, of course, said no. That cavalier approach of continuing to exercise power over Scottish expenditure, even on matters that have clearly been devolved, has also been demonstrated by the failure to release all end-year funding automatically. Instead, we have to go and request that funding, after making a case for it. However, it is our money.

The failure, in the past year, to release the £40 million for police and fire service pension payments meant that the costs had to be met by the Scottish budget although it should have been a clear Barnett consequential. There has also been

a refusal to release the Barnett consequentials of the money expended on English prisons, the £120 million from the fossil fuel levy and the £476 million in council tax benefit—and the list goes on. However, that is not the end. Not only are those funds missing in action, lost in the pockets of Whitehall; Westminster intends to slash another £500 million a year over the next two years from an already agreed budget.

The big question is, where should those efficiency savings—as the chancellor likes to describe them, although in reality they are cuts—be made? What does the Labour Party suggest that the Scottish Government do to achieve those savings or cuts of £500 million a year?

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I have one suggestion on which Parliament has already made its voice clear. It does not want to spend the money that the Scottish Government intends to spend on a referendum on independence. Parliament has said that to the Government, yet the Government persists in spending taxpayers' money on the issue when that money could easily be saved as a contribution to the Scottish budget.

Brian Adam: Of course, the amount of money that will be spent on that must be considered. However, I believe that that money will be wisely spent on allowing people to exercise their choice.

Andy Kerr: Will the member take an intervention?

Brian Adam: No, thank you. If you want us to take the pain, Mr Kerr, you should tell us where the pain should be. I will give you the opportunity to do so, but I will make some suggestions on how you might want to do that.

The Deputy Presiding Officer: Through the chair, please, Mr Adam.

Brian Adam: Indeed.

Is Labour considering scrapping the council tax freeze? We have heard Labour members say that. Is that what you suggest? Do you want to make cuts in education? Should we close hospitals? Is that what you suggest we do? Should we end the concessionary bus fare scheme?

Andy Kerr: Why does the £367 million saving that has to be made over the period require any of those cuts? The SNP Government has made more cuts than that in its lunch time.

Brian Adam: So, we will not get any suggestions from you. I put it to you that the cost of pensioners losing their free bus services would be £180 million. The ending of the fuel poverty programme would release another £50 million. If we are to have the kind of cuts that you have been talking about in the health service—you promised

them before the most recent election when you said that you would freeze the money—£70 million could be saved by getting rid of 480 consultants and £85 million could be saved by getting rid of a couple of thousand nurses. Moreover, if you wanted to save £102 million from our police forces, we could slash the spending on police officers and lose 3,300 of them from the beat. Those are the real choices. You cannot hide from them, Mr Kerr. You and your colleagues—

The Deputy Presiding Officer: Mr Adam, through the chair, please.

Brian Adam: The Labour Party owes it to the Parliament and the people to tell us where it plans to make the £500 million in cuts. I am sure that I am not the only taxpayer who is dissatisfied with London Labour's cuts.

Our national haulage industry is crying out for support. Time after time, it has pleaded with the UK Government for assistance for that essential part of our economy. It has suggested fuel duty rebates, a fuel duty escalator or simply postponing the ridiculous hikes in fuel taxes that are already a curse not just for the hauliers, but for all consumers of transported goods—that is, everybody. Despite those suggestions being made, no assistance has been offered in this month's budget or in the previous one. In fact, the situation has been made much worse by the additional increases in fuel duty.

Andy Kerr rose—

Brian Adam: If Mr Kerr wants to give us an explanation, I would be delighted to let him intervene.

The Deputy Presiding Officer: No. I am not calling you, Mr Kerr. Mr Adam should wind up.

Brian Adam: Even with limited powers, the actions of the Scottish Government to improve the quality of life in troubled economic times are exemplary. Scotland and the Scottish Government have what it takes to beat the recession, but only if London Labour stops taking back what it gives.

15:34

Malcolm Chisholm (Edinburgh North and Leith) (Lab): The Government motion begins with an absurd unqualified condemnation of the budget. I will return to that towards the end of my speech if I have time, but I will focus first on two distortions of reality that follow in the motion, which might be quite good politics but are appalling economics. The first is the statement that the debt situation is the

“product of poor financial management”.

It is difficult to see what the SNP would have done in a similar situation, given the international economic difficulties that we face.

A key element of the budget deficit is the fiscal stimulus and the money to save the banks, but, of course, we know that the SNP Government supports that.

Derek Brownlee: Another key element of the problem with debt is that the Labour Government doubled national debt before we went anywhere near a recession and before we had to rescue any bank.

Malcolm Chisholm: I might come on to that as I analyse the budget deficit, but I should point out that the Tories did not support the fiscal stimulus. The fact of the matter is that the 4 per cent contraction of the economy this year would have been far worse without a fiscal stimulus package. One leading economist had estimated that the contraction would be as much as 8 per cent.

The second and more substantial element of the budget deficit is what are called the automatic stabilisers: public expenditure has to go up to deal with unemployment and other features of the recession. Even the Conservatives would have had to accept that—indeed, they would have had far more to pay, because there would have been much more unemployment.

The third element of the budget deficit is the lost tax revenues. There are grounds for concern there. The Institute for Fiscal Studies analysis points out that there is a structural budget deficit now because there has been what it regards as permanent damage to the economy, because of the recession, and particularly because of the effect on the financial sector. That is a deep worry for us all, but it certainly cannot be attributed to any “poor financial management” by the UK Government. If the Government had not saved the banks, the situation would have been a whole lot worse and the budget deficit would have been a great deal more.

Where exactly is the “poor financial management”? Derek Brownlee referred to earlier years, but for all the years between 1997 and 2008 the UK Government kept debt below 40 per cent of gross domestic product. During the past 10 years I certainly did not hear from the SNP or, come to think of it, from the Conservatives in this Parliament, complaints about the growth of public expenditure; in fact, many members of those parties were calling for more. I do not think that the statement in the motion blaming the Labour Government for the deficit as a result of “poor financial management” has any shred of truth in it whatever.

An element of the fiscal stimulus with which both the Scottish Government—or, at least, sections of

the SNP—and the Conservatives disagree is the VAT element. I do not think that I have to repeat what Andy Kerr said about that. The Centre for Economic and Business Research, which is one of the bodies that analysed the VAT element, said in its report that turnover will be between £8 billion and £9 billion higher this year because of the VAT measure. That has clearly been of substantial benefit to the economy. The higher sales will in themselves generate higher taxes, so the overall cost at the end will probably be less than the £12.5 billion that was announced when the measure was introduced.

The second distortion that we have heard repeatedly over the past few weeks is the idea that a £500 million reduction will lead to real-terms cuts next year. First, the figure is not £500 million unless we include the health capital expenditure, which the UK Government has dealt with in end-year flexibility. Setting that aside, there will not be real-terms cuts. I do not think that I have to repeat all the arguments that have been well put by various members, but we can arrive at the idea of a real-terms cut only by taking the brought-forward capital expenditure as something that is only in this year's budget. We have to look at capital expenditure over two years. In that way, it is as planned. The best way that I can illustrate the real situation is by referring to page 241 of the Treasury's red book, which the First Minister himself used as his main ammunition last week to establish a cut.

If we take out the capital expenditure—we all know that the Scottish Government is playing funding games with that—and look at resource expenditure in everyday health and education budgets and so on, which people are mostly worried about, according to the same page as the First Minister quoted from, the Scottish Government will have a 1.3 per cent real-terms increase in resource expenditure next year.

Nobody wants reductions in public expenditure, but surely the SNP can give us a little hint of what action it would take to rein in the budget deficit. Of course, the SNP has mentioned Trident and identity cards, on which colleagues will not be surprised that I agree with John Swinney, as does my former colleague Stephen Byers. However, the fact is that cutting such spending would not solve the problem that the cabinet secretary describes. Spending on Trident does not start until 2012 and is spread over 10 years, so to pretend to the Scottish public that cutting that would deal with all the issues is dishonest.

My time is up. I had wanted to deal with the many good points of the budget that the motion ignores, but I will leave it to my colleagues to talk about them.

15:41

Tricia Marwick (Central Fife) (SNP): As I suspect most people do, I think that the size of the UK Labour Government's debt is so large that I cannot quite remember how many zeros should be added to the end of the figure. Even if I remembered, it would be likely that one more zero had been added by the time that I finished my speech.

However, I know that the Labour Government has borrowed more money than the combined borrowing of every previous UK Government ever. I also know that my four-year-old grandson will be an adult and will probably have his own children before the debt that Labour has built up is paid off.

Jeremy Purvis: If Scotland had been independent, had put £37 billion into the banks and had underwritten the liabilities, it would have used three times the borrowing capacity as a proportion of GDP that the British Government has used.

Tricia Marwick: We would have done several things. We certainly would not have allowed the banks to get into the current state and we would have built up an oil fund from our revenues over 40-odd years—the Labour Government has squandered that money.

The Labour Government has broken the fundamental contract with the people that we pay tax for the services that we receive. The Government is forcing us to pay not for services that we will receive, but for its mismanagement of the economy. The man who preached prudence is now addicted to debt.

I was fortunate to be part of the parliamentary delegation to the USA and Canada for Scotland week. When I was in Quebec, I was struck not just by the warmth and regard for Scotland, but by the fact that all parties—regardless of whether they are sovereigntists such as the Parti Québécois or federalists such as the Liberal Government—put Quebec's interests first. All the parties supported the language and culture and—most important—were prepared to take on the federal Government if Quebec's interests were being affected by its decisions.

Judging by Labour's amendment, I think that the Labour Party in Scotland has many lessons to learn. For months, the Labour Party in Scotland has denied—in the face of all the evidence to the contrary—that the Scottish budget will be cut by £500 million. Last week, Iain Gray claimed that the chancellor's budget was good news for Scotland. Andy Kerr's amendment continues that theme. It is astonishing that Labour just does not listen or learn. Does the Labour Party in the Scottish Parliament not acknowledge, as the federalists in Quebec do, that it has a duty to the Parliament

and to the people of Scotland who elected its members?

Andy Kerr: Will the member give way?

Tricia Marwick: It is unfortunate that Iain Gray and Andy Kerr are Gordon Brown's men in the Scottish Parliament, parroting the spin that is prepared in Downing Street. If Andy Kerr wants to parrot more, please intervene.

Andy Kerr: I am interested in the member's international comparators. Why do we not pick Ireland, for example? Jim Mather said:

"those people, who say that Ireland cannot be copied successfully and effectively are no friends of Scotland."

Yesterday, Ireland's unemployment rate was 11.4 per cent. Its economy is contracting faster than any other in the world.

Tricia Marwick: The problem for Labour is that nobody believes it, north or south of the border. The International Monetary Fund does not believe the assumptions that underpin Alistair Darling's budget and neither do the City and the country.

I will contrast the actions of the US federal Government with the actions in Scotland of the Labour Government. As part of Scotland week, Murdo Fraser and I met Dempsey Benton of the Office of Economic Recovery and Investment in North Carolina. Mr Benton, who is a personal appointment of the Governor, has a role of ensuring that the money that the federal Government allocated to North Carolina is spent appropriately to aid recovery.

North Carolina has a population of more than 8 million, which is almost comparable with Scotland, with our population of 5 million. In advance of the meeting, I confess that the fine detail of the US recovery programme had passed me by. I had assumed that the bulk of the money would be spent on infrastructure projects to kick-start the economy. In fact, President Obama's stimulus package is worth a total of \$789 billion, \$225 billion of which was allocated to states under a funding formula—the last phrase sounds familiar.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): Will the member give way?

Tricia Marwick: No. I want to finish the point.

North Carolina will receive \$6.1 billion to support core projects, which is to be dispensed in accordance with federal rules. At a time when the Scottish Government is facing cuts that the UK Labour Government is imposing, the US states are receiving huge amounts of money to stimulate the economy.

The money that is being dispensed to the states is over and above their existing budgets. It is worth while for me to highlight some of the additional

projects and money that are being made available to North Carolina. For example, weatherisation projects—in other words, fuel poverty measures including central heating—will receive an additional \$132 million; child care, an additional \$67 million; higher education, another \$5 million; public housing, \$83 million; school lunches, \$3 million; highways and bridges, almost \$1 billion; and education programmes, \$750 million.

The White House estimates that the package will save 105,000 jobs in North Carolina alone. Thanks to the actions of the UK Labour Government, its cuts will result in at least 9,000 job losses in Scotland. The complicity of the Labour Party in Scotland is clear to see and yet, day after day, its members are calling for more money for housing, education and policing. Labour members should explain why they support Trident and identification cards and which services should be cut as a result of the cuts that their Government in London has brought upon Scotland. Indeed, we will demand that of them.

15:47

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in this afternoon's debate on the implications of the UK budget for Scotland.

I welcome the measures that Alistair Darling announced last week. The budget comes at a time of economic crisis throughout the world. In the US, industrial production declined in 13 of the past 14 months. In Japan, car production is down 56 per cent on the previous year. Even in a growing economy such as China, growth is declining.

I welcome the measures that the UK Government has introduced. Listening to SNP members in recent times, one might wonder what the UK Government has done for Scotland. Alex Salmond was at it again at First Minister's question time today. Only six months ago, an intervention of £50 billion was made to support the banking system, of which the main beneficiaries in Scotland were the Royal Bank of Scotland and HBOS. That positive intervention by the UK Government averted a catastrophe and saved jobs in the financial sector throughout Scotland.

In November, we saw the £20 billion stimulus package, £2 billion of which will have a direct impact on the Scottish economy in these difficult times. In last week's announcement, we heard of the action that is being taken to guarantee jobs for the long-term unemployed and of investment in offshore industries—which is obviously of help to Scotland—and carbon capture and storage, including at Longannet in Fife. Those are positive measures. As other members have mentioned, the Scottish budget will increase by £2.2 billion over

the next two years. That will give Scotland a budget that is twice the level that it was when Donald Dewar was appointed as First Minister back in 1999.

It is also important to explode the myth that the SNP puts about when it says that the 2010-11 budget has been cut in real terms. The figure of 1.3 per cent is given in Stella Manzie's letter and the figure of 0.5 per cent is given in the SPICe table; both documents say that the budget will grow in real terms. The budget is not being cut, so it is disingenuous of the cabinet secretary to suggest that it is.

It is particularly annoying that the reprofiling of capital has been taken out and displayed as a cut. That is a bit like a person getting their salary in advance, going to the boss on pay day and saying, "Wait a minute, boss. I've still not been paid." The SNP must spend more time promoting jobs and the Scottish economy rather than talking down Scotland and talking about cuts when the budget is growing in real terms.

I have some practical suggestions about how the SNP might get more out of the budget. The provisions relating to community payback orders in the Criminal Justice and Licensing (Scotland) Bill send a signal to Scotland that we will take a soft-touch approach towards criminals by relaxing sentences of less than six months. There will also be a £10.6 million drain on the public purse, according to the financial memorandum to the bill, which lacks detail—that is not the first time that that has happened. In my opinion, the financial memorandum underestimates the costs of the policy.

We are two years into the SNP Administration and we still do not have a business plan from the Scottish Futures Trust, which costs £22.9 million. What a shocking waste of public money.

In the ministerial reshuffle, Mike Russell was given responsibility for independence, but independence is a dead duck. The other three main parties in the Parliament do not support it, and having ministers and civil servants spend time on it when Scotland faces a difficult time with jobs is a waste of public money.

The Government should support microgeneration, for example, and introduce its energy efficiency plan instead of delaying it for a year. That would reduce carbon emissions, cut fuel bills and put money back into people's pockets. It is also important to support credit unions at this time.

These are serious times. We must consider how to move Scotland forward. Alex Salmond and John Swinney are the grumpy old men of Scottish politics. It is time for them to liven up, raise their game and start delivering for Scotland.

15:53

Alex Johnstone (North East Scotland) (Con):

I wonder how many MSPs who are present for this debate have ever witnessed a minor car crash, with people standing around, blaming one another for what went wrong. The only difference between that and what has happened with our economy is that the economic car crash was not minor.

I wanted to say some nice things about nice people. The reason why we are where we are is that we have a Government that contains people who have been fundamentally nice; I am talking about the Government in London, not the Scottish Government—yet. Gordon Brown became Chancellor of the Exchequer in 1997 with a golden legacy from a fiscally responsible Conservative Government. In his interim budget in 1997, he was able to set great store by the fact that he had paid back some of the national debt. I hope that he enjoyed that experience, because that was the one and only opportunity he will have to do so.

What did Gordon Brown do then? He did what every Labour Government does, of course. He set out to improve public services to make everybody's lives a bit better. I offer him and the Labour Government my admiration for having that wonderful aspiration.

What went wrong? Every year, Gordon Brown's ambition to plough more of the nation's resource into public service always cost slightly more than his budget suggested that it would. Every year, the estimates in his budget statement about the income from a growing economy turned out to be slightly optimistic and he never quite got as much money as he expected. That meant that, year on year, he began to borrow, but just a little. With a quickly growing economy, it is easy to borrow just a little. Year on year, Gordon Brown borrowed against future growth for the benefit of us all.

In Scotland, we had no shortage of examples of more and more public money coming north, and we in the Parliament decided how best to spend that money. The problem was that, every year, the increases were based on slightly more borrowing, which was based on consistent growth. The then chancellor had the confidence to continue doing that because, deep in his heart of hearts, he thought that he had ended the cycle of boom and bust and that growth would go on for ever. He also encouraged a similar level of ambition in our banks and people. Through his confidence that boom and bust had gone for ever, he encouraged everyone to live on borrowed money. Little did we know that, in fact, we were living on borrowed time and that the biggest boom in economic history would become the biggest bust.

Jeremy Purvis: I recall that, in 2006, George Osborne set up the Conservative City circle, which

was established purely to lift restraints on the regulation of the financial sector in the UK. Perhaps the member can assist me in understanding why that was.

Alex Johnstone: George Osborne did not invite me to become a part of his circle. Did he invite Mr Purvis?

We are short of money. The fiscal car crash has happened in a big way, in this country and in countries throughout the world. I notice a pattern in James Kelly's speeches, in that he uses the arc of complicity—the United States, Japan and other countries that have got themselves into economic difficulty—in much the same way as Alex Salmond used to use the arc of prosperity. However, simply associating ourselves with those other countries does not take the blame away from the Government and from a Prime Minister who, as chancellor, was still borrowing at the very peak of the economic cycle. That is why we have a debt from which it will take us a generation or more to recover. The reason for the budget that we had last week is that there is no longer enough money to go round.

There is an artificiality in the debate. One group tries to avoid responsibility for the fiscal consequences that we face, while another group chooses simply to blame the party of Government in the south and to ignore the fact that it is the Government in Scotland and might have power to do something. That does not work—it is all our responsibility. The truth is that budgets will fall in years to come. Because of the level of debt, budgets will be artificially low year on year for a generation and perhaps longer. That means that we must all deal with the problem constructively.

The response that I seek from the Scottish Government, when the chance occurs, is to stop blaming the Labour Government and to consider what can be done to affect the balance of the economy in Scotland. Scotland is so dependent on public sector expenditure that we are in danger of rooting ourselves in a longer and deeper recession than that in the countries in the rest of the United Kingdom or our competitor economies. That is why I once again ask the Cabinet Secretary for Finance and Sustainable Growth to do all that he can to ensure that Scotland's private sector can recover and create jobs, and not to plough available resource into the public sector for no long-term return. I will hammer home that message at every opportunity.

16:00

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I will concentrate on the budget implications facing the economy of the north-east of Scotland.

Immediately after the 2007 election, Alex Salmond promised us through the pages of the *Aberdeen Evening Express* that ahead were

“good times for the North-east.”

Sadly, that promise, like so many that he made before, during and after the election, has not been fulfilled.

It is all very well for the cabinet secretary to lodge a motion blaming the Westminster Government for poor financial management. We all know that the Westminster Government is to blame, but the fact remains that the SNP Government could and should be doing more to stimulate the economy of the north-east.

Although the North Sea oil industry remains resilient in the face of the global downturn, there is a fear in the north-east that the current relatively low price of oil of around \$50 a barrel is simply not high enough to convince operators to continue to invest in exploration in the North Sea. The Scottish Government cannot assume, therefore, that the north-east is or will be exempt from the difficulties that face the rest of the country, simply because of the oil industry.

The construction industry in the north-east is having a particularly torrid time. There are two very simple and straightforward ways in which the Scottish Government could provide a much-needed boost to the construction industry in the north-east. It could give the immediate go-ahead both to new schools throughout Aberdeenshire and to the Aberdeen western peripheral route.

Aberdeenshire Council has agreed to deliver 13 new primary schools over the next 10 years, at a cost of £126 million, and to provide the estimated £44 million that is needed to replace Alford academy. That is welcome. However, there is no way that the council can also come up with the further £200 million necessary to build five other academies that need to be replaced at Ellon and Inverurie, which are in the First Minister's constituency, and at Kemnay, Stonehaven and Laurencekirk, which are in my constituency.

Brian Adam: Will the member give way?

Mike Rumbles: I am just getting into my stride.

The agreements secured by the Liberal Democrats as part of the budget negotiations earlier this year committed the Scottish Government to a new funding stream for the Scottish Futures Trust this year. However, given the state of the economy, I urge the Government to ensure that that is implemented now—not by the end of the year. Such a funding stream would provide not only a much-needed short-to-medium-term boost to the construction industry but investment in our children's education—surely the best long-term investment that we can make.

Brian Adam: Will the member tell us why, during the eight years in which his party was part of the Administration, schools in Aberdeenshire got into such a parlous state that they now require the level of investment that he is speaking about?

Mike Rumbles: I remind Brian Adam that the previous Scottish Executive provided funding for new schools in my constituency. Pupils in my constituency, in Portlethen, Lairhilloch and Hill of Banchory, are currently reaping the benefits of the investment that was made by the previous Scottish Executive and receiving their education in first-class schools.

Despite the SNP's promise to match the previous Executive's school building programme brick by brick, its dogmatic approach has led it to fail even to consider other funding methods for much-needed new schools. Meanwhile, a great many children face the prospect of receiving their entire secondary education in buildings that are simply not fit for purpose. The SNP has let those children down badly—that is the SNP's responsibility.

Similarly, as we heard today from the Minister for Transport, Infrastructure and Climate Change, the SNP Government has failed to say how it intends to pay for the much-needed Aberdeen western peripheral route. The AWPR would provide both a short-term boost and a long-term boost to the north-east economy. Initially, it would provide construction jobs. Once completed, it would allow businesses in and around the Aberdeen area to transport their goods much more freely.

The recent announcement by the Scottish Government that it will not even receive the recommendations from the public inquiry until this summer filled me with dread. We were told last year that the much-vaunted strategic transport projects review was to be published last summer, but we did not receive it until December. Similarly, in his last answer to a parliamentary question on the subject of the AWPR, the transport minister advised that work on the road was expected to start in 2010-11—it is the 2011 part that bothers me. The SNP cannot allow the project to be shelved in 2011 while it tries to work out how to pay for it.

The SNP has held up investment in schools for years while it wrings its hands over how it will pay for it without, in the memorable words of Christina McKelvie,

“lining privateers' pockets to the tune of £500 billion”.

Her YouTube broadcast was a marvel to see—I had to watch it again today.

The cabinet secretary should stop trying to pick a fight with Westminster for party-political reasons;

that is what the motion is about. Instead, he should get on with doing the many things that the Government could be doing in the north-east of Scotland in particular, and delivering the funding that we so desperately need for vital projects to safeguard and create jobs in the north-east.

16:05

Linda Fabiani (Central Scotland) (SNP): This afternoon's debate is underpinned by the state of the UK economy and discussions about that. There has been what has been described as an unprecedented collapse of gross domestic product in the UK economy, with the highest ever peacetime levels of public debt. That cannot be blamed solely on the bank bail-outs, as so many are keen to do—it is about debt that was accumulated in previous Labour years to help balance the books. Just one example of the UK Government's historic financial irresponsibility is the fact that, due to the introduction of the international financial reporting standards, off-balance-sheet PFI transactions must now be accounted for correctly and, indeed, bailed out by the Treasury. Where does the risk lie now? It lies with the public purse, despite the risk premium that has been paid to developers and speculators over the years. John Swinney outlined the effect on Scottish Government expenditure that that is having.

The former and current Chancellors of the Exchequer and their colleagues are now scrabbling around to try to obfuscate reality and to obscure their inefficiencies, which are legion. When was the last time that one of Mr Darling's growth predictions turned out to be correct? I have no time to detail all the occasions that it took for him to move his estimate of public sector net borrowing from £38 billion to £180 billion.

Andy Kerr: Will the member give way?

Linda Fabiani: No.

The chancellor's previous forecasts destroy any credibility in those that he makes for the future.

As we heard from Alex Johnstone, we have been left with a burden of debt. The chancellor's estimate of UK Government borrowing in 2009-10 is £175 billion. The recent economic projections of the Organisation for Economic Co-operation and Development estimate that in 2010 the UK's gross public debt, which is one of the Maastricht criteria, will be 66 per cent of GDP—double that of Finland and 20 per cent higher than that of Ireland. The OECD's projections also show nations' financial liabilities.

Andy Kerr *rose—*

Linda Fabiani: I will not give way to Mr Kerr. I am teaching him something—I wish that he would sit down and listen to me.

Sadly, the UK is again way out on its own, running net financial liabilities of 43 per cent of GDP in 2010. I find it interesting that small, independent Norway is offering money to the IMF while Peter Mandelson is preparing the UK to go, cap in hand, to ask for funds.

The stark figures that I have given can be illustrated for Scotland in the budget cuts that are now being imposed. In the chancellor's budget, there was confirmation that £500 million of cuts will be made to the Scottish budget next year and beyond. All serious commentators are clear—a cut in public services is being imposed by the Westminster Government.

Andy Kerr: Name one.

Linda Fabiani: Rhodri Morgan, the First Minister of Wales, has said:

"The Archangel Gabriel could not find such proposed cuts ... without damaging public services".

I rather like the analysis of Bob Crow, who said:

"With a combined £30bn worth of public sector cuts and privatisation, this budget represents the final political suicide note of the New Labour government."

The Deputy Prime Minister, Harriet Harman, has stated:

"You cannot cut your way out of recession—you can only grow your way out of recession."

The cuts come against a backdrop of the UK's fiscal stimulus package for 2010 being weaker than those of almost all other G20 countries.

What does the £500 million cut potentially mean for the annual Scottish budget? It means damage to education, our health services and other front-line services. Thankfully, the good husbandry of the Scottish Government has already allowed it to take action, within its limited powers, to tackle the recession.

There has been a reshaping and acceleration of capital expenditure. The Government is ensuring that its activity supports economic development: advice to businesses and individuals is being increased, and the small business bonus scheme was welcomed across the board.

The Scottish Government has shown imaginative thinking, from which Westminster could learn. Westminster could support Scotland and rethink some of its previous ridiculous refusals, some of which were outlined by Brian Adam. It could hand over Scotland's £120 million fossil fuel levy. It could hand over Scotland's accrued council tax benefit. It could agree the Barnett consequential for the London Olympics

regeneration spending, and the £1.2 billion increase in UK prison expenditure.

The most imaginative thinking of all would be to stop peddling the myths about Trident jobs and to support Scotland, and indeed the world, by hitting the Trident replacement programme on the head.

Jackie Baillie (Dumbarton) (Lab): Will the member take an intervention?

Linda Fabiani: I am in my last minute.

In the present financial climate, public services should not be sacrificed on the altar of weapons of mass destruction.

John Swinney is quite right in his motion: Parliament should express

"its deep concern at the contents of the Chancellor of the Exchequer's Budget last week".

We should be honest and recognise

"that this is a product of poor financial management of the UK economy in recent years",

and we should get behind a Scottish Government that wishes to make proposals

"for 2010-11 that will support a sustainable economy and effective public services".

Scotland deserves that from its representatives.

16:11

Jackie Baillie (Dumbarton) (Lab): She said it once; she said it twice; she said it three times; and yes, she even said it a fourth time. I am of course referring to the Scottish Government's director general for finance and corporate services when she gave evidence at the Finance Committee on Tuesday afternoon. "What did she say?" I hear you ask, Presiding Officer. She said that there was a real-terms growth of 1.7 per cent in the baseline Scottish budget next year. That is not a cut, as her boss John Swinney would have us believe, but growth. Now, we are told, she made an error. I confess to being slightly bemused, as that error was made not once but four times. Her repetition of the 1.7 per cent growth figure, which was said with a great deal of confidence, now turns out to be wrong.

What bemuses me even more is that that error was made despite the flurry of notes that were being passed to her by the Government's deputy director of finance. Indeed, I had counted seven notes in total by that point, which the director general read from to enlighten the committee. Was the deputy director wrong too? How is it that our two most senior finance civil servants, with their impressive track record, can be wrong on such a fundamental issue? Indeed, I had the privilege to work with one of them when I was a minister, and his advice was always factually accurate. Perhaps

the reason why we now have a letter of retraction is that the director general's boss, John Swinney, was embarrassed. Should I instead say "mortified"? It is a much better word.

It appears that officials are made to recant, retract and repent for the errors of their ways to spare the blushes of the Cabinet Secretary for Finance and Sustainable Growth. After all, he had been claiming—and still does today—that the budget has been cut. He can assert all he likes, but to be contradicted by his two leading senior civil servants is unfortunate to say the least.

It would appear that the budget baseline is in fact growing. I concede that it is not growing as fast as we all would have wanted, but it is growing nonetheless. It is difficult, with all the spin, claim and counter-claim, to discern the facts, but let me shed some light on my new specialist subject: baselines. I confess to developing slight anorak tendencies in this regard, which some less kind souls in the chamber might say is deeply disturbing.

Let me take members on the journey of discovery that I have travelled. First, the baseline for the Scottish budget, based on the departmental expenditure limit, is £27.5 billion for 2008-09, £28.4 billion for 2009-10 and £29.2 billion for 2010-11. Those are the figures that are published by the Treasury. Maths might not be everybody's forte but, despite the SNP's reduction in the number of maths teachers, even primary school children could tell us that the baseline is going up.

It is worth pointing out that the Scottish Government has taken decisions that are of their very nature short term, and those inflate the budget line for 2009-10. The Government made those decisions freely; they were not forced on the Government. Let me deal with some of them. The main change has been the reprofiling of capital expenditure. Members will recall that the Treasury agreed to John Swinney's request to bring forward capital spending. That was a decision for the Scottish Government. It could have chosen to leave the money where it was. I make no criticism of the Government for deciding to accelerate that spending, but it is disingenuous to claim that there is an adverse impact on the budget overall. Indeed, the Centre for Public Policy for Regions acknowledges that the overall pot for capital remains the same. We are simply bringing forward some capital to spend earlier; there is therefore no impact on the baseline. That should therefore be excluded from the budget baseline for 2009-10.

Let us consider end-year flexibility money that was agreed by John Swinney and released by the Treasury. The overall total was approximately £900 million, a proportion of which falls in 2009-10. That, too, was a decision of the Scottish

Government. That, too, is short term in nature and should be excluded from the baseline calculation.

Finally, let us consider the Scottish Government's overcommitment of £100 million, which the cabinet secretary explained was to maximise spending. I do not disagree with that but, again, it is short term and a consequence of the Scottish Government's decision, and should not be included in the baseline.

I know that all that is complicated—it took me a while to get it. However, when we take out the short-term cushioning in 2009-10, which has never been built into the DEL baseline budget for future years, we see the true picture, which is growth. I acknowledge that some members think that I might be partial, but no such charge can be laid at the door of SPICe or of the Finance Committee's budget adviser, Professor David Bell. I invite members to consider table 2 in Professor Bell's paper for the Finance Committee, which is most interesting. Professor Bell has made it abundantly clear that if we exclude capital reprofiling, there is year-on-year growth in the DEL budget baseline.

There is growth, albeit small, whether we use Treasury figures; the figures for the Scottish budget excluding reprofiling; or the figures for the Scottish budget including consequential without reprofiling. In each case the budget goes up, not down. If members are not content with Professor Bell's analysis, I invite them to consider table 3 in the paper from SPICe, which shows that, without reprofiling, there is an increase in the budget baseline. That even includes the efficiency savings. The cabinet secretary and the SNP have developed a mantra that distorts the level of efficiencies that must be found. Why let the facts stand in the way of a good story? However, it is interesting that, even with the efficiency savings that are required by the UK Government, the budget baseline grows.

The letter from the director general gives the game away. She says that the rate is not 1.7 per cent and that an error was made in the manual calculation that was done during the meeting of the Finance Committee. However, members should look closely at line 7 of paragraph 3, where she says:

"The figure is in fact 1.3%".

That is 1.3 per cent growth, and no amount of spin or assertion on the part of the cabinet secretary can cloud that fact. He has the responsibility for delivery; he should get on with it.

16:18

Patrick Harvie (Glasgow) (Green): It has been observed that if government brings with it the burden of responsibility, a spell in opposition might

offer some freedom and flexibility. What is strange in Scotland is that our political debate is currently dominated by two major political parties, each of which has one foot in government and one foot in opposition—and that is the case in difficult circumstances. We might have to muddle through without even a glimmer of consensus until at least one party shifts at least one foot.

Much has been said about the blame that should be apportioned for the current economic context—the crisis in the context of which budgets are being set at all levels of government. I have repeatedly argued that blame for the current context can be laid at the door of a flawed economic model, which has been consistently supported by the Labour, Conservative, SNP and Liberal Democrat parties during their various stints in government during the past few decades. I do not expect to win members over to my position in a few words in this debate. In any case, the context is out there, regardless of different opinions about where to lay the blame. We are in the situation that we are in; we all face the same problems.

Labour has responded to the problems with an amendment that contains a glowing endorsement of everything in the UK Government's budget. We can dismiss that position. The Liberal Democrat amendment adds that the VAT cut was probably a poor idea. That is true, so I can support the amendment—it is unhelpful, but it is true. The Government motion highlights the problem simply by restating it but leaves me none the wiser about the response. It leaves me none the wiser than I was two years ago about what it means to talk about supporting a sustainable economy. That remains as unclear as it has ever been. The Government talks about £500 million of cuts but is still unable to answer the question of where they will come from.

The Conservative amendment asks us to note, not endorse, the CPPR's views and analysis and asks for contingency plans. That seems reasonable but, to be fair, it is already happening. However, there will be a problem if those contingency plans cannot be developed alongside some degree of political consensus and, as I said, we do not have the best possible beginning for the development of such consensus.

The Green take on the context in which the UK Government has set its budget—we are now joined in this analysis by the Sustainable Development Commission, which launched its report "Prosperity without Growth? The transition to a sustainable economy" this week—is that the recession, as well as posing serious threats to our wellbeing, requires us to re-evaluate what we mean by wellbeing and prosperity. That would move us away from the gross domestic product fixation from which the Government at both levels

still suffers. I am afraid to say that the Conservative amendment appears to display the same fixation.

Much has been said at all levels of government about a green stimulus, a green new deal and a low-carbon recovery. That is becoming common language, but the 7 per cent of the UK's fiscal stimulus that is being directed towards green measures is well below the European average. The UK compares even more poorly with China at 36 per cent and South Korea at more than 80 per cent. The consensus that the UK budget is a missed opportunity appears to be justified. In fact, in the words of Friends of the Earth, the Government has blown an historic opportunity to turn its words about a green recovery into reality. Perhaps the clearest symbol of that failure is the car scrappage scheme. Bus manufacturers and turbine manufacturers are going under, construction companies stand ready to implement a massive housing retrofit programme to cut energy waste and fuel bills, but Mr Mandelson and Mr Darling think that it is more important to give people a bung to get more cars on to the roads.

As well as talking about what is wrong with the UK budget, we need to discuss what is missing from it. We need to change the way in which Governments set their budgets. A carbon assessment process for budgets would be the first mechanism for placing economic decisions into the proper ecological context. Too often, people talk about balancing the environment and the economy as though they were two separate parts of an equation, but we need to understand that the economy exists within an ecological context—in fact, within ecological limits.

A carbon assessment process, alongside legally binding emission reduction targets, will be the first expression of that—not the last but the first. How much progress have we had towards that? Legislation is in hand to set such targets in place in Scotland and is already on the books for the UK. We have commitments on the carbon assessment of the budget that were gained from Scottish Government ministers during negotiations last year but not a great deal of progress to date. At UK level, there has been even less progress, although individual measures in the budget have some degree of carbon assessment. I cite the assessment of the measures to support oil extraction, which appears to say that they will have no climate change impact. However, 2 billion barrels of oil represents 800 million tonnes of carbon dioxide. Mike Rumbles talks about the low price of oil; the price may be low for a short while longer, but the cost remains damagingly high.

The Scottish Government's motion requires some clarification. It implies that the carbon assessment process will be produced alongside

the draft budget proposals for 2010-11, not when we have agreed to the budget. I need an explicit commitment of that implicit statement. Will the full rigorous carbon assessment be published alongside the draft budget proposals for 2010-11? That would be real progress from the Scottish Government.

16:24

Christina McKelvie (Central Scotland) (SNP):

I note with interest that Italy is devolving taxation and borrowing powers to its regional Governments in a move that has been described as fiscal federalism. Italy started its devolution process after we did, with its 20 regions gaining power over health, education and welfare provision in 2001, but it is moving ahead of us in financial devolution. How embarrassing it is that we started first but have turned out to be the tortoise rather than the hare. Adding taxation powers to the already strong toolbox that the Italian regions have gives them the opportunity to become economic powerhouses, altering income and expenditure to suit local economic conditions and increasing their opportunities to exploit their resources and deliver for their peoples.

The contrast with our position could not be more stark. We have no power to borrow money and no means of altering the tax system to give our businesses an advantage or give our people a break to make their lives better. We have no way to raise additional moneys to pay for improved services and no way to lever in extra financing for better services. Worst of all, though, is that we must cope with the intolerable burden of UK incompetence, with a Labour Prime Minister who cannot even remember when he is supposed to make a statement and a chancellor who claimed recently that he could see the green shoots of recovery and then proceeded to pour economic weedkiller on those green shoots before they had a chance to break the surface.

The Darling budget is a continuation of the catalogue of failure that marks the Labour Government in London. Quite how Mr Darling thought that there would be recovery next year, when he predicts that the economy will shrink by 3.5 per cent this year, is anyone's guess. It is about as clever as Iain Gray's budget tactics have been for the past couple of years—it is almost like they work together.

Government debt will rise to four fifths of GDP by 2013. Labour's failure to manage the economy over the past 11 years and Gordon Brown's failure as chancellor means that Alistair Darling will slash the Scottish budget to pay for the economic inadequacy of yet another Labour Government. Stronger together, weaker apart, they say—aye, right. The UK damages Scotland and Labour

damages Scotland, and the sooner we get shot of the pair of them, the better for all of us. The shocking failure of Gordon Brown and, now, Alistair Darling to address the economic problems facing Scotland and other parts of these islands amounts to a dereliction of duty on the part of those two Labour leaders. The harmful effects of 12 years of Labour misrule are more than evident: recession, worklessness and despair—the hallmarks of Labour government.

Labour keeps claiming that it is a global recession, but it is not. For example, Australia and Canada are showing that well-regulated and well-managed financial sectors and well-run economies can survive when poorly run countries are going to the wall. As Linda Fabiani told us, Peter Mandelson, at the behest of Labour in London, will go cap in hand to the IMF looking for a bail-out—echoes of 1976. Andy Kerr likes to remind us of 1979, but there was Labour irresponsibility in 1976 and there is irresponsible Labour government now.

We should perhaps cast a glance across the North Sea to our friends in Norway, who are paying in—yes, paying in—vast additional sums to the IMF to help out those countries that have not managed their natural resources well. How shameful is it that Scotland, a country as rich as Norway, is to be bailed out while Norway does the bailing out? Members of the Labour Government in London should be ashamed.

I will tell you what happens with Labour Governments. They start with a far-fetched raft of policies that are

“pickled into a rigid dogma, a code,”

then they

“go through the years sticking to that, out-dated, misplaced, irrelevant to the real needs”

of the country. Then it ends

“in the grotesque chaos of a Labour”

Government—a Labour Government—cutting public spending and scuttling round the country

“handing out redundancy notices”

to public sector workers.

“I'm telling you—and you'll listen—you can't play politics with people's jobs”,

people's homes and

“people's services.”

I think that those will all be familiar words.

We have had far too much failure from Labour, far too much incompetence and far too much pain for the many as well as for the few. The Labour legacy will be pensioners, students, families, banks and businesses in debt—a shameful record.

It is time for Labour to go and for the power to set the economic agenda to be returned to Scotland. It is time we set our own budgets and took responsibility for our own future. We have got what it takes in the SNP Government to take on that responsibility. Quite simply, it is time for independence.

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

16:29

Ross Finnie (West of Scotland) (LD): I suppose that it was not necessary to be an Einstein to work out the relative predictability of the debate. We have had the Government making it clear that the situation is certainly not its fault, that it had no hand in all that we are dealing with and, indeed, that Scotland had no hand in it. I am not quite sure where the Royal Bank of Scotland is technically registered, but no doubt someone will remind me in the course of the debate.

For the Labour Party, Andy Kerr and Malcolm Chisholm made an admirable attempt to deflect attention away from what they said was no evidence of mismanagement. However, what they failed to explain to us is why the economic policies of the past 10 years were predicated entirely on the mistaken belief that growth would continue indefinitely. The fact that a whole range of decisions were made on that basis is one reason why, as Derek Brownlee pointed out, we are where we are with debt that is high even by historical levels.

Whether people believe, as I do, that we should remain a United Kingdom or whether, like Christina McKelvie, they wish Scotland to be independent, the Royal Bank of Scotland and HBOS had to be saved and—curiously enough—the money for that did not grow on trees. Therefore, it is nonsense not to understand that the decision to save the Scottish banks, although it was right, has brought with it severe implications for how we manage things. Of course, other issues have added to those debts.

It is disappointing that people keep bandying figures about. I find that very difficult. It is not often that I have to dredge into the inner recesses of my mind to the days when I qualified as an accountant, but I recall vividly that one ought to compare like with like. The Scottish Government has made so many fascinating attempts to reprofile and readjust the figures to give the best impression that even the SPICe briefing now takes three tables and 14 columns to explain how one might get back to a position in which a like-for-like comparison can be made. The cabinet secretary rightly quoted the director general for finance's letter, which has been widely circulated, which

states that there will be a reduction in the budget but—gosh—that is a difficult letter to read, as Jackie Baillie pointed out. It says first that there will be 1.7 per cent growth, then it gives a figure of 1.3 per cent—it does not say whether that is growth—and then, at the bottom, it says that there will be a reduction. Even as a chartered accountant, I find that very difficult to explain, but no doubt the cabinet secretary will do so in his winding-up speech. How the letter is phrased is very difficult.

However, let us get back to the reality. Even if we squeeze out and remove all the attempts at making some justification for what has taken place, we are faced with the proposition that repaying even those elements of debt on which we might have some agreement will require fundamental changes, given the vast sums of public money that have been required to deal with the financial crisis. Irrespective of the who or where or how, that is the reality that the Liberal Democrats are highlighting. Indeed, if anyone thinks that this has all happened very suddenly, let me recommend to them the book "The Storm" by my Westminster colleague Vince Cable, who makes it clear that, although the situation accelerated very rapidly, there were nevertheless tell-tale signs on which prudent economists should have taken a view at a much earlier stage.

As Derek Brownlee pointed out in his opening remarks—although I did not agree with everything that he said—we will face a tighter budgetary situation not just next year but, as the chancellor stated in the budget and in the red book and other documentation, for the next few years. It is clear that, no matter where people stand on our relationship with the United Kingdom, we are facing a very tight situation indeed. Therefore, it is simply not realistic to suggest that, if it were not for the London Government, we could simply continue to pour out money, the debt would all disappear and we could carry on as before. Politicians do the public no credit at all if they try to pretend that we do not face a difficult situation. Creating arguments between London and Scotland as to whether, if we did not do certain things, we could go on growing as we did in the past is, in the view of the Liberal Democrats, a fundamentally dishonest position.

We must accept where we are. We can have a legitimate argument about how we got here but, in saying to the people of Scotland today what we think we can do following the budget, we face hard choices. We must recognise that the Scottish budget should more accurately reflect the fact that, although more money is being made available, the rate of increase is bound to be constrained. Indeed, looking further into the pages of the red book makes for even more difficult reading. We

cannot simply say that everything is the fault of something that never happened in Scotland.

That is the position that we are in. The amendment in the name of my colleague Jeremy Purvis sets out the approach that we should take and should be supported. We are in an extremely difficult situation. It would be a great help if, instead of trying to recast and recreate figures, we tell the people of Scotland about the situation that they are in. They welcomed the saving of our banking system, without which—by golly—unemployment would be much higher than it is.

16:35

Gavin Brown (Lothians) (Con): It was quite some budget and it has been quite some debate. Andy Kerr and the Labour Party came out limping. They gave us a range of excuses and said that the current economic situation is nothing to do with the Labour Government. Malcolm Chisholm gave us the immortal line that there has been no financial mismanagement whatever because there are recessions in other countries, too. [*Interruption.*]

Andy Kerr shouts, "Global." Let me point out a few facts to him. The UK's budget deficit is the largest, in proportional terms, among the G20 countries; our national debt will swell from 39 per cent of GDP to 79 per cent of GDP in four years' time.

Malcolm Chisholm: Can Gavin Brown explain why at no point until the start of the recession has the debt level under the Labour Government been as high as the 43 per cent of GDP that it inherited when it came to power? Does that not demolish everything that he and Alex Johnstone have said this afternoon?

Gavin Brown: No, it does not. During the 10 years of year-on-year growth around the world, the Labour Government failed miserably to put money aside or to bring the national debt down to sustainable levels. As well as the level of national debt and the size of the budget deficit, we must look at the state of sterling against the dollar and the euro. The world has made up its mind about which countries have performed worse than others.

Andy Kerr: I am interested in the member's GDP figures. Would he care to explain why Italy, Japan, France and the USA have higher GDP debt levels than the UK?

Gavin Brown: They do not have larger budget deficits—the UK has the largest budget deficit for this year.

Mr Kerr told us that the VAT cut was a good idea, but he did not seem terribly keen to extend it beyond December of this year, when it is projected to come to an end. The VAT cut has been

universally rubbished; it has been rubbished not just by commentators in this country, but by commentators all over the world. No other country decided that it would be a good idea to introduce a VAT cut. Mr Kerr found one person who seemed to think that it was not such a bad idea, but it would probably be possible to find one person who thinks that global warming does not exist and is a myth. Indeed, someone has made their career and reputation on the back of that proposition, but I do not think that any MSP would support it.

Jackie Baillie offered the defence that the budget is to grow. She made quite a good case. If we compare next year's budget with this year's, I can probably accept the argument that there is marginal growth in cash and real terms, but if we compare the 2010-11 budget with what was projected in the spending review, we find that there has been a £500 million cut. In the spending review, the projected expenditure figure for next year was £30.47 billion. The actual figure will be £29.98 billion, so there has been a £500 million reduction in the budget. That is just the beginning of the problems. If the figures that we have seen are correct, we will have far bigger problems in 2011-12 and 2012-13.

Jackie Baillie: Will the member acknowledge that the facts paint a different picture? Even if we take into account the efficiency savings for 2010-11, the SPICe paper profiles a growth figure of 0.5 per cent.

Gavin Brown: I have the SPICe paper in front of me. It says clearly that the projection from the spending review for 2010-11 was £30.473 billion. If we take the reprofiling out, what we are actually getting is £29.98 billion. Therefore, there is the best part of a £500 million cut.

We have heard lots of excuses today, but let us consider the other aspect of the Conservative amendment, which is the contingency plan. I aim my remarks at the cabinet secretary and the Scottish Government. We need to figure out how we will deal with the cuts next year, and year on year after that. What work has the Government done so far to make projections for tax take from council tax and business rates, and from asset sales by Scottish Enterprise and health boards?

At UK level, income tax is down 8 per cent, corporation tax is down 20 per cent, capital gains tax is down 72 per cent and stamp duty is down 37 per cent. Will the taxes that are collected by councils and the Scottish Government be down as against the projections from the budget? What predictions have the Scottish Government made about the impact on demand for health services, the impact on the justice department and the impact on housing as a result of the recession?

There will be difficult decisions to make. We want to minimise the squeeze on public services and protect spending that promotes economic growth.

16:41

David Whitton (Strathkelvin and Bearsden) (Lab): The SNP's motion calls on the Parliament to express "deep concern" at the contents of last week's budget. If we had dropped into Scotland from another planet and listened to the SNP spokespeople commenting on the budget over the past seven days, or even if we had been listening to this debate, we would have been forgiven for thinking that Mr Swinney, the cabinet secretary for finance, had morphed into Private Frazer from "Dad's Army". "We are all doomed," he says. "We have not been given enough," he says. We have been asked to cut too much," he says. But in a letter to the chancellor in advance of the budget, Mr Swinney said:

"I appreciate that at this challenging time for the UK and Scottish economies you face a number of competing objectives."

Indeed we do, but in Mr Swinney's alternative universe it would seem to be the rest of the UK that has to face the challenge, not Scotland.

In the same letter, Mr Swinney commended the chancellor's flexibility in financial planning, which allowed the Scottish Government to bring forward more than £300 million of capital from its 2010-11 budget to this year. Mr Swinney said that that flexibility was

"a vital stimulus to the Scottish economy at this crucial time of recession, estimated to safeguard 5800 jobs."

However, with the SNP, and with Mr Swinney in particular, we know that a whinge will be coming from somewhere. Mr Swinney expresses concern about the UK Government's fiscal stimulus in comparison with action being taken elsewhere, particularly America. The state of Maryland, much quoted by SNP spokespeople, is receiving £2.6 billion from its central Government. The state has a population of 5.6 million, compared to Scotland's 5.1 million. "It's no fair," says the SNP, "we want more." Tricia Marwick was somewhere else in America in her speech.

The SNP moans on:

"Analysis by the Scottish Government shows if money used to fund the cut in VAT had been used instead for capital investment it would have supported twice as many jobs in Scotland."

James Kelly reminded us of the bank bailout and how much that cost, and of the £2 billion that was Scotland's share of the fiscal stimulus package.

Gavin Brown derided the VAT cut but, for his information, the Centre for Economics and Business Research Ltd said:

"The figures are clear; the VAT cut is working."

The Institute for Fiscal Studies said:

"This policy change is likely to be a reasonably effective economic stimulant ... Those dismissing it—

as Mr Brown did—

as a failure ignore the likelihood that things would have been worse without it."

What are the facts, as opposed to the fiddled fantasy figures of Messrs Salmond and Swinney and the SNP? If Mr Swinney wants to challenge them at any time, I will let him do so.

Fact: the Scottish overall budget will increase next year and the year after. That is based not on my figures but on those of the Finance Committee's adviser, Professor David Bell; SPICe; the Parliament's policy experts; and, as Mr Kerr and Jackie Baillie highlighted, even the minister's own director of finance.

Fact: the UK Government will spend an extra £400 million in Scotland next year—a devolution dividend. [*Laughter.*] SNP members may laugh, but they will be very grateful for the devolution dividend at the Royal Bank of Scotland and HBOS.

Fact: there will be a Barnett consequential from the UK Government for Scotland. It will total £104 million and include £54 million for housing, £27 million for energy efficiency, £12 million for training and employment and £17 million to build FE colleges—another devolution dividend.

Fact: there will be an additional winter fuel payment worth £100 for the 160,000 Scots who are over 80, and £50 for Scots who are over 60. A total of three quarters of a million households will benefit—another devolution dividend.

And fact: 540,000 Scottish children will benefit from the £20 increase in child tax credit—another devolution dividend. To paraphrase Christina McKelvie, we are indeed stronger together, weaker apart.

I could go on, as there are plenty more facts, but I think that the chamber should by now have got the message. Far from expressing "deep concern" at the contents of the budget, the SNP, as well as the Tories and the Liberals, whose amendments support the nonsense in the motion, should be welcoming the measures that are being taken to help people who are looking for a new house, looking for a job or training, looking for some financial assistance to run a business, or looking for help to meet heating bills and the costs of raising a family in these difficult times.

Brian Adam *rose—*

David Whitton: Before I go on to discuss the contributions made by other members, I will hear one from Mr Adam.

Brian Adam: I am grateful to the member. Would he care to explain why it is that only the Labour Party in Scotland thinks the budget is wonderful? Labour members' colleagues in Wales take a diametrically opposite view.

David Whitton: I do not think that I said it was a wonderful budget, but I did point out the benefits that Scotland is reaping from it.

Derek Brownlee made an ageist remark about the Labour front bench; he must have known that it was my birthday last week. He should remember the words of leading world economist Paul Krugman who, when asked whether things would be better if David Cameron were running the economy, said that they would not.

I agreed with one comment from Jeremy Purvis—he said that there would never be a Labour budget that the SNP would say was good for Scotland.

Brian Adam tried to outdo Mr Swinney's impersonation of Private Frazer, while Tricia Marwick and Christina McKelvie went on a "Thelma & Louise" road trip around America and Italy. Both disappeared over the same rhetorical cliff.

Jackie Baillie's excellent contribution completely destroyed any lingering SNP spin that Scotland's budget will go down next year.

We know that Mr Swinney's real "deep concern" is that he is being asked to make some efficiency savings. He thinks nothing of top-slicing the Scottish Government's funding for local government or threatening that unless local government agrees to impose zero council tax increases it will receive no share of the £70 million set aside for local government support, but when it comes to efficiencies in the Scottish Government it is a different matter.

Again reverting to his Private Frazer persona, Mr Swinney said that we are doomed to see 9,000 jobs go as wicked Westminster asks for a Scottish Government to make its contribution to an overall efficiency drive. The First Minister even made a rare appearance at Westminster to spout the nonsense that Scotland is being robbed of £500 million. It is a real pity that he is not paid in attendance allowances for his visits to the House of Commons, as that would certainly save the public purse some money.

The facts do not back the SNP's rhetoric. I have already mentioned the letter to the chancellor and Mr Swinney's gratitude for the capital advance. As

Mr Kerr said, Mr Swinney and the SNP, with typical sleight of hand, want to claim that Scotland's budget is being cut. As we have heard, the truth is in the figures from SPICE: Scotland's budget will increase next year and the year after that by 3.9 per cent and 0.5 per cent.

As for efficiency savings, I am pleased to report that the Government has been doing well. In budgets between 2005 and 2008, the Government has saved around £1.7 billion. The Government's director general of finance, when asked at the Finance Committee this week whether she was confident of hitting the 2 per cent target, replied that yes, she was confident, because in previous years the Government had exceeded the target. When I asked her whether, if what she said was the case, the Government could exceed its 2 per cent target this year, she replied that that was something that ministers would have to decide.

There you have it, Presiding Officer. The Scottish Government is comfortably reaching 2 per cent efficiency savings and could obviously do more. All that Mr Swinney has to do is provide the political will. Instead of working against Westminster, he should be working with Westminster. Yesterday, and again today, we heard how all the Governments in the UK are working together to combat the effects of swine flu. We should expect the SNP to do the same to help the UK combat the effects of the global recession.

The UK Government's budget has provided help where it is needed most, to families, businesses and pensioners. The SNP's claim that Scotland's budget share is being cut has been exposed for what it is—a fiddling of the figures to forecast grievance. The SNP has failed to deliver its local income tax and its Scottish futures trust, and it has broken manifesto promise after promise. In short, it was elected on a false prospectus. That should be of deep concern to everyone in Scotland, who now see that the SNP has not got what it takes to govern.

16:50

John Swinney: It would not have been a David Whitton speech in Parliament without my being compared to some character from the stage or screen. Today, it was Private Frazer. Somebody—I think it was Mr Kelly—accused the First Minister and me of being the grumpy old men of Scottish politics. I suspect that the only thing Mr Kerr would disagree with about that analysis is that I should be accused of being old in the context of this parliamentary chamber.

Margo MacDonald (Lothians) (Ind): I think of you as Brad Pitt.

John Swinney: The admiring endorsements of my independent colleague on the back benches are always a source of great comfort to me.

Ross Finnie made a thoughtful speech in which he set out the fact that although we can have a debate about how we got here—I will say a bit more about that—we must deal with where we are at and the challenges that we face. In that speech and in the speeches from Gavin Brown and Mr Brownlee, there was an acknowledgement that, regardless of our debate about the statistics, we face a serious position in relation to the future of public expenditure and a different picture of public expenditure in the period that lies ahead compared with that of the past 10 years. That is why the Parliament needs to take seriously some of the analysis that has been put before us. The Institute for Fiscal Studies, which David Whitton quoted, has estimated that, between 2011-12 and 2013-14, there will be a fall in departmental expenditure in the United Kingdom of 2.3 per cent a year in real terms. Applied in Scotland, that would mean public spending being £2 billion to £3 billion lower, in real terms, by 2013-14.

The crucial point that I make about the departmental expenditure limit is that that is the budget over which the Parliament has control in relation to the main aspects of the interface on public expenditure that matter to the people whom we represent, in terms of the services over which we have some control.

Malcolm Chisholm accurately made the point—which is often missed in such analysis—that although the UK projections for public expenditure for the years to come may forecast a modest real-terms increase in UK public expenditure at the global level, the components of that will change dramatically because of the increase in annually managed expenditure to deal with rising levels of unemployment and other social security costs, and if annually managed expenditure increases, the departmental expenditure limit—which is what funds our schools, hospitals, local authorities and all the aspects of public expenditure over which ministers have control—will be dramatically squeezed. That is the picture of public expenditure with which we have to deal, and Gavin Brown was absolutely right to question what the Government will do about it. As he would expect, the Government will prepare in an orderly fashion for its budget for 2010-11, which will be the subject of consultation in Parliament and subject to parliamentary scrutiny as we wrestle with the cash sums that we will have available to us in 2010-11. Mr Brown explained clearly why those sums will be £500 million less than was expected and envisaged in the comprehensive spending review.

Jackie Baillie: The cabinet secretary chooses the language that he uses carefully. He talks about

the budget for 2010-11 being squeezed. Does he agree with Professor Bell and SPICe, however, that, excluding capital reprofiling, there will be a real-terms increase in the budget baseline for 2010-11?

John Swinney: I recognise from the Treasury's red book, which said that we have £29.1 billion to spend in 2009-10 and expect to have £29.3 billion to spend in 2010-11, that that is a cut in real terms of £272 million, or around 1 per cent. Of course, I could have done another analysis that added in the use of end-year flexibility. I did not do that because I am a generous man, but if I had done so it would have shown a real-terms cut of 2 per cent.

Jeremy Purvis: The presentation of Government accounts and statistics should not rely on the generosity of the cabinet secretary. Will the cabinet secretary explain why in 2007 £100 million of capital in the education budget was put into the 2007-08 year, but in the Government's presentation of statistics it was spread over the following three years for illustrative purposes? Why is the Government not doing that with the accelerated capital in this financial year?

John Swinney: For the very good reason that it is being spent in this financial year, which is what Mr Purvis and all his colleagues were demanding.

In response to Mr Chisholm, who was arguing that we should ignore the £129 million health cut because it would be compensated for by end-year flexibility, I gently point out that that end-year flexibility is resource that this Government would plan to spend on behalf of the people on projects of our choosing, not to compensate for budget cuts from the UK Government. I also point out that it is £129 million that the Treasury has suggested we use to pay for the Forth replacement crossing. I understand that one cannot spend money twice; I hope that Mr Chisholm and the Treasury understand that, too.

Mike Rumbles: Will the minister take an intervention?

John Swinney: I have more detail to cover before I conclude my remarks.

Patrick Harvie asked me to provide further clarification on the carbon assessment that would go into the preparation of the 2010-11 budget. It is my objective to ensure that we develop the carbon assessment work and deploy it as we prepare the budget and publish it at the time of preparation and publication of the budget. Obviously, that will be subject to parliamentary scrutiny.

Patrick Harvie: I just want to be absolutely clear about that. Does that mean that the full carbon assessment publication will go alongside the draft

budget and that we will not be waiting for it until after parliamentary scrutiny?

John Swinney: It will certainly not be after parliamentary scrutiny; it will happen when the budget is published.

A great deal of information about the condition of the United Kingdom economy has been exchanged in the chamber. It is important that we recognise that the percentage of GDP that is represented by the fiscal deficit in the United Kingdom in 2010 is forecast to be the worst of any of the G7 countries. That tells us a significant amount about the financial record of the United Kingdom. UK net borrowing is forecast to be £175 billion in this financial year and £173 billion in the next year, which represents more than 12 per cent of GDP. Most of the average borrowing levels in the euro zone will be 5 per cent in 2009-10 and 6 per cent in 2010-11. We should be pretty sceptical about some of the analysis that the Labour Party has given us today.

Mr Whitton called for me to pursue further efficiency savings. The Labour Party is first in the queue to complain about the efficiency savings that underpin the budgets that I have presented to Parliament in recent times. It has been the first to criticise and complain about the application of those efficiency savings—having demanded, in the infamous hungry caterpillar speech, that I go for a higher level of efficiency savings than I thought was appropriate.

Jackie Baillie: Will the minister take an intervention?

John Swinney: I am just concluding my remarks.

The Labour Party has to make up its mind about where it stands on efficiency savings. It has delivered a *prima facie* cut to the public expenditure we expected to be able to deploy in 2010-11. The challenge of that will be significant to the Scottish Parliament and the Scottish Government, but it is a challenge that this Government will face to protect public services on behalf of the people of Scotland.

Parliamentary Bureau Motions

17:00

The Presiding Officer (Alex Fergusson): The next item of business is consideration of a Parliamentary Bureau motion. I ask Bruce Crawford to move motion S3M-4022, on committee membership.

Motion moved,

That the Parliament agrees that Rhoda Grant be appointed to replace Jackie Baillie on the Health and Sport Committee.—[Bruce Crawford.]

The Presiding Officer: The question on the motion will be put at decision time.

We have a further Parliamentary Bureau motion to consider. I ask Bruce Crawford to move motion S3M-4023, on substitution on committees.

Motion moved,

That the Parliament agrees that Jackie Baillie be appointed to replace Johann Lamont as the Scottish Labour Party substitute on the Equal Opportunities Committee.—[Bruce Crawford.]

The Presiding Officer: The question on the motion will also be put at decision time.

Decision Time

17:00

The Presiding Officer (Alex Fergusson):

There are 12 questions to be put as a result of today's business. Members should please note that if amendment S3M-4007.1, in the name of Keith Brown, on education, is agreed to, amendment S3M-4007.2, in the name of Rhona Brankin, will fall. Similarly, if amendment S3M-4004.3, in the name of Andy Kerr, on budget implications for Scotland, is agreed to, amendment S3M-4004.2, in the name of Jeremy Purvis, will fall.

The first question is, that amendment S3M-4007.1.1, in the name of Elizabeth Smith, which seeks to amend amendment S3M-4007.1, in the name of Keith Brown, on education, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

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

AGAINST

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)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 80, Against 41, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-4007.1, in the name of Keith Brown, as amended, which seeks to amend motion S3M-4007, in the name of Margaret Smith, on education, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (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)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (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)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

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

Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

ABSTENTIONS

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

The Presiding Officer: The result of the division is: For 62, Against 57, Abstentions 2.

Amendment, as amended, agreed to.

The Presiding Officer: The next question is, that amendment S3M-4007.2, in the name of Rhona Brankin, which seeks to amend motion S3M-4007—[*Interruption.*] I beg members' pardon. That amendment has been pre-empted, as I clearly explained to everybody earlier—forgive me.

The next question is, that motion S3M-4007, in the name of Margaret Smith, on education, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (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)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)

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

AGAINST

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McArthur, Liam (Orkney) (LD)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)

Peattie, Cathy (Falkirk East) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

ABSTENTIONS

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

The Presiding Officer: The result of the division is: For 62, Against 57, Abstentions 2.

Motion, as amended, agreed to,

That the Parliament notes that, on the second anniversary of the election of the Scottish Government, spending on education has risen by more than 40% since the advent of devolution; further notes that, despite a decade of investment, standards of attainment and achievement have only been maintained while key international competitors have improved; welcomes the recent report by HM Inspectorate of Education, *Improving Scottish Education 2005-2008*, highlighting the need for further and faster improvement in our education system; believes that the focus on inputs under previous administrations masked the lack of significant improvement on standards of attainment and achievement; further believes that the reform of the curriculum is a critical step in improving standards of attainment, and calls on the Scottish Government to maintain progress towards implementation of the Curriculum for Excellence, and calls on the Scottish Government to bring forward detailed proposals by the start of the 2009-10 academic year as to how it will implement amendment S3M-3164.1, which recognised the need for the Scottish Government to ensure that pupils in Scotland are properly tested in the basic skills of literacy and numeracy by the end of primary 7 and which was given unanimous support by the Parliament on 7 January 2009.

The Presiding Officer: The next question is, that amendment S3M-4006.1, in the name of Alex Johnstone, which seeks to amend motion S3M-4006, in the name of Liam McArthur, on the economy, 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)
 MacDonald, Margo (Lothians) (Ind)

McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)

AGAINST

Adam, Brian (Aberdeen North) (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)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McArthur, Liam (Orkney) (LD)
 McInnes, Alison (North East Scotland) (LD)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (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)
 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)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (Aberdeen Central) (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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 18, Against 63, Abstentions 40.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S3M-4006, in the name of Liam McArthur, on the economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (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)
 McLaughlin, Anne (Glasgow) (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)
 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)

AGAINST

Ferguson, Patricia (Glasgow Maryhill) (Lab)

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)

Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 63, Against 1, Abstentions 57.

Motion agreed to,

That the Parliament notes the UK Budget and the plans to increase fuel duty; recognises the high premium over the national average paid for fuel at filling stations in remote rural and particularly island areas and the financial and social impact that this has on individuals and businesses; believes that increased fuel duty will have a damaging effect on the economy and competitiveness in these areas, not least due to the limited public transport alternatives; notes that current EU law allows fuel duty to be cut by up to 2.4p per litre and that this power is already used in France, Portugal and Greece, and calls on the Scottish Government to work with the UK Government and the European Commission before the final passage of the Finance Bill to construct a derogation under the EU energy products directive, or otherwise, to permit variable rates of duty for specified remote rural areas to bring down the price of fuel at the pump to that available in other parts of the United Kingdom.

The Presiding Officer: The next question is, that amendment S3M-4004.3, in the name of Andy Kerr, which seeks to amend motion S3M-4004, in

the name of John Swinney, on budget implications for Scotland, 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)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

AGAINST

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

The Presiding Officer: The result of the division is: For 42, Against 80, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S3M-4004.1, in the name of Derek Brownlee, which seeks to amend motion

S3M-4004, in the name of John Swinney, on budget implications for Scotland, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen North) (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)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (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)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 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)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

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 63, Against 43, Abstentions 16.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S3M-4004.2, in the name of Jeremy Purvis, which seeks to amend motion S3M-4004, in the name of John Swinney, on budget implications for Scotland, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Brown, Robert (Glasgow) (LD)
 Finnie, Ross (West of Scotland) (LD)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Hume, Jim (South of Scotland) (LD)
 MacDonald, Margo (Lothians) (Ind)
 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)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Allan, Alasdair (Western Isles) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Keith (Ochil) (SNP)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Campbell, Aileen (South of Scotland) (SNP)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Eadie, Helen (Dunfermline East) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 FitzPatrick, Joe (Dundee West) (SNP)
 Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Annabel (West of Scotland) (Con)
 Gordon, Charlie (Glasgow Cathcart) (Lab)

Grahame, Christine (South of Scotland) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Henry, Hugh (Paisley South) (Lab)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Johnstone, Alex (North East Scotland) (Con)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McMillan, Stuart (West of Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Mulligan, Mary (Linlithgow) (Lab)
 Murray, Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (West of Scotland) (SNP)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 19, Against 103, Abstentions 0.

Amendment disagreed to.

Members: Aw!

The Presiding Officer: Order.

The next question is, that motion S3M-4004, in the name of John Swinney, on budget implications for Scotland, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (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)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Kidd, Bill (Glasgow) (SNP)
 Lamont, John (Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (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)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)

Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 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)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gordon, Charlie (Glasgow Cathcart) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Henry, Hugh (Paisley South) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kelly, James (Glasgow Rutherglen) (Lab)
 Kerr, Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (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)
 Park, John (Mid Scotland and Fife) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)
 Tolson, Jim (Dunfermline West) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

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)

The Presiding Officer: The result of the division is: For 64, Against 43, Abstentions 15.

Motion, as amended, agreed to,

That the Parliament expresses its deep concern at the contents of the Chancellor of the Exchequer's Budget last week; recognises that this is a product of poor financial management of the UK economy in recent years that will leave unprecedented burdens of debt for many years to come; acknowledges the significant pressure that the reduction of planned budgets of £500 million will have on public services; calls on the Scottish Government to bring forward budget proposals for 2010-11 that will support a sustainable economy and effective public services and include an assessment of the carbon impact of its budget; notes the research by the Centre for Public Policy for Regions (CPPR) that predicts that in real terms the Scottish Government Departmental Expenditure Limit (DEL) will be between £2.1 billion and £3.8 billion lower in 2013-14 than in 2009-10; further notes the comments of John McLaren of CPPR that "the prospects beyond 2013-14 are also not good and although positive real terms growth rates are likely to return, they are unlikely to be very large until UK net debt as a share of GDP falls, possibly not until the 2030s", and calls on the Scottish Government to prepare contingency plans on how such changes to the Scottish DEL will be managed.

The Presiding Officer: The next question is, that motion S3M-4022, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees that Rhoda Grant be appointed to replace Jackie Baillie on the Health and Sport Committee.

The Presiding Officer: The final question is, that motion S3M-4023, in the name of Bruce Crawford, on substitution on committees, be agreed to.

Motion agreed to,

That the Parliament agrees that Jackie Baillie be appointed to replace Johann Lamont as the Scottish Labour Party substitute on the Equal Opportunities Committee.

Private Residential Care Homes (Accountability)

The Deputy Presiding Officer (Alasdair Morgan): The final item of business is a members' business debate on motion S3M-3933, in the name of Jeremy Purvis, on private residential care homes accountability. The debate will be concluded without any question being put.

Motion debated,

That the Parliament recognises the vital support for vulnerable elderly people provided through well managed care homes in Scotland; notes the increase in the number of privately managed and financed residential care homes in the Scottish Borders and further notes the role of the Care Commission in ensuring that all care homes in the public and private sector are delivering a high standard of care; also notes that financial mismanagement of private sector homes operations has caused worrying disruption in care but considers that there are very limited statutory powers for the Care Commission and local authorities to scrutinise the financial capability and security of private care homes operations, and believes that it would be beneficial for there to be more regular financial accountability as there is for the standard of care.

17:12

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I am grateful to members who have supported my motion, which I lodged in advance of what I hope will not be a significant crisis—or, indeed, a crisis at all—in the residential care homes estate for older people in Scotland. The issue is the financial security of the network of care homes. Some care homes are displaying financial difficulties because of the recession or other factors and there have, increasingly, been changes in care home ownership throughout Scotland.

I do not wish to cause unjustified concerns, but I do not believe that there is no issue to be addressed. Cases in the Borders and in my area over the past year have caused concerns about the financial security and responsibility of some private sector care home operators. I know that there are also such concerns in East Lothian. That said, I know of outstanding private care homes that operate to the highest standards with the best management, and which are led very well.

I declare an interest in that I have a 98-year-old grandmother in a local authority-operated residential care home in the Borders. Such care homes are in the minority. In March 2008, there were 765 registered places for older people in residential care homes in the Borders, 448 of which were in the private sector, 207 were in local authority-operated care homes and 110 were in the voluntary sector. The proportion is higher in the Midlothian part of my constituency. Across Scotland there were, at that time, 942 care homes

for older people, 623—two thirds—of which were privately owned.

The trend is that the number of places in the private sector is growing, with a 19 per cent fall in local authority places. Overall, the trend is a reducing number of places, but that does not mask the fact that the number of places in the private sector is growing. Demographics suggest that there will be increasing demand.

My concern is not necessarily the quality of care per se, but the financial security of care home owners and the ability of the regulators—the Scottish Commission for the Regulation of Care or the local authorities that provide funding for places with contractors—to ensure that there is proper transparency in the operation of care homes, and particularly in the operation of private companies and their parent companies and in transactions within them.

Concerns have been expressed to me that some operators have a greater interest in a home's asset worth—in its bricks and mortar, the land that it is on and the developable value of that land—than they have in the value of the provision and the standard of care.

I know that our aim and priority is the provision of the best care. I do not have a view on the right way to provide it or on whether it should be provided by the private or voluntary sectors or by local authorities: indeed, a strong case can be made that a mixed profile is welcome. However, in that mixed profile, there is an imbalance in respect of scrutiny of financial aspects. Under the Regulation of Care (Scotland) Act 2001, the care commission is tasked with the regulation of care.

On financial supervision, regulation 16 of the Regulation of Care (Requirements as to Care Services) (Scotland) Regulations 2002 provides the statutory basis on which the care commission can scrutinise a private provider's financial aspects. The regulations require a private provider to provide the commission, on request,

"with such information ... as it may require in order to consider the financial viability of the care service".

That sounds reasonable—indeed it is, but the issue is not whether that power exists; the issue is the use of the power. It is certainly not used routinely or regularly and there is no policy that governs its operation. My understanding is that the power is activated if concerns arise about the standard of care that is being provided. For example, if a building's internal fabric is considerably below par or if there is concern about staffing arrangements in a home, that might give the care commission cause for concern about the home's financial aspects. However, that is different from examining the sustainability and viability of the company that owns the home.

There is an imbalance in the scrutiny of private homes and charitable homes. As I said, a minority of care homes are in the charitable sector, but it seems to me that the strongest requirement in relation to securing financial information from providers is in that sector. The Office of the Scottish Charity Regulator requires every charity to submit an annual return and accounts, as well as a trustee report that outlines what the charity has done over the year and how it has spent money, and highlighting any specific issues. That scrutiny is not about provision of the service—it is about the charity and its financial security. Any financial problems are brought proactively to OSCR's attention annually.

Such a power does not exist for the care commission. It can ask for up-to-date accounts from the owning business, but it does not do so regularly. Last year I had, as a result of several concerns, a meeting with Scottish Borders Council and East Lothian Council. The care commission had told me that it does not have sufficient capacity to regularly scrutinise the financial aspects of companies that own residential care homes. The practice seems to be that the care commission calls in such expertise on a reactive basis, either when there is a requirement under the legislation for an operating plan, or if concerns arise about the provision of care.

There is a template for a national care home model contract for local authorities, which is a good and welcome development. However, the situation with regard to contracts is patchy throughout Scotland and they have no statutory basis. The matter depends on what happens when a contract for the provision of care is signed. Councils have limited statutory ability to carry out on-going scrutiny of the financial security of the provision.

I do not have to remind members about the damage that is caused to elderly residents, many of whom are vulnerable, by the disruption that results from changes in the ownership of residential homes and the care that is provided. I regret that there have been too many cases in which disruptions in care have occurred as a result of financial issues. My concern, which I hope the minister will address, is that we put on a more equitable footing the scrutiny of the financial backing of residential care homes and the provisions on transparency and probity of the owners of homes, regardless of whether they are local authorities, charities or private companies. I hope that the minister will respond positively and that we can make progress on the issue.

17:20

Christine Grahame (South of Scotland) (SNP): Thanking the member who has secured a

members' business debate is often more a matter of protocol than anything else, but I genuinely congratulate Jeremy Purvis on bringing this matter before Parliament. Mr Purvis and I do not often congratulate each other, but I think that he made a very well-informed and researched speech that raised important issues not only for the Borders, but for Scotland in general.

In the Borders, about 24,000 people or 30 per cent of the population are of pensionable age. Recently there have been some good moves. In the Peebles area, in particular, £22.2 million of Government funding has been made available to replace Dunwhinny Lodge, which I have to say is a rather grim place. That is not because of the staff; the building is simply old and not fit for purpose. The money will be used to build high-support accommodation and to do up Tweed Bridge Court, which is right in the middle of Peebles and just needs a little bit of work done to it. Such accommodation provides the kind of mix that elderly people want; if they cannot stay in their own home, they want to live in semi-sheltered or extremely supported accommodation.

Jeremy Purvis is quite right: many such facilities are slap bang in the middle of great development opportunities. For example, the privately owned Cockenzie House, which is next door in the East Lothian constituency, was the subject of a campaign that turned out to be very distressing for family members, who wanted it to be retained. The building was in a prime location, and the battle was lost. The elderly people involved—and their families—were in great distress and faced a real crisis, because they had been told that they were going to be moved to various parts of Midlothian, Edinburgh and West Lothian, well away from their family, their friends, their community and the voices and accents that they knew and which kept them in good spirits. As we know, such things have consequences for the health, wellbeing and, indeed, longevity of elderly people.

It was a privilege to be an MSP when the Parliament passed the legislation that introduced what we call free personal care for the elderly, but which I know is not totally free. I notice that that legislation is under review by Lord Sutherland. I know that it is not part of his usual remit, but I wonder whether the Minister for Housing and Communities—and if not him, Ms Robison—can come back and explain to us what will happen as a result of that review. After all, given the demographic projections for Scotland, we face major funding issues that will need to be addressed; in that respect, I credit Susan Deacon for raising that very matter at the time. The legislation is right, but there are huge funding issues that need to be tackled.

I have not done the research that Jeremy Purvis has undertaken, but it is my understanding that, although the care commission does not routinely examine the financial viability of care homes, it looks into the matter before a care home is registered. Perhaps the minister can clarify that issue and tell us whether the care commission will look into the continuing viability of a care home if, as a result, say, of MSPs and councillors receiving certain information, there is any sign that something is going amiss.

What, if anything, can the Government do in the event of real crises such as that which arose at Cockenzie House? After all, by the time that local MSPs and councillors get involved, the matter has gone too far down the track for them to do very much and they find themselves simply firefighting. Is there a point at which provision can be made not only for elderly people, to ensure that they are not parcelled out all over the place, but for the staff, who are also distressed by what happens?

Another aspect of the debate is the cutting of services in sheltered accommodation. For example, Heinsberg House in Penicuik has lost its in-house warden and now has someone on call. However, what is happening is that the elderly person in the nearest flat is answering the front door, sometimes late at night. That is wrong. The same thing is happening in Galashiels, where sheltered complexes—

The Deputy Presiding Officer: The member is not only straying from the motion but is over her time. This might be an appropriate time for her to sit down.

Christine Grahame: You have been extremely good to me so far, Presiding Officer.

I very much welcome this debate. After all, we measure a society by how it cares for its vulnerable and elderly, and sometimes we do not do that very well.

17:24

Mary Scanlon (Highlands and Islands) (Con): I congratulate Jeremy Purvis on securing tonight's debate. I admit that I am not familiar with the specific case to which he refers, or with the local circumstances in the Borders; I am sure that the member will understand that. I am also unsure whether the problem that he highlights is a local one, limited to the Borders and East Lothian, or whether it is causing national concern. From the information that I have gleaned tonight, it is evident that the problem has not crossed my desk. For that reason, my comments will be general, rather than specific to the Borders.

There is no doubt but that financial mismanagement or irregularities must be taken

seriously, but surely that is the task of the appropriate authority. If there is an indication of foul play, mismanagement or fraud, the police should be involved. I appreciate the responsibilities of the care commission, but I am not sure that we should ask it to employ accountants and auditors to scrutinise the finances of private care homes.

Margo MacDonald (Lothians) (Ind): I appreciate the difficulty of introducing outside accountants to private businesses, but we are dealing with a very different sort of business. Besides the possibility of illegality in the management of funds, there is a huge possibility of undercapitalisation in homes. Someone must look at that issue, because people are involved.

Mary Scanlon: That is exactly my point; I want to concentrate on that aspect of the motion. However, we should not forget the role of the police and local authorities when allegations are made.

The point of most serious concern in Jeremy Purvis's motion is the "worrying disruption in care" that has been caused. Although any financial problems must be addressed, the number 1 priority must, as Margo MacDonald said, be the standard of care for the residents of our care homes. As Christine Grahame said, in the first session, with Margaret Smith at the helm of the Health and Community Care Committee, the Parliament passed the Community Care and Health (Scotland) Bill, which brought about the national care standards that were revised in 2007.

Today several issues relating to those standards and the regulation and inspection of care homes were raised in oral questions by John Farquhar Munro and Margo MacDonald. The questions related to palliative and end-of-life care, on which the findings are shocking. Fifty-four per cent of services have not trained their staff; 36 per cent of care homes have not assessed services to meet residents' palliative care needs; 43 per cent of care home providers and staff do not recognise that they should deliver palliative and end-of-life care; and 9 per cent of care homes do not even have a copy of the national practice statement. What has the care commission been doing for the past five years? How can care homes with shockingly poor standards—as a result of financial mismanagement or for other reasons—continue to provide care, at the expense of individuals and the taxpayer, with so little dignity and respect for the person?

As Jeremy Purvis said, all care homes should meet the same standards, regardless of whether they are run by councils, voluntary sector organisations, the Church of Scotland, other faith-based charities or private companies. It is the care commission's responsibility to ensure that that

happens. I am concerned that the commission is not rigorous enough in encouraging homes and other care providers to meet the standards.

I acknowledge the recent Government and media campaign to raise awareness of the issues. The campaign was much needed, given that only 15 per cent of people were aware of the national care standards. Last year, the care commission published a review entitled "Pressure for change", which confirmed that the commission found serious failings in the standards of care of every care home that it reviewed. However, enforcement notices were served on only 11 of the 62 care homes that were involved in the review. Recommendations may have been made to the rest, but we know that recommendations, unlike requirements and enforcement notices, can be ignored.

17:29

The Minister for Housing and Communities (Alex Neil): I, too, congratulate Jeremy Purvis on securing the debate. We have seen history in the making tonight, with Christine Grahame congratulating Jeremy Purvis in the chamber. I should explain that winding up this debate is not within my ministerial responsibility—I am standing in for Shona Robison, the Minister for Public Health and Sport, who is in Luxembourg dealing with urgent issues related to swine flu.

I do not think that Jeremy Purvis should be apologetic about raising the issue and considering the prevention of a major problem before it happens. Too often, the Government and the Parliament can be left reacting to problems after they have arisen. It is right for members to raise concerns about such possibilities—in this case, the possibility of financial problems in the care home sector—so that we can be absolutely sure that the Government and the Parliament are doing everything that they can to address the issues.

Given the ageing population and all the economic pressures on individuals—particularly those in old age—as well as the pressures on government budgets at national and local levels, it is important that we ensure that the appropriate financial standards are adhered to in our care homes. To develop the point that Margo MacDonald raised, we should ensure that care homes are properly capitalised before it is too late and people end up being moved as a result of a possible closure, caused by financial or other problems.

Margaret Smith (Edinburgh West) (LD): Given the devastating impact of home closures, would the minister agree that it should be acceptable for the care commission to be able to ask basic questions about whether an operator has any

impending financial difficulties in the forthcoming period, whether it be a year or two years, or about whether an operator foresees any changes that could lead to closure? I was going to use the analogy of the Financial Services Authority in relation to banks, but that is perhaps not the best example.

Alex Neil: The FSA has perhaps not always been the best at ensuring that such things do not happen. It might be useful if I spell out in some detail exactly what the powers of the care commission are in this regard. As Jeremy Purvis indicated, Scottish Borders Council uses the national care home contract for publicly funded residents. That contract does not currently have a specific clause in relation to financial viability, but it does have a specific clause relating to monitoring, and there are a number of general references to councils' rights to access information for contract monitoring purposes, which enables them to request financial information such as audited accounts.

However, when financial viability concerns are apparent, they are difficult to manage, as a home closure obviously means more distress for people. As far as statutory responsibilities are concerned, I should explain that the care commission has certain powers in relation to the financial aspect of care services, which are set out in regulation 16 of the Regulation of Care (Requirements as to Care Services) (Scotland) Regulations 2002. The care commission seeks information as part of the registration process. Any queries relating to the financial viability of a proposed service are taken up with the applicant. That provision is already there. Failure to provide adequate responses to any queries from the care commission is likely to result in refusal of the application to register. That applies at the registration stage.

Margo MacDonald: I wonder whether there is a record of how often that provision has been utilised.

Alex Neil: I do not have a ready-made one, but I am sure that Shona Robison will be happy to write to all members participating in the debate with a detailed reply to that question.

The issue is under discussion. On 24 March, the care commission's strategy and regulation committee considered the issue of financial viability. The committee discussed the implications for the care commission and service providers of extending responsibility to include an examination of on-going financial viability. It was agreed that the care commission needs to set out its responsibilities in a broader context in future. We anticipate that the commission will submit policy proposals to the Scottish Government with a request for endorsement in late May or early June.

Jeremy Purvis: I am extremely grateful for that information, which will be warmly welcomed. I understand that Alex Neil is not the minister with responsibility for the issue. Through his good offices, will he stress to the Minister for Public Health and Sport on her return my request that she meet me and councillors from East Lothian Council and Scottish Borders Council? Such a meeting might be part of the process of taking forward the information that the Government will receive from the care commission.

Alex Neil: I am sure that the minister will be happy to meet Jeremy Purvis and others to discuss the issues. It might be better to do so after we have received detailed proposals from the care commission.

I stress on the minister's behalf that although there are fairly stringent financial criteria in relation to registration, the potential weakness relates to homes' on-going financial stability and viability. That is the area on which we want to focus additional effort.

Mary Scanlon: On that point, throughout Scotland councils pay higher fees to council-run homes—sometimes £200 to £300 per person per week—than they do to homes in the independent and voluntary sector. Is that acceptable, given that all homes must achieve the same care standards?

Alex Neil: Although fees are related to financial viability, fees policy is not the subject of tonight's debate. However, Mary Scanlon raises a valid issue.

Our main concern in the debate is to ensure financial viability, with a view to preventing problems from arising. From what I have gathered in the brief time in which I have been studying the subject, it seems that there are two major potential causes of problems with financial viability, the first of which is a rundown in the number of people in the care home, whatever the reason for that. I suspect that there is a pretty close relationship between the quality of care and the number of people who use a particular care home. I know that that is the case in Lanarkshire and in other parts of Central Scotland. Secondly, I think that care homes in rural areas have a particular problem, for obvious reasons to do with access, because people want to be fairly near their families. Access problems can intensify problems with numbers and, potentially, intensify problems with financial viability.

Jeremy Purvis has raised a valid issue, which the Government, the care commission and the Convention of Scottish Local Authorities are actively considering. As I said, within the next few months we hope to receive proposals from the care commission, which will be considered in depth. I am sure that the minister will then be

happy to share in detail the outcome of that consideration with members who have a particular interest in the subject.

Meeting closed at 17:38.

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