

MEETING OF THE PARLIAMENT

Thursday 25 June 2009

Session 3

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Scottish Parliament

Thursday 25 June 2009

[THE PRESIDING OFFICER *opened the meeting at 09:00*]

Commission on Scottish Devolution (Report)

The Presiding Officer (Alex Fergusson):

Good morning. The first item of business is a debate on motion S3M-4490, in the name of Michael McMahon, on the Calman commission report. We have a little flexibility of time, so members should feel free to take interventions if they wish to do so. I will be able to add on time.

09:00

Iain Gray (East Lothian) (Lab): Ten years ago almost to the day, I had the privilege of being one of the 129 members of the new Scottish Parliament. Whatever happens—and a fair bit has happened in the intervening years—no one can take that moment from those of us who were there.

The argument for Scotland to have a greater degree of self-government within the United Kingdom is a political thread that, for Labour, has run from Keir Hardie through J P Mackintosh to Donald Dewar.

I am in no doubt about the purpose of the Scottish Parliament. Labour delivered it to be a powerful instrument of social progress, and so it has been. One of the great achievements of our first four years was to launch an assault on the systems of ownership of the land that we love, with the abolition of 1,000 years of the yoke of feudal tenure, the right for communities to buy and manage the land on which they live and work, and the right to roam across the land, which is a commonwealth for all. In only 10 years, the patterns of land ownership have begun to shift away from wealth, privilege and absenteeism towards community ownership and mutualism.

Our Parliament was delivered to bring politics closer to the people whom it governs, and so it has done. I remember a young woman telling a harrowing story 10 years ago at a voluntary sector conference. Her husband had been diagnosed with early-onset Alzheimer's and he was incapable of taking decisions with her about the family's finances, so the bank had frozen their joint bank account. Not only did she have to deal with the care of her husband in the face of that most tragic of diseases, but she could not access any of the family's resources. All that, because the laws that

governed such incapacity in Scotland were 400 years old.

Even worse, the new law that was required had been drafted 15 years earlier and was ready and waiting, but it had never been enacted because it was Scotland-only legislation and parliamentary time at Westminster had not been found for it. Jim Wallace and I took the Adults with Incapacity (Scotland) Act 2000 through the Parliament. The Parliament was able to say, "This is the first piece of major, substantive legislation we will pass." Scotland went from having the most obsolete incapacity legislation to the most modern incapacity legislation in Europe. The law is used by as many as 100,000 Scots every year, so pretty well every family in the country has benefited from it at some time.

We could say the same of our world-class homelessness legislation, the first smoking ban in the United Kingdom, and so it goes on. However, closeness means more than just responsiveness in legislation. The public gallery in the Parliament is never empty and surprisingly often it is full. I remember responding to a debate as Deputy Minister for Community Care on the shortage of British Sign Language trainers and hence of signers. I turned up to find hundreds of BSL users from all over Scotland who had come to watch the debate. A watched parliament may still boil sometimes, but at the very least it has to treat the people's issues seriously while they look on.

Devolution has demonstrated that it can carry visionary and historic legislation, that it can serve the people's interests, and that it can drive change in Scotland. The Calman report's authors said:

"devolution has been a remarkable success".

However, they also said:

"the present system also has shortcomings."

Indeed, our headlines sometimes reveal a Scotland that is lagging behind and not living up to its potential. In primary 5 mathematics and science, we are 20th and 22nd respectively in a league table of 36, and we are falling down the list. We are still the sick man of Europe; although we are getting healthier, we are doing so more slowly than is the case in comparable countries. We have more than twice as many drug-related deaths per head as any other European country has. In international reports we are sometimes called the most violent country in the world, with record levels of alcohol abuse, knife crime and murder. It is clear that there is still much to be done.

Calman's conclusion was that devolution is lop-sided. All the significant legislative powers that should properly have been devolved to Holyrood were devolved, but the Scotland Act 1998 provided limited devolution of fiscal power.

The Commission on Scottish Devolution represents a remarkable achievement, and I welcome Sir Kenneth Calman to the public gallery. The commission was cross-party and it was driven by the Scottish Parliament, against the will of its executive arm. It was also cross-Administration, with support from the UK Government, and it was cross-sector, with its members' mix of business, voluntary sector and political backgrounds. However, it delivered a unanimous report.

At a time when the people's trust in their politicians is as low as we have known it to be, the commission's recommendations are not about giving more power to members of the Scottish Parliament; they are about accountability and giving more power to the people who elect us. The Calman process was characterised by rigour, attention to evidence and the breadth of consensus that the commission commanded throughout the process.

To maintain that consensus and momentum, the steering group has quickly established itself and begun to discuss how to progress Calman's proposals. Only the Scottish Government stands aloof and alone, outside the consensus, in defiance of the will of the Parliament—the very body to which it is democratically accountable. We should not be surprised, given that whenever the heavy lifting on devolution is to be done, the Scottish National Party is always posted missing—from the Scottish Constitutional Convention onwards. I paraphrase a saying from that time: when it comes to Calman, the Scottish Government says no, but we are the Parliament of Scotland and we say yes.

The Calman process, with its rigour, substance and ability to reach out and build consensus, has simply underlined the emptiness of the vessel that is the national conversation, which has reached out only to the twilight world of the SNP's midnight bloggers. Consultation events are now just platforms for First Minister's speeches of notoriously stultifying length. The national conversation is not even a dialogue of the deaf; it is a monologue of the monotonous—[*Interruption.*]

The Presiding Officer: Order.

Iain Gray: The national conversation is a national embarrassment and the Scottish Government should put it out of its misery and stop wasting taxpayers' money on it.

From the sidelines, the SNP tries to pick and choose elements of Calman to suit itself. A nationalist party is squirming and spinning to avoid proposals that would give the Parliament greater fiscal powers. Perhaps that is because Calman looked carefully at the SNP's core proposal—that Scotland should build its future on oil—and found it to be simply foolish.

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): How did the Calman commission consider the Scottish National Party's central proposition, which is that Scotland should be an independent country, given that Sir Kenneth ruled that out at the first press conference that he gave on his appointment?

Iain Gray: Members of this Parliament know that the SNP's core proposal, in fiscal terms, is all about oil—

John Swinney: No, no, now come on—

The Presiding Officer: Order.

Iain Gray: Calman examined that in great detail and concluded that as oil income can veer wildly from £1 billion to £12 billion per annum in only months, the instability that such a basis would create in the Scottish economy would be an unsustainable risk. The fact is that if we sum all the oil revenues since 1980, they still do not reach one quarter of the funds that were made available last year to our two biggest banks to prevent their collapse. That shows the strength of devolution in the UK—it shares risk and economic instability across the bigger economic unit.

John Swinney: Is not Iain Gray just giving another example of the too poor, too wee and too stupid argument that has failed the Labour Party for 50 years and which is why it is in opposition in Scotland?

Iain Gray: There is no question but that Scotland could go forward as an independent country. The question is whether we would be better or worse off. The answer is clearly that we would be worse off.

Calman considered all that at great length and concluded that the fiscal arrangements for the Parliament must balance equity throughout the UK and accountability for spending decisions. That principle led the commission to its proposals on income tax, locational taxes and the power to create new ways of raising taxation. Having clear choices about taxation and expenditure for more than a third of our budget would mean a significant shift in accountability for the decisions that we take in the Parliament. Calman's proposals on income tax are linked to the welcome suggestion that the Scottish Government should have borrowing powers to manage our capital programme.

Calman's recommendations would not make politics in Holyrood easier, but they would make it better. Future Scottish Governments would be unable simply to slide by the question of how and to what degree Scots should be taxed. They would be unable to turn any criticism of their budget decisions into a complaint about the settlement that they receive from somewhere else.

Christopher Harvie (Mid Scotland and Fife) (SNP): Will the member take an intervention?

Iain Gray: I am sorry—I am in the last minute of my speech.

Calman's proposals would mean that when Scotland's economy performed well, we would benefit.

I began with a reference to our 10th birthday. Birthdays are not about how big a present we can extract from family and friends. Birthdays are about growing, taking more responsibility, finding our place in the world and giving more back.

"This is about who we are, how we carry ourselves."

Donald Dewar said that on the first day, and that is what Calman is about: greater responsibility and greater opportunity. The Parliament created the Calman commission and now the Parliament should take forward its recommendations.

I move,

That the Parliament warmly welcomes the Calman Commission on Scottish Devolution's report, *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century*, which is based firmly on evidence and engagement with the people of Scotland; thanks the chair and members of the commission for their work on behalf of the Parliament and the UK Government; agrees that the commission's report is a comprehensive response to the remit approved by the Parliament on 6 December 2007; welcomes the establishment of the steering group to take forward the report's recommendations to strengthen devolution and enable the Parliament, through new powers and responsibilities, to serve the people of Scotland better in the United Kingdom; calls on the Scottish Government to make fully available the resources of the Scottish administration to cooperate in this respect, and calls on the Scottish Parliamentary Corporate Body to continue to allocate appropriate resources and funding to enable the Parliament to support the work of the steering group and consider the recommendations that apply to the Parliament.

09:13

The Minister for Culture, External Affairs and the Constitution (Michael Russell): I will contextualise our debate not by going back a mere 10 years, as Iain Gray did, but by going back more than a century. In the past century, many twists and turns have occurred in the process—it is a process—of Scottish self-rule. In 1885, the office of the Secretary of State for Scotland was re-established. In 1888, at the Mid Lanark by-election, what was to become the Labour Party and its candidate, Keir Hardie, fought on a platform of home rule for Scotland. In the declaration of Perth in 1968, the Tories finally converted to some form of home rule. I pay tribute to the Liberals, too, who have a long and consistent record on the matter.

Each party has contributed, but I am in no doubt—the Parliament should be in no doubt—that

the petrol in the engine of change is the SNP. The pressure of the SNP has continued to drive forward the process—as then, and now, too. *[Interruption.]*

The Presiding Officer: Order.

Michael Russell: When self-government finally started to take place in 1997, it was not the result just of activity by the mainstream political parties. Iain Gray repeated the idea that Labour delivered devolution, but it was the choice of the Scottish people in a referendum.

Iain Gray rose—

Michael Russell: Allow me to make progress.

As we started with the Scottish people underlining what they wanted to do then, let us have the confidence to move forward and to ask the Scottish people what they want to do now.

We are marking 10 years of devolution. The Parliament has passed numerous pieces of landmark legislation, but neither it nor democracy is static; they must respond to changing times, attitudes and outlooks.

Iain Gray: I agree, as I have already said, that the Parliament has passed much landmark legislation. With the exception of the Climate Change (Scotland) Bill, which we finally got to yesterday, can Mr Russell point to any landmark legislation that his Government has passed in the past two years?

Michael Russell: Every piece of legislation that this Parliament—*[Laughter.]* I am sorry that the Labour members criticise themselves out of their own mouths. They have not wasted their time on the legislation for which they voted; we have all been working to improve Scotland.

I will refer to the role of the Climate Change (Scotland) Bill. It is interesting to note that no less a person than the Terminator himself—not Iain Gray, as was obvious from his speech, but Arnold Schwarzenegger—said last night:

"Scotland's ambitious and comprehensive targets"

in the Climate Change (Scotland) Bill

"encourage other nations to step up to the plate".

In everything that the Scottish Parliament does, it is an exemplar of change. The turmoil at Westminster shows how sensible we have been in making the Parliament an example to others, but we can continue to move forward.

I pay tribute to the members of the Calman commission. It may have had as many peers on it as are in Gordon Brown's Government, but it genuinely tried to examine the issues in Scotland and there are issues in its report on which we can agree. Indeed, I am happy to say that there is no

difficulty with ensuring that we make progress on three out of the four main areas of recommendation not in six months, in a year, or at an unspecified time when the consultative group gets round to it, but now. We can do things now: we can devolve responsibility for electoral administration, solve the problem of air-guns in Scotland and get drink-driving limits and speed limits right for Scotland. The Parliament also has it within its power to consider the issues with the way in which it conducts its business, and it is moving towards doing that. Those changes, too, can take place now. Clearly, other partners are involved in intergovernmental relations—the Welsh and Northern Irish have to be part of it—but I announce that I have asked my officials to start to draft amendments to the memorandum of understanding, which is not concluded yet, so that we can propose the Calman changes this summer. We are moving forward on each issue.

Iain Gray: Will the Scottish Government instruct its civil servants to co-operate with the UK Government in developing the work of the steering group and the Calman commission's proposals?

Michael Russell: The civil servants who work with me on such matters are never done working with officials in London on a range of issues, including the Calman proposals. When questions are asked about the cost of the national conversation, we have to factor in the considerable cost of working with, supporting and being kind to the Calman commission and ensuring that it was well guided on the realities of Scotland. We do that.

Only on one area is there substantive disagreement, which needs to be listened to. Calman's recommendations may appear to give Scotland more control over its finances, but the reality is very different from the appearance. On a superficial level and a deep level, Calman offers nothing to Scotland in fiscal terms. Indeed, it could actually make things worse in our fiscal activity.

Rhona Brankin (Midlothian) (Lab): Rubbish.

Michael Russell: I hear Rhona Brankin shouting as ever. I shall not miss that noise during the recess. Far from it. I hope that I do not start hallucinating about it.

I will examine criticism of Calman not from us—it is easy to criticise—but from Professor Drew Scott, Professor Ronald MacDonald, Professor Paul Hallwood, Professor Neil Kay, Professor Andrew Hughes Hallett, David Simpson, Professor Rod Cross and Professor Farhad Noorbakhsh, who signed a letter to *The Scotsman* last week. They said:

"The Calman Commission proposals will do little to enhance the ability of a Scottish government to introduce measures necessary to improve Scotland's underlying

economic growth rate, or to balance the Scottish economy through good times and bad. The degree of accountability is illusory, especially since so much of the spending will be underpinned by the Barnett block grant."

There is an answer to the question of fiscal responsibility in this Parliament.

Robert Brown (Glasgow) (LD): Is the minister's answer the Crown dependency idea that was put forward by his colleague Kenny Gibson in motion S3M-4447, which seems to be the new SNP idea of where Scotland's future will lie?

Michael Russell: I am a great supporter of my colleague Kenny Gibson, but I do not consult him on Crown dependencies, alas. I am sure that Kenny Gibson, when pressed, will talk about that issue.

Let me tell the Parliament what the Scottish Government is thinking. The Scottish Government's paper on fiscal autonomy, which was published in February, made a strong, coherent case for Scotland's having full control of its own finances. That case has been supported previously by members of the Liberal party, the Conservative party and the Labour Party. It is the only coherent way forward for responsibility for the Parliament, and the fact that Calman refused to recommend it says much more about Calman's inability to think outside the box than it does about what Scotland actually needs.

We are fully prepared to move forward on the things that we can do, and we will do. However, on the things on which there is substantial disagreement, we must debate what Scotland needs, rather than what the Labour Party wants, because those two things rarely, if ever, go together.

Let me say a final word about the real process of discussion that Scotland needs. I welcome what Calman has contributed, but it is not enough. We can move forward with some, but not all, of what it has contributed. However, the real energy in the debate comes not from Calman but from the people of Scotland, who over the past year have contributed to the national conversation and attended repeated meetings throughout Scotland.

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

Michael Russell: No. I am sorry.

Rhona Brankin: Will the minister give way?

Michael Russell: No. I am sorry. I have invited Rhona Brankin to attend a national conversation meeting, and I will not take an intervention from her on this matter until she comes to one. There is a challenge for her. I look forward to that debate; I am sure that we will be able to sell tickets for it.

The amendment in my name provides the opportunity for the Parliament really to move forward, not to juggle ideas and semantics. If the Parliament is keen on the Calman recommendations—those that can be implemented—we can implement them now. My amendment allows the Parliament to do so.

I hope that it is not narrow party advantage but, genuinely, the national interest that drives Iain Gray. If he and his colleagues want to vote in the national interest, they should vote for the amendment in my name. At the end of the day, we will know whether Iain Gray, the Tories and the Liberals really want change, or whether they want to pretend about change. The real history in Scotland is that change is driven by people and by the SNP. It will be the same again on this occasion.

I move amendment S3M-4990.1, to leave out from the first “Parliament” to end and insert:

“welcomes the constitutional debate in Scotland; notes the Calman Commission on Scottish Devolution’s report, *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century*, and puts forward a plan for implementation that (a) urges the UK Government to work with the Scottish Government to implement now those recommendations for additional powers that have attracted consensus by devolving electoral administration (5.1), airguns (5.13), licensing of controlled substances for treating addictions (5.14), drink-driving limits (5.15) and national speed limits (5.16), (b) calls on the Parliamentary Bureau to consider the recommendations that apply to the procedures of the Parliament, (c) further calls on the Scottish Government to work with other devolved administrations and the UK Government to take forward recommendations on the relationships between the respective governments, and (d) calls for continued debate towards a decision by the Scottish people on the merits of the Calman Commission on Scottish Devolution’s financial proposals in contrast to those that would offer real financial independence for Scotland.”

09:23

Annabel Goldie (West of Scotland) (Con): If the petrol in the engine of change is the SNP, bring on the post-carbon economy with all haste. Let the Climate Change (Scotland) Bill, which we passed yesterday, be implemented as soon as possible.

I thank Sir Kenneth Calman, his fellow commissioners and the secretariat to the Commission on Scottish Devolution for all their hard work.

In the 18 months between the Parliament voting to create the commission and the publication of the report earlier this month, the commission has engaged widely with Scots in all walks of life and all parts of the country. Many submissions were received, and witnesses gave evidence on a range of issues. I was pleased to give the commission my views when it took evidence from MSPs. David

Cameron, George Osborne, Philip Hammond and David Mundell all took part in the process. I am sure that members throughout the chamber will concede that a great deal of work has gone into the report.

The commission’s work was a real national conversation, unlike the sham spectacle of the SNP’s so-called national conversation, which was a series of public relations stunts designed to further inflate the ego of Mr Salmond, if such a thing were possible.

Michael Russell: Will the member give way?

Annabel Goldie: Not at the moment. I am just about to refer to Mr Russell.

The national conversation was also designed as a forum to intensify the decibel levels of Mr Russell’s orations—again, if such a thing were possible.

Michael Russell: I say to Annabel Goldie—very quietly and gently—that she is very welcome to attend a national conversation event. I am sure that she would draw more people than I do.

Annabel Goldie: The national conversation speaks for its limited and self-serving self. It can best be described as an SNP internal chit-chat forum. The contrast between the work of the commission and the national conversation could not be clearer. The report stands witness to the scale of the task that the commission undertook.

In this short debate, the Parliament cannot be expected to reach a consensus view on the merits, or otherwise, of every proposal in the report. Indeed, it would do a disservice to the work of the commission if any member did anything other than give serious and thoughtful consideration to the report—consideration that will, inevitably, take time. We all must take that time to get things right.

Along with my colleagues at Westminster, I will listen very carefully to what my party has to say. It is right that a mechanism such as the steering group is set up to give the unionist parties a forum in which to continue to engage. However, the steering group can steer only when the parties to it have reached a settled position, without which it cannot, of course, deliver anything at all.

John Swinney: I am interested in the point about the issues needing time and careful consideration. There are a number of issues in Mr Russell’s amendment upon which there is absolutely no disagreement among any of the political parties in terms of the powers that could be devolved to the Scottish Parliament. What is the obstacle to that happening?

Annabel Goldie: As I have made clear in my remarks to date, the process upon which we are embarking, post publication of the report, is hugely

significant and must not be rushed. We must get this right.

I welcome the report, but I will not accept uncritically the Calman recommendations. I will give thorough reflection to the detail of the proposals. That said, I will not reject out of hand proposals over which the commission—whose remit was endorsed overwhelmingly by this Parliament—spent months deliberating. In our 2007 manifesto, the Conservatives acknowledged the need for a debate on devolution powers and funding. I repeat what I said earlier: I want our response to the Calman recommendations to be right, not rushed. Whatever we do to the devolved settlement must be built to last; it must be a secure legacy from this generation of MSPs to future generations of Scots.

I am a committed unionist. I will do nothing to put at risk a partnership that has served our nation well for centuries. That is the agenda of another party. However, as we recognised in 2007, when we voted to establish the commission, devolution was at a crossroads. At that time, we asked a simple question: is the current arrangement incapable of improvement? I believe the answer to that question was no. For instance, I believe that devolution has been done a disservice by the lack of mutual respect between Governments and Parliaments. We need to see a vast improvement in that area.

The answer that flows from the simple question “Can things be improved?” is fundamental for those of us who are unionists. Is the best way of securing Scotland’s continued place in the United Kingdom to reject all change? I am clear that the answer to that is no. Rejecting any and all change would be to play into the hands of the separatists and to stoke the fires of resentment that the SNP Government has been busy igniting over the past two years.

Given my strong and unwavering commitment to the union, let me make it clear that supporting the creation of the commission was not a decision that I entered into lightly. I believed it to be—I still believe it to be—the best way of progressing the unfinished business of building a stable devolved settlement that will secure Scotland’s place in the union.

As the *Daily Telegraph* noted on the Calman report:

“The timid will warn that this could weaken the Union, but why should it? Separatist tendencies are more likely to flourish if Scotland continues to have a client relationship with Whitehall”.

Commitment to the union is not measured by hostility to devolution any more than Scottishness is measured by support for separation. I am British and Scottish and proud to be both. An

overwhelming majority of people inside and outside the Parliament believe in devolution, not separation. We do so because we believe it to be in Scotland’s best interests that we remain part of a greater whole, and because we believe that Scotland’s distinct needs and desires can be accommodated within a union that has evolved over centuries, at the core of which is a recognition that we have much to gain in working together.

Supporting the unionist motion tonight will be a sign of self-confidence, not a sign of weakness, on the part of the unionist parties. It will be a signal that we have the courage to consider change and that far from wanting to weaken the union, we share a common aspiration to strengthen it. I remind the Parliament of the central remit of the Calman commission, which is to

“continue to secure the position of Scotland within the United Kingdom.”

That is the acid test that will underpin all the deliberations of my party.

09:31

Tavish Scott (Shetland) (LD): I am no unionist—I believe in a federal United Kingdom and a federal solution to the needs of this country. After listening to this morning’s performances, my view that there is a need for such a fundamental change to the whole of the country has not changed; indeed, it has been enhanced. Mr Gray mentioned that the public galleries in the Parliament are not often full. Gosh, it is just as well, given that what we had from the leader of the Labour Party in Scotland and from Mike Russell were speeches aimed at the members of their own parties rather than at the country. If ever there were an issue that should be about the country, it is the one that we are discussing this morning—that is what we should be trying to achieve.

I congratulate Kenneth Calman and his commissioners on their work, and those who supported them in that work; I also congratulate them on putting up with some of the observations that I made.

As a party, we have been in favour of home rule for more than 100 years. We recognise that the Scotland Act 1998 was not the final word and that more could be done to build home rule for Scotland. As Liberal Democrats, we argue for change and for a different approach. That is why we pushed forward the Scottish Constitutional Convention as it delivered the Parliament and why we built support for Calman’s 10-year review of where Scotland is and where we should travel to. The Steel commission, chaired by a former Presiding Officer, did groundbreaking work that set the agenda and created a dynamic for change. I

would argue strongly that the cutting edge of change on the Calman commission has been provided by my colleague Jim Wallace.

Calman's proposals will have a real impact. On jobs and the economy, Calman points the way forward on, for example, how to pay for the new Forth bridge. We all remember the SNP Government's statement of last December, which implied that it had an agreed approach to the funding of the Forth bridge, but it turned out that it had not. On 4 March, the UK Government announced that it had come up with a £1 billion package to pay for the bridge, but it had not. Calman means that the age of announcement without money is over—and not a moment too soon. The powers proposed in his report will provide the opportunity to get on and get building.

This week, the Parliament passed the Climate Change (Scotland) Bill to cut greenhouse gas emissions. Calman opens the door to radical thinking on how to link that legislation with measures that can make the new law do something. An action plan is one thing; an action plan strengthened by a progressive tax regime is better still.

On social justice, the Calman proposals mean that a fair replacement for the council tax could go ahead. We have still not had the full inquest into the mysterious and sudden death of the SNP's proposals for a local income tax on 11 February, but the fingerprints—in the form of opposition from the UK Government and disengagement by Her Majesty's Revenue and Customs—seem to be all over the body.

Calman changes all that. It can give the Scottish ministers and the Scottish Parliament a direct route to using the tax man. It gives us the chance to bring in a fairer system of local tax, thus avoiding the SNP's approach so far, which has been to allocate £500 million to freeze the council tax, even though the biggest benefit has gone to the richest people living in the biggest houses.

David McLetchie (Edinburgh Pentlands) (Con): Stop talking about yourself.

Tavish Scott: That is a cheap one.

Calman continues the process of ensuring that this Parliament has responsibility for both sides of the balance sheet. That is a theme, a principle and a practice that we should use wisely for the people whom we serve.

I am pleased that the leaders of the Labour and Conservative parties here and at Westminster have agreed to form a delivery group, but it must be about implementing Calman. The old establishment politics of Westminster—which fool no one, alienate yet more of the public across the

UK and fail utterly to recognise the desire for something different—have no place here.

John Swinney: Mr Scott made a point about the importance of implementing the Calman commission's recommendations. Will he comment on the point that I raised with Annabel Goldie, which was that there are issues in Mr Russell's amendment on which I understand there is no disagreement among the political parties in this Parliament? Why cannot we press ahead with the implementation of the agreed provisions right now?

Tavish Scott: I am all in favour of pressing ahead on agreed areas "right now", to use Mr Swinney's words. However, as he knows as a minister of the Scottish Government—indeed, he makes this point regularly in the chamber—a minister cannot always do things "right now". If he sets out a timescale and is prepared to work with the steering group to deliver the aspects of the Calman proposals on which there is agreement, I will be more than happy to see him there. I hope that the SNP will play a full and constructive role in exactly that process. On that, I am sure that Mr Swinney and I could agree.

We need a strengthened Scottish Parliament within the UK—that is what all the parties have to want to deliver. I warn those who prevaricate, dither and dream of long grass: it will not wash. I listened carefully to the qualifications that Annabel Goldie issued. I say to her that either this reform gets done or she will be run over by the people's impatience with tired old establishment politics.

The opportunity and appetite for stronger devolution with more powers for our Parliament is with us. When the Calman commission was founded, the Scottish Government said that it would not get anywhere and it would not propose radical change, but it has. The SNP amendment shows its commitment to get involved—that is good, but let us see it in action now. The proposed changes require legislation and new rules at Westminster and Holyrood. The Scottish Government should give its political support and release the practical expertise of its civil servants to assist in the process.

Now is the moment for those in the Government who want to see more powers for this Parliament to be part of the plans. I cannot conceive why any nationalist can be against change and reform that strengthens this Parliament's accountability. The SNP cannot pick and choose: being against change is not an option for the SNP or for any others. Let us get this done and move the country further forward towards a stronger home-rule Parliament that is a stronger Parliament within the UK, a Parliament with a purpose and a Parliament with powers for a purpose.

The Presiding Officer: We come to open debate. As I indicated earlier, I have a little flexibility, but speeches should be around six minutes.

09:37

Ms Wendy Alexander (Paisley North) (Lab): Like other front-bench speakers, I will begin with history. However, let me propose a slightly less partisan view of Scotland's future than that which we heard from the SNP seats.

When it comes to constitutional reform, Scots like their politicians to co-operate. From the national covenant in the immediate post-war years to the Kilbrandon commission in the 1970s, the constitutional convention in the 1990s and the Calman commission today, Scots have wanted consensus solutions when it comes to the constitution and have distrusted political parties that try to ram their pet constitutional schemes down Scotland's throat. It is a lesson that Labour learned the hard way in the late 1970s, and we all paid the price in the 1979 referendum; it is a lesson that the Conservatives relearned in the mid-1990s when they tried to stand against the tide of change and the national groundswell for a Parliament; and it is a lesson that the SNP still has to learn, because it is always looking for a me-myself-I solution.

Michael Russell: Can the member relate that thesis to, for example, how the results of the European elections turned out in Scotland? It does not seem to be an exact match, by any manner of means.

Ms Alexander: My point is that, when it comes to constitutional change, Scots want consensus and do not want to be railroaded into the views of any one political party.

The SNP is always looking for a me-myself-I solution. That was true when it stood apart from the Scottish Constitutional Convention; it was true last year when it stood apart from the Calman commission; and it was true again yesterday when it stood apart from joining the Calman steering group.

The SNP's me-myself-I attitude is at the heart of the problem with the SNP amendment. I draw members' attention to the small print of that amendment. If we accepted it, we would carve this Parliament—the Parliament that gave birth to Calman—out of any further role in amending its own powers, in improving relations with Westminster, or in implementing the new financial powers. We, this Parliament, would be relegated to simply fixing our own procedures.

I therefore urge all members to ponder the implications of the SNP's amendment, especially

in relation to financial powers. The amendment calls on us to hand over all negotiations to a Scottish Government that does not even believe in the proposed powers. Just today, we have heard from Mike Russell that he believes that the Calman financial proposals could "make things worse". Well, thanks but no thanks. I do not want those who rubbish the plans to be charged with delivering the most radical shake-up in Scotland's finances for a century. What will they say to the Whitehall warriors or the Treasury die-hards—the officials who fear that Calman is the thin end of the wedge, weakening the Treasury's grip on Whitehall? They might say, "Look, guys. We don't believe in these plans either. We think they'll make things worse—but we'd like to have them anyway." I have been there, negotiating for financial powers for Scotland with Her Majesty's Treasury; if one takes a sceptical, half-hearted and partisan approach, it simply does not work.

Alasdair Allan (Western Isles) (SNP): The Treasury and Whitehall mandarins, whom the member so demonises, are accountable to Labour ministers. Do Labour ministers share the scepticism of which she speaks about Scottish autonomy?

Ms Alexander: No, they certainly do not. However, the point that I am trying to make is that delivering Calman will not come from one party trying to trump another. Delivering Calman will come from building more consensus, not from fomenting domestic division; and the building of the consensus necessary to deliver Calman can come only from this Parliament—a Parliament that was itself brought into being through cross-party co-operation and one that is given legitimacy by an electoral system that reflects all shades of opinion. Parliament must be confident enough to embrace the evidence of its fellow countrymen, as captured by the Calman commission.

Calman is not about embracing what Mike Russell so derisively claimed was just "what the Labour Party wants". That was a typically calculated insult. It not only dismisses the commissioners of all parties and none but turns its face against the expert financial group on which the finest minds that Scotland could offer were dedicated to the problem. Instead of choosing those plans, Mike Russell chooses to focus on the single dissenting voice in the expert group. To die in a ditch for a single dissenting voice, and to stand against the consensus of everyone else, is simply not in the nation's interests.

If we agree to the motion, Parliament can choose to become Calman's champion. We will lay down a marker that this is the place that brought Calman into being and that this is the place that will uphold Calman's conclusions. We are the best hope for Calman, and we will fight for

that vision. We cannot agree to an amendment that would mean that this Parliament was pushed sideways, marginalised and forced out of the debate on the realisation of its own future.

We, here, need to be at the heart of the next steps. We are the key to keeping the cross-party consensual approach alive and to delivering what Scotland wants—which is the lesson of constitutional change in this country.

09:44

Ian McKee (Lothians) (SNP): Well, well, well. What a pathetic sight we have before us today. The three unionist parties—sworn enemies of one another—are huddling together for warmth, sheltered only by the thin blanket of Calman against the storm of support for self-determination that is beginning to rage outside. Let me tell them that their shelter will soon be swept away.

We need look only at the track record of the three parties. As recently as 2007, Labour was arguing against the need for any further alteration to the devolution settlement. Presumably it agreed with the view of the former Labour secretary of state that devolution had killed the demand for independence “stone dead”. However, it is now enthusiastically welcoming the transfer of further powers to Scotland.

Moreover, only a few years ago, the Conservatives were strident opponents of devolution—and yet here they are, supporting Calman with an enthusiasm that has caused the ghost of Michael Forsyth to reappear and rattle his chains at them.

We should above all spare a thought for the poor bewildered Liberal Democrats. Throughout the years, the poor lambs have argued for a federal UK, but they have been lured into supporting a commission that has been actively instructed not to consider such an option. How foolish they must feel now.

We should also consider Lord Foulkes, who, when the commission visited London, took time out of his second job—or is it his first?—to argue for an English Parliament, which is another subject that Calman is not allowed to consider. Meanwhile, Helen Eadie has argued bravely against fellow party members, MEPs David Martin and Catherine Stihler, in favour of Scotland being given the power to carry out separate negotiations with the European Union. That subject is also out of bounds to Calman. Of course, we could have a constitutional settlement that would allow separate negotiations and the creation of an English Parliament—if only Helen Eadie and Lord Foulkes would support it.

In fact, that whole subject of what the Calman commission has not been allowed to consider is very apposite to this debate. Having been denied the chance to investigate the options of independence and federation, it has had to ignore not just one elephant in the room but a whole herd.

As for the commission’s recommendations, we welcome the few morsels that it has tossed our way, such as the control over speed limits, air weapons and our elections.

Kenneth Gibson (Cunninghame North) (SNP): Ooh.

Ian McKee: As all of us—except, perhaps, Mr Gibson—agree on the need for such powers, surely we can arrange for these transfers as soon as possible.

However, the need above all else to preserve the UK’s integrity means that no power of any importance will be transferred to Holyrood. Indeed, the income tax proposals are worse than useless—they are dangerous.

Robert Brown: A major part of the Calman report is its emphasis on the value of the UK. In the context of this debate, does Dr McKee believe that the UK has any value?

Ian McKee: Yes. Although I do not believe in the political union of these islands, I believe totally in their social union. Indeed, the Scottish National Party has said nothing against that most important union.

As Professor Andrew Hughes Hallett warned the commission in his evidence on what he termed the west London question, it is wrong to make a Government rely on income tax revenue when, apart from having the ability simply to adjust the rate, it does not control the economic levers necessary to influence how much it will bring in. The Secretary of State for Scotland, among others, has already claimed that after years of union the Scottish economy is so debilitated that, to survive, it has to be linked to the economy of the rest of the UK. If this mismanagement of our affairs continues—and why should it not under the union?—a further deterioration such as that forecast by Professor Brian Ashcroft will result in more unemployment, lower incomes and less income tax revenue at the very time we need to maintain public expenditure.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): Does Dr McKee not accept that the Calman commission’s income tax proposals will allow the Parliament to invest more in ensuring that the growth of the Scottish economy is the key priority?

Ian McKee: No. It is one thing to set the rate of income tax, but the amount of income tax that

comes into the country depends on decisions that are made outwith the Scottish Parliament and over which we have no control. Under the Calman proposals, we will not have any ability to borrow for revenue expenditure, which will leave us with a huge deficit and result in less investment in hospitals and schools.

Jeremy Purvis: Will the member give way?

Ian McKee: No, I need to make progress. If I had 12 minutes, I would be happy to take every intervention.

Let us be certain that the UK economy and Scotland's part in it has been grossly mismanaged. Opposition members point gleefully to the Irish economy as a warning of the dangers of independence, but I have to tell them that the rest of the world regards the UK as a real economic basket-case. Indeed, our currency and credit rating have both been downgraded. Our fiscal deficit as a result of the downturn might be broadly in line with that of other countries, but we have an enormous trade deficit and the worst level of personal indebtedness in the western world. In the UK, that figure is 180 per cent of total income, compared with 140 per cent in the United States and 100 per cent in Germany. Take all those together and we have a recipe for forthcoming economic disaster.

There are several reasons why that scenario has come about, but Calman puts his finger on one disaster that affects Scotland in particular. He says:

"Established economic theory suggests that, in order to achieve intergenerational equity",

some gas and oil revenue should be invested for the future. He then remarks that the way in which "successive UK Governments" have used such revenues has been "controversial". That is "Yes Minister"-speak for "extremely foolish". If Scotland had had control over its economy and followed Norway's example, we would now be investors in the International Monetary Fund rather than approaching that organisation with a begging bowl.

Calman has failed to respond to the true needs of Scotland. It never could, but the mere existence of the commission's report is a milestone on the road to independence and, as that, we should welcome it.

09:50

John Park (Mid Scotland and Fife) (Lab): I warmly welcome the opportunity to participate in the debate. I am a strong supporter of devolution and, like many others in the chamber, I campaigned for the establishment of this Scottish Parliament. I was part of a trade union campaign

to secure a yes-yes vote in 1997. Wendy Alexander touched on that this morning when she said that that cross-party approach to a wider campaign achieved a great result and showed that, in the main, political parties can put aside their differences when it matters.

I was immensely proud when the Parliament was reconvened in 1999. I was fortunate to be asked to give oral evidence early in that first session and see at first hand how the Parliament was working. Such public and personal milestones will be similar to those experienced by hundreds throughout Scotland, but they would not have been realised without devolution or without our building a Parliament that is accessible as an institution as well as in many other ways.

Before I entered Parliament, I worked for the Scottish Trades Union Congress, so I engaged with MSPs, parliamentary staff, Government officials and ministers on a regular basis. I could see at first hand that as the Parliament developed there were areas in which people would feel that it was right for the Parliament to consider the relevance of increasing its powers. For me, today's debate is about recognising the progress made in the past 10 years—and few would deny that we have made progress. Iain Gray touched on that subject this morning when he said that Scotland has led the way on issues such as free personal care.

Margaret Mitchell (Central Scotland) (Con):

Does the member acknowledge that the publication of the Calman report in the Parliament's 10th anniversary year is a happy coincidence and that, in fact, the commission was established in 2007 as a knee-jerk reaction to a minority SNP Government?

John Park: I apologise to Ms Mitchell—I did not hear her intervention because the speaker on my desk did not work.

Today's debate is also about recognising the excellent work undertaken by the Calman commission. It has impressed many people across the political spectrum and commentators in the media. It was summed up nicely by Iain Macwhirter in the *Sunday Herald* when he said:

"This is not only a serious and scholarly piece of work, it is also a model of clarity".

Not many reports or publications in recent times have had such praise.

Like Annabel Goldie, I am convinced now more than ever that people are not persuaded by independence but desire increased fiscal autonomy and want more powers to come to Scotland. Unlike some in this chamber, the vast majority of Scots do not believe that independence is the answer to all our ills.

I need only look around my constituency to see why people are not falling over each other to support independence and why devolution is popular. Devolution does not put thousands of defence jobs at risk at Rosyth and on the Clyde. Devolution is the best of both worlds for those workers because it provides 50,000 high-quality defence and aerospace jobs throughout Scotland. Scotland is able to benefit from allocated Ministry of Defence work while, at the same time, we can use our powers over economic development and our skills to maximise Scotland's capacity to deliver those huge projects. We have powers to contribute to those skills and infrastructure because of devolution and our place in the United Kingdom.

Even now in the current settlement, there appears to be a mental block in the Scottish Government with regard to defence-related employment, with little or no mention of the sector in the Scottish Government's economic strategy.

While we are on the subject of that strategy, when I was having flick through it again recently—as I do when I try to get to sleep at night—I noticed that the Scottish Government argues for greater devolution of employment policy. It says:

“further devolution of employment policy would improve accountability and provide greater coherence between economic and employment policy, allowing the balance between workers rights, the level of minimum wage and the need for a flexible workforce to reflect Scottish labour market conditions.”

If the Scottish Government believes in further devolution in those areas, why has it not made any attempt to put forward the case as part of the process? I cannot recall the Scottish Government making arguments on those issues in the chamber.

On reflection, I am pleased that the Government has not done so. Sir George Mathewson, the First Minister's chief economic adviser, described UK employment law as “frightening” and the associated red tape as “horrific” when he gave evidence to the Parliament's Economy, Energy and Tourism Committee, so I wonder what economic policy and direction the SNP would argue for. What balance would the SNP desire between workers' rights, the level of the minimum wage and a flexible workforce? What would that look like? Judging from the views of Sir George Mathewson, it does not sound pretty, and it is certainly not the long-term, high-quality approach that we need to take for economic development in Scotland in the 21st century.

I believe that devolution has been a success, although the process has had its challenges. The commission's first conclusion,

“that devolution has been a remarkable success”

and a sustainable one, is a view that I hope everyone here in the chamber can share—and not just everyone in here, but the majority of Scots too.

Although we have our political differences, I am disappointed that the Scottish Government is reluctant to take up the offer of being on the steering group. I am particularly supportive of greater co-operation between Parliaments, which is one of the commission's key recommendations. As parliamentarians, we all have responsibility—and I would argue that we have a greater responsibility now more than ever—to make what we do here and what is done at Westminster increasingly relevant.

Despite the occasional showboating and spin-driven demands from the Scottish Government, I believe that interaction between the Governments has been very constructive. It has needed to be, because of the recent challenges that we have faced on a UK basis, which have had Scottish implications. Swine flu is the most recent example, but there was also the bombing at Glasgow airport a couple of years ago.

Similar dialogue between Parliaments is a welcome recommendation, and I believe that it would strengthen democracy, lead us to greater accountability and enhance devolution. That is what will make a difference to Scots, and it will make a difference here in the Scottish Parliament—it will bring the Scottish Parliament closer to the Scottish people. That is why I am pleased to support the motion.

09:57

Linda Fabiani (Central Scotland) (SNP): There are a couple of things that I wish to make clear at the start. First, no party in this land reconvened this Parliament; it was Scotland's people who did it, and it is Scotland's people who will deliver further for this nation. Secondly, I want to make clear the reality of where we are today in relation to funding. With minor exceptions, the Scottish Parliament is just another department of the UK Government for the purposes of funding. Strangely, the role of arguing for a fair share for Scotland rests with the Secretary of State for Scotland rather than with the Scottish ministers. After all, the secretary of state is the only one who sits at the Westminster Cabinet table.

One of the minor exceptions was that the Parliament was to be responsible for local taxation. However, now that we have a Scottish Government that wishes to exercise that responsibility—by abolishing the discredited council tax—the resources to deliver such a change have been redefined as no longer being in the Scottish block. Effectively, Westminster

removed that devolved power, telling this Parliament, "If you reform local taxation to lift poorer people out of the tax net, we will remove the benefits from Scotland's poor—but continue to subsidise a regressive local tax in other parts of the UK".

Given time, I could go on to cover the examples of free personal care, student grants and housing benefit, all of which have been debated at length in this chamber. I am sure that members have seen a pattern emerging over the past 10 years. As has been said,

"Power devolved is power retained."

After 10 years, we now know how that retention is exercised: it is through the control of finance.

Calman is offering more of the same: devolution in theory; Westminster control in practice. Calman's proposal is to forget the 3p optional Scottish income tax and to adopt an obligatory 10p Scottish income tax. That tax is obligatory, as it is hedged about with conditions and hard-wired to policy decisions that still lie with Westminster. To do other than apply the 10p tax would be to risk the sort of quagmire of negotiation with the UK Treasury from which this Parliament and Scotland have already suffered the consequences. The inflexibility of the proposed arrangement is its biggest drawback—proof of Powell's adage that power devolved is power retained.

Jeremy Purvis: Will the member give way?

Linda Fabiani: No.

There is no scope for altering the balance between the upper and lower rates and for changing allowance rates—it is yet another regressive tax to be foisted on the Parliament.

Calman moots further borrowing powers. Although those powers may be welcome, the fact that he has designated Jim Murphy as the only banker in town severely undermines their value. Without effective borrowing powers, the Parliament would be taking a significant risk in varying levels of taxation. As Professors Andrew Hughes Hallett and Drew Scott have argued, the Calman proposals would result in financial instability. Because of overreliance on one taxation stream and the inability to borrow to smooth variations in income, the Scottish Government could be forced to cut costs or raise taxes during a downturn, thus inflicting even further damage on the Scottish economy. The combination of Calman's tax and borrowing proposals could result in the Scottish Government having to make in-year alterations to budgets as income tax projections varied. The problem with Calman is the problem with devolution—a lack of balance.

To operate financial powers effectively, it may be necessary to make a series of adjustments to achieve our objective. That is real responsibility and control. Whether by accident or design—I will leave members to work out for themselves which it is—Calman would leave the Scottish Government accountable to its electorate for decisions forced on it by Westminster's continued control of the Parliament's finances. Calman proposes that we should get responsibility with no control, while Westminster retains control with no accountability.

Jeremy Purvis: I hear the case that the member makes—that the Parliament should have total control of all levers of the Scottish economy—but it is the SNP's policy that, on independence, the Bank of England should continue to set interest rates for an independent Scottish currency, before Scotland adopts the euro, for which the European Central Bank controls interest rates. Surely, in the global economy in which we operate, co-operation is inevitable in some areas.

Linda Fabiani: I have often found that, when the Opposition has to listen to the truth, it reverts to its tired old arguments. All Governments and Parliaments should be accountable to their electorate. When the Scottish people decide that Scotland will be independent, the independent Government in Scotland will be accountable to its electorate for all the decisions that are taken in this independent country. That is why the SNP's amendment calls for continued debate, why decisions on matters as important as the Calman proposals should be taken by the Scottish people, and why those who care about the future of Scotland should vote for the SNP amendment.

10:03

David McLetchie (Edinburgh Pentlands)
(Con): The report of the Calman commission has been written by unionists, for unionists, and has been faithful to the remit that Parliament approved for the commission—that, in coming to its recommendations, it should secure Scotland's continued position within the United Kingdom. That does not mean that we must automatically sign up to every one of the recommendations, whether they relate to improving relationships between Scotland's two Parliaments and Governments, enhancing financial accountability, devolving further legislative and executive powers or—as they do in a few instances—re-reserving powers to Westminster. As Annabel Goldie made clear, all the recommendations will require careful consideration. Parliament will have to consider its procedures and to weigh the implications carefully before deciding what changes to make to its *modus operandi*.

Given the genesis of the commission, it is entirely appropriate that its recommendations

should be taken forward under the aegis of a steering group on which the unionist parties in Scotland's two Parliaments are represented.

Ian McKee: The member said that he needs some time to consider all of Calman's recommendations, but there has been a little time. Would he care to tell us some of the things in Calman with which he feels instinctively that his party would not agree?

David McLetchie: I am very supportive of the respect agenda and of improving co-operation between Scotland's Parliaments and Governments. Calman makes some excellent suggestions in that respect, which I hope we can progress through the steering group and other agencies, including this Parliament, through its current review of our standing orders, which will no doubt be carefully considered by the Standards, Procedures and Public Appointments Committee.

John Swinney: Will the member take an intervention?

David McLetchie: I would like to make some progress.

I am a member of the only party in Parliament that is unionist by name as well as by inclination. Like Annabel Goldie, I am Scottish and British and proud to be both—a dual identity that we, with the overwhelming majority of our fellow Scots, share and cherish. The aim of sustaining and strengthening the political, economic, monetary and social union that is our United Kingdom rings forth from virtually every page of the Calman report, which is why the motion emphasises that fundamental point. It is the very purpose and intent of the Calman commission and it is fundamentally different from the purpose and intent of the Scottish National Party, whose intent is to destroy that union and establish a separate Scottish state.

However, given that support for independence is no higher today than it was 10 years ago, when Parliament was established, we have nothing to fear from making sensible and considered modifications to the devolution settlement in the light of our experience.

John Swinney: Will Mr McLetchie set out for us whether there are elements of the Calman commission report with which the Conservatives disagree in principle, so that we can have some sense of whether we are dealing with a combined package or a pick-'n'-mix approach to the recommendations of the Calman commission?

David McLetchie: I will be happy to give Mr Swinney an answer to that question. We have had discussions within our own democratic party, which likes to consider such matters as a whole before rushing to any conclusions, unlike the

dictatorial manner in which the SNP conducts its affairs.

Most attention has centred on the report's recommendations in relation to tax—rightly so, given that the commission was asked specifically to consider financial accountability. The report is particularly good in pointing out that in federal and semifederal systems of government, funding of the devolved tier comes from a mixture of taxes that it raises itself, taxes for which there is shared responsibility, and grants from central government. Accordingly, at issue is the appropriate mix of those elements, taking into account equity, accountability and efficiency.

Full fiscal autonomy, whereby Parliament would have to raise every penny that it spends, is rightly dismissed as being impractical and tantamount to independence. What we need is a measured discussion about degrees, rather than a strident debate about absolutes. It is reasonable to ask whether the balance is right or should be tilted further in favour of greater tax-raising powers. That is the conclusion that was reached by the commission, but even if its recommendations were implemented in full, two thirds of our budget would still be grant-financed through the Treasury via Barnett or some similar formula.

To those who say that giving Parliament more powers will lead inevitably to an increase in taxes, I point out that that has not, with the powers we have, been the experience to date. Admittedly, the SNP got off to a particularly bad start in that respect with its notorious "Penny for Scotland" campaign in 1999—which was conceived, of course, by one Michael Russell—but the voters quickly saw through that one. It is true that the Liberal Democrats have from time to time flirted with increasing taxes, and there has always been the odd back-bench Labour MSP who could be guaranteed to suggest that it was necessary to increase spending levels, even if that was not the official position of the Labour Executive.

However, in the past two years we have seen a council tax freeze and—thanks to the efforts of the Conservatives in successive budget negotiations—we now have in Scotland the most generous small business rates relief scheme in the United Kingdom, which is helping tens of thousands of our small businesses to survive the recession. Accordingly, in recent times this has been a tax-cutting Parliament, not a tax-increasing one.

To put all the discussion about tax and tax raising into perspective, we have far more to fear from tax rises emanating from Westminster that are necessitated by Gordon Brown's catastrophic mismanagement of the public finances, than we have from any of the changes that may flow from the Calman report and the consequent actions of

the Scottish Parliament. We all have a part to play in resolving that problem in a responsible manner throughout the United Kingdom. The Calman commission is fundamentally about enabling the Scottish Parliament to play its part in doing so.

I support the motion.

10:10

David Whitton (Strathkelvin and Bearsden) (Lab): I am pleased to take part in the debate and to support the Labour motion.

The title of the Calman report is "Serving Scotland Better: Scotland and the United Kingdom in the 21st Century". It is important to keep in mind the reasons for setting up the commission under the leadership of Sir Kenneth Calman. Its task was to find out how the Scottish Parliament might better serve the people of Scotland and improve the quality of their daily lives, to find out how the Parliament might be made more financially accountable, and to secure Scotland's place within a modern UK with a multilevel system of governance.

Joe FitzPatrick (Dundee West) (SNP): Does David Whitton accept that the commission would not have been set up had the SNP not won the election?

David Whitton: No.

It is fair to say that the establishment of the commission was met with a lot of cynicism from SNP members and their friends in the media. It is a credit to the members of the commission and Sir Kenneth Calman that the final report is so thoughtful, well written and well considered, with unanimous backing for proposals that are in some cases fairly revolutionary, and that it was published on time. I pay tribute to the commission. I wrote that before I knew that members of it would be in the public gallery today.

Since the report was published, there has been a lot of focus on the proposals to improve Parliament's financial accountability. To recap, Calman recommends cutting basic and higher rates of income tax by 10p in the pound, with a corresponding reduction in the block grant; replacing the Scottish variable rate of income tax with a new Scottish income tax rate; devolving to the Scottish Parliament stamp duty land tax, the aggregate levy, landfill tax and air passenger duty, again with a corresponding reduction in the block grant; giving Scottish ministers borrowing powers; and strengthening intergovernmental relations that deal with finance. The commission justified those recommendations in the report by stating:

"In our view these recommendations will give the Scottish Parliament real financial accountability, and will do so in a way"

that will not undermine the union. Linda Fabiani might not agree with that, but I do.

Margaret Mitchell: Does David Whitton accept that concern about financial accountability really emanated in the Parliament from the escalating cost of the building—it rose from £40 million to £400 million—rather than from any real concern about the block grant?

David Whitton: Today is not the day to rehearse old arguments about the cost of the Parliament building. The building is here to stay, as is devolution.

The proposed arrangements in the Calman report will make it clear that the Scottish Parliament is not wholly dependent on another Parliament for its funding and that it is responsible for raising its own revenue in a way that is fair and accountable to its electorate.

A headline in the SNP's house newspaper, the *Sunday Post* said:

"The SNP can't hide their delight over Calman".

The newspaper's political editor, Mr Campbell Gunn, who is a man of influence in the ministerial tower, observed that

"the Nationalists have most to be happy with and are privately hugging themselves with delight."

I can certainly believe that Mr Russell would hug himself. I watched his performance on "Newsnight Scotland" on Tuesday; there was no mistaking the self-satisfied grin on his face during it.

If Mr Russell is happy, should the rest of us be happy too? Happy is certainly not a word that would be used to describe the comments of Professor Andrew Hughes Hallet, who is a member of the First Minister's exclusive travelling dining club. Professor Andrew Hughes Hallet, whom Mr Russell mentioned, said that the Calman financial proposals are

"a disaster waiting to happen".

Mr Russell referred to economists who are opposed to the financial plans. I simply point out to him that there were another seven eminent professors on the expert group that was led by Professor Anton Muscatelli, and none agrees with Professor Hughes Hallet or his co-signatories.

Michael Russell: Does David Whitton accept that economists disagree on the proposals? That is a fair point. Neither Mr Whitton nor I are economists, and it is important to listen to each side of the debate rather than to dismiss views out of hand, as Wendy Alexander regrettably did, or—as I hope Mr Whitton is not trying to do in some curious way—smear economists by party affiliation. Many economists have party affiliations, and not only to the SNP.

David Whitton: I am grateful to Mr Russell for pointing out that I am not an economist. I did not smear any economist—I merely pointed out that other professors of economics disagree with Professor Hughes Hallett. No one denies, as Mr Russell has said, that there is still a lot of work to do on the financial aspects of the report.

The report states:

"We realise that these changes are significant ones, introducing a degree of uncertainty and the possibility of some instability into the funding system. Tax receipts might be more or less than expected, especially when the new system is bedding in. We need to ensure those uncertainties are managed, and we therefore recommend a staged implementation process, beginning with developing the necessary systems of tax collection and budgetary decision-making, and moving step by step thereafter."

It could not be clearer.

The UK Government agrees that financial accountability could be achieved by moving to a system in which a greater proportion of our budget comes from our own decisions. I thought the SNP and its supporters wanted that, but it is clear that I was wrong.

I beg to differ from the comment that the financial proposals are

"a disaster waiting to happen".

I also disagree with the First Minister's statement that such measures need to be decided by referendum. The people of Scotland voted in favour of devolution more than 10 years ago, and decided in a referendum that they wanted their own Parliament with tax-varying powers. The Calman commission proposals are aimed at making that devolved settlement stronger.

At the 2000 election, the people of Scotland voted by two thirds to one third in favour of parties that support the union. Those same parties established the Calman commission. That was the will of Parliament: we do not need another referendum to implement the commission's findings.

The expert group, in determining its proposals, considered international examples from Canada, Germany, Australia and the Basque Country in Spain. According to the report, although those examples offered lessons and insights, none of the models could simply be transferred to fit Scottish circumstances. The group found that the funding system for the Scottish Parliament must be tailored for Scotland in order to support the relationship that we have with the rest of the UK.

The editorial headline in *The Scotsman* said, "Clever Calman offers something for everyone". The piece went on to say that the tax proposals are the equivalent of having your cake and eating it. I think that would appeal to the First Minister.

10:17

Nicol Stephen (Aberdeen South) (LD): As other members have done, I warmly thank Sir Kenneth Calman, his commission members and all his staff for their excellent work. I give particular thanks and praise to Audrey Findlay and Jim Wallace, the Liberal Democrat members of the commission. It is no secret that Jim Wallace needed some persuasion to go back into the world of commissions on the future of Scottish devolution, but I think that his role was vital.

When the commission was first proposed in the summer of 2007, there was a fair degree of cynicism in certain quarters. Labour had just fought an election on a position of absolutely no change, and the Conservative leadership was hardly associated with stronger powers for the Scottish Parliament—indeed, I have heard a fair degree of qualification and back-pedalling this morning from certain individuals in the Conservative seats in the chamber.

By December 2007—when this Parliament approved the creation of the commission jointly with the UK Government—we had started to make significant progress. However, despite that, Labour MPs briefed in early 2008 that the commission was as much about considering the return of powers to Westminster as it was about considering new powers for Scotland.

Ian McKee: Will the member take an intervention?

Nicol Stephen: I will do so shortly—I will first conclude my point.

The Prime Minister was briefing that he would rather call the set-up a review than a genuine heavyweight commission.

Ian McKee: Why did Nicol Stephen and his party agree to set up a commission under terms that explicitly refused to consider the federal solution that his party has always advocated?

Nicol Stephen: We certainly did not do that. I believe that the prize is considerable. The petty political points that are being made mask the fact that this is a crucial debate and review.

Individuals in the Labour Party were wrong, and the SNP's approach has been wrong, just as it was wrong to distance itself from the constitutional commission that created the Scottish Parliament in the first place. However, I am pleased that there were strong voices in the Labour Party and that Jack McConnell and Wendy Alexander won through with their views. No single party was allowed to control the Calman commission. Strengthened by the joint backing of the United Kingdom Government and the whole of the Scottish Parliament, it came to its own independent, objective and forward-thinking

recommendations. There was great potential for it to go wrong, but there was a great prize should it go right.

I ask members to listen to this quotation from Iain Macwhirter's comments on the recommendations. He wrote that the report is

"arguably as important as the 1988 Claim of Right and the 1997 Devolution white paper. By making the intellectual case for a degree of fiscal autonomy so cogently, it has set Scotland on a new course which should lead, at the very least, to a new federal United Kingdom within 10 years."

The Calman commission has rightly received a great deal of cross-party praise. It builds on the work of the constitutional commission that shaped devolution, and builds on the Scotland Act 1998, which delivered the Parliament, and the Steel commission, which led the way forward. Its importance is that there is now the genuine prospect of a strong, home-ruled Scotland in a new federal system within the United Kingdom. There has never been a better prospect of major constitutional reform that would sweep away the archaic, centralised, corrupt and broken system that we witness at Westminster. The UK remains far too centralised a nation and the time is right for major change.

As for the Calman proposals, I would have liked them to go further in some areas—I make no secret of that. For example, a figure has been quoted of approximately £5 billion of tax being raised in Scotland compared with Parliament's £30 billion of spending. I believe that, in time, that balance should shift. However, the proposals overwhelmingly represent significant progress and should be implemented without delay: they are to be strongly commended. They answer in detail the question of what more powers for Parliament means, and form a detailed blueprint and a radical set of proposals to transfer more power to Scotland. We still, however, have no clarity on the detail of independence—just warm, soft-focus assertion.

Some people ask how far all this can go. I do not have a simple answer, but I know one thing for certain: the end point that I support is a federal state with genuine devolution of powers to communities and people. That is not nationalism or independence. In many ways, it is the opposite of the centralised and monolithic national state that is obsessed by sovereignty and self-importance. Nobody today suggests that France, Germany, the United States or Spain is on the verge of internal splintering into separate states, yet they have either federal systems or major decentralisation of power.

When I first visited Spain in the 1970s, it was an utterly centralised state that was ruled by a dictator, General Franco. In the past few decades it has been transformed. Regions such as

Navarre, Catalonia and Galicia now have some of the most radical devolution of powers anywhere in the world. In one region, all the taxes are collected locally and a balancing payment is made to Madrid. No doubt Spain's equivalent of the Treasury mandarin argued that it would all be too difficult, complex and unworkable, and no doubt there were plenty of cautious, conservative politicians there, too—there always are—but it has been done, and can be done here in Scotland, too.

Is this the end of the journey? I believe not. Not only must the proposals now be implemented, but we must go forward and go further in the future. There is still much to do.

10:24

Kenneth Gibson (Cunninghame North) (SNP):

I thank the Calman commission for preparing the Opposition parties' response to the SNP Government's national conversation.

The commission's report outlines many potential adjustments to Scotland's current devolved state, many of which should be implemented without delay. The SNP's primary concern will always be that the Scottish Parliament should have the powers to meet the needs of the Scottish people. It will come as no surprise to members that I can see Scotland's potential as a nation and the overwhelming benefits that would come with independence.

Our agenda has always been to deliver for Scotland. I regret that unionists appear to share that agenda only when they have been backed into a corner by electoral defeat and it is politically expedient to do so. None of us should pretend—as David Whitton did—that the Calman commission would have existed if there had been no SNP victory in 2007. Des Browne said that he saw no need whatever for a review of the Scotland Act 1998, and Gordon Brown supported that view. We now see more clearly than ever that only a vote for the SNP is a vote for positive constitutional change.

On the subject of voting, it is curious that the unionist cabal that established the commission is reluctant to put the Calman recommendations to the people. It is entirely predictable that the unionist parties will oppose a referendum if it is proposed by the SNP, but why will they not seek the will of the people for their proposals? Do they fear that the people of Scotland will not rejoice as they sell our country short? What happened to the sovereignty of the Scottish people, the proclaimed DNA of the Scottish Constitutional Convention and the claim of right, which Nicol Stephen talked about?

It has been suggested that the Calman report is bold and radical, but if anything it is rather timid

and represents a wasted opportunity. Heaven forbid that democracy should get in the way of plans to provide a sop to Scotland's ambitions. The fiscal proposals in Calman appeared in no party's manifesto and were opposed by Labour at the most recent election. The people of Scotland—not a commission, not Iain Gray's boss Jim Murphy, and not Westminster—should have the final say on constitutional change, but their voices will not be heard. Let the odds and ends be delivered today; let the people decide on greater autonomy tomorrow.

I remind members that the Calman commission was initiated with a specific political agenda: the shackling of Scotland even more tightly to Westminster control, as David McLetchie made clear. Therefore, the commission's non-consensual recommendations should be subjected to due process. The proposals should be considered in a wider context of ideas, given that the commission admitted that it ignored a gamut of topics that it was not thought politically expedient to consider.

It has been revealed that the so-called independent expert group was banned from speaking out on the proposals, to make the public think that the report is unanimous. On Friday, members of the group and local economists were permitted to speak out clearly on the ill effects of the fiscal proposals, which came as no surprise, given that the proposals were made with only Westminster's needs in mind. Members of the expert group have spoken out about political manoeuvring and lack of consideration behind the scenes.

How could Scotland be accountable if a natural increase in tax revenue as a result of a well-managed economy would be taken back through a reduced block grant? What happened to Tory and Labour horror at the prospect of the tax man dealing with different tax regimes north and south of the border if a local income tax were to be introduced?

It is interesting that there has been no mention of powers that Calman recommended be returned to Westminster, such as powers in relation to charity law—a proposal to which the voluntary sector and numerous organisations are utterly opposed. I hope that unionist politicians who speak in the debate will address that. We should accept the Calman proposals that would take Scotland forward, but not those that would take us backward.

Why did former Labour ministers call the Calman proposals "incoherent"? Unionists claim that allowing Scotland to lower corporation tax would provide no net economic benefit. Is there no world outside the UK? Would not we benefit through additional investment from overseas?

Scotland deserves better. Such issues should be considered as part of a conversation in which varying points of view are heard, rather than masked, in order to block Scotland's ambitions.

Pauline McNeill (Glasgow Kelvin) (Lab): If, like other SNP members, Kenneth Gibson does not support the Calman proposals, would he prefer the status quo? That seems to be what he is arguing for.

Kenneth Gibson: If Pauline McNeill had been listening she would know that we accept proposals that would take Scotland forward, but also think that we can go much further.

As well as the commission's seemingly predetermined fiscal recommendations, I note its implication that Scotland is uniquely incapable of managing an uneven oil-revenue stream, despite Norway having shown the way in that regard. The commission hand-picked figures from "Government Expenditure and Revenue in Scotland" reports to show years of budget deficits in Scotland, but I suspect that if the SNP was not riding high in the polls, the commission's analysis would have shown annual surpluses. The commission used deficit figures to justify the alleged benefits of the union, but the figures represent the failure of the union. If oil revenues are so unpredictable and inconsequential, why does Westminster's grasp tighten with each passing day?

Page 262 of the report says:

"depletion can be counterbalanced by investing sufficient revenues either in an investment vehicle such as an oil fund or in long term capital investments."

Iain Gray grossly misrepresented that in his woeful speech. The report also says that

"Substantive borrowing and investment powers could enable ... revenue variations to be mitigated."

When will Westminster gain confidence in Scotland's people? I will answer the point that Robert Brown made in his intervention on Mike Russell. Despite having fewer than 200,000 souls between them, the Crown dependencies of the Isle of Man, and on Jersey, Guernsey and the other Channel Islands enjoy full fiscal autonomy, social security powers and control of their immigration and energy policies. According to the commission, managing all that is beyond the ability of Scots. Those islands are entirely self-supporting and receive no subsidies from the UK, although they total among them only the population of Aberdeen and lack the vast natural resources and industry that we enjoy.

The SNP wants only equality for Scotland—the equality that other European nations take for granted—and not this dog's breakfast. Why do the commission's toffs and placemen and their

backers in Parliament have such a catastrophic lack of faith in the Scottish people that they offer us only crumbs from the table?

The commission recommends retaining the Barnett formula until a needs-based formula is introduced. We have long proposed such a formula. However, Scotland needs no lessons in our dependence on the union. Scotland needs full fiscal autonomy as an independent state. Let the people decide.

10:31

Johann Lamont (Glasgow Pollok) (Lab): I welcome the opportunity to contribute to the debate, which represents an important exploration of several issues that have an impact on the quality of decision making in Scotland. The debate is not and should not be simply about constitutional models. As ever, Kenny Gibson creates a false division between unionism and separatism. The debate should be about good government. I am as happy to condemn the Thatcherites in the SNP as I am to condemn those in the Tory party.

The debate is about how power is used, what its purpose is and how accountable we are for what and how we spend. We need to explore how we ensure effective and responsive government and active engagement with individuals and communities. We must work with people on their priorities, recognise conflicts of priorities in our communities and be honest about the choices that we make.

Margaret Mitchell: Does the member accept that accountability has been remarkably improved with the advent of a minority Government, as opposed to the blurring under the coalition Government?

Johann Lamont: I reject that absolutely. I will talk later about the consequences of minority government, one of which has been silence from back benchers about anything that front benchers have done, which, as a former minister, I assure Margaret Mitchell was not the case in the eight years in which we were in power.

Members: Aw.

Johann Lamont: If SNP members' only contribution to tackling their leadership is to shout at me, that is feeble indeed.

We need to understand that structures of power at all levels of government are important. The challenge for those who wield whatever power they have is to be open, transparent and focused in what they do.

This year marks an important anniversary—10 years of the Scottish Parliament. It is important to

reflect on what has been done and how it has been done. The Scottish Parliament was brought into being by a Labour Government that understood that a link exists between what is promised and what is delivered. It is interesting that the Labour Government had the courage to draw on the Scottish Constitutional Convention's work and to open itself up beyond its own decision making. The Labour Government went a stage further by supporting the development of the Parliament's workings through the consultative steering group rather than imposing structures on the Parliament. Structures were therefore established that challenged the executive, whoever was in power. In the same way, the central power at Westminster devolved and delegated power away from itself to the structures of devolved Administrations that could and do challenge Westminster. That is in stark contrast to the role that Mr Russell perceives for his party and to how he operates.

The debate about the Scottish Parliament should not simply be about powers or be defined by the idea that the more powers someone has, the more powerful they are. It should be driven by the purpose of powers. We say that the Parliament is reconvened, but we should recognise that it is and should be an entirely different body from the Parliament as was, because what matters is using powers in the interests of the many and not the few. Central to the review of the Scottish Parliament and the devolution process is building partnerships across the United Kingdom and creating economic and social opportunities by harnessing resources throughout the United Kingdom to ensure basic minimum rights in these islands.

I particularly welcome what the Calman commission highlights about the social union: not only the social ties—the family, professional and cultural ties—that bind the United Kingdom together but the common expectations for social welfare. That refutes Dr McKee's argument that it is possible to have the strength of the United Kingdom's social union without its political union. If one of the strengths is the welfare state—pensions and so on—one wonders what upheaval would be caused by ripping it apart. I do not see what the social union can be if Scotland is independent.

Michael Russell: I am baffled by that argument because its final logical extension is that Scotland should join up with any country that is socially progressive, depending on how socially progressive that country is. That is nonsensical. The guarantee of citizens' rights and responsibilities comes from the state, and an independent Scotland with a written constitution and a bill of rights would be far better able to provide that guarantee and far more radical than the United Kingdom is at present.

Johann Lamont: I am quite happy if Mr Russell finds what I say puzzling. The social union that is recognised in the Calman report and which we recognise is also about the welfare state, social security and mutual protection. It would be exceptionally difficult to maintain that if Scotland were to break away from the union.

It is important to recognise that, as Calman says, devolution works. I contend that that is because its creation was open and inclusive and involved people. We must also acknowledge the importance of making it work by keeping the Parliament's structures alive and energetic. We have seen the importance of that in Mr Russell's approach today. I wonder how he can make the Scottish Parliament strong when, in any battle between making devolution work and the opportunity to promote its own narrow interest, the SNP will always promote division. It is disturbing that the new Scottish Government has excluded Parliament, ignored votes of the Parliament and imposed tough control on its back benchers in the chamber and, I suspect, committees. It is sad that the test of much Scottish Government action is whether it can be done without parliamentary scrutiny. That is not a simple party-political point; it is about the systematic downgrading of the Parliament and a retreat to administrative devolution, which is an irony.

Tricia Marwick (Central Fife) (SNP): Were many of the powers that ministers are using to implement policy not introduced by legislation that the previous coalition Executive bludgeoned through in the face of the rest of the Parliament?

Johann Lamont: I speak from personal experience when I say that it was not possible to bludgeon anything through the coalition. I will take Tricia Marwick through chapter and verse on the Planning etc (Scotland) Bill and the Charities and Trustee Investment (Scotland) Bill to show her that it simply did not happen that way. Because of negotiation and co-operation between the parties, not one bill that was introduced to the Parliament came out the other end of the process the same. In fact, some of the conflicts between the parties came out into the open, whereas we can only puzzle at what disputes there are inside the SNP.

In my last moments, I will discuss charities. We must recognise the importance of not imposing unfair or unnecessary burdens on charities. However, given Mr Russell's puzzlement about why creative Scotland cannot be a charity, there is reason to examine how the Charities and Trustee Investment (Scotland) Act 2005 operates to ensure that its core principles of independence, charitable purpose, transparency and public benefit are sustained.

The equalities agenda provides a clear example of the Parliament's powers being misused to

disadvantage the people of Scotland. I urge members to engage with the process of making the Parliament work in the interests of the people of Scotland rather than individual party interest.

10:39

Bob Doris (Glasgow) (SNP): The Labour motion is based as much on fantasy as on reality. The question is where to begin. Why not at the start? Well, not quite at the start but four lines in, Michael McMahon's motion states that the Calman commission's findings are

"based firmly on evidence and engagement with the people of Scotland".

Oh dear. Talk about weak foundations. I did say that the motion was based on fantasy.

Of course, Calman's findings are based on evidence, if one accepts that it is okay to decide on the questions that are to be asked as part of the process of collecting such evidence and to agree that it is okay to restrict the scope of any answers that are given. Strike them from the record if they refer to independence—what a joke! That makes a mockery of the idea of real and full engagement with the Scottish people. To rule out independence and to look only at devolution is, at best, unionist navel gazing. Not considering independence was the fault line that ran through Calman, which was a closed shop in terms of its agenda. Those who wished independence and those who—heaven forbid—wanted to consider it as an option did not need to apply. The British parties employed the thought police right from day one when it came to aspects of empowering the Scottish people, our nation and the Parliament.

Three lines on, the motion states that we welcome

"the establishment of the steering group to take forward the report's recommendations".

The people of Scotland do not need a steering group to give an emphatic yes to whether Scotland's Parliament should take decisions on air-guns, drink-driving limits or speed limits. There is overwhelming support in the Parliament and in Scottish society at large for such steps. Given that there is clear agreement, let us get on with the job. Why wait? It is time to act and deliver on those aspects of Calman now. However, that is not what the motion calls for. The motion calls for a steering group to be set up, but a steering group is unnecessary and will only create delays and, potentially, disputes.

We must unite around what we agree on and act to deliver without delay. The Labour motion takes Calman from being a closed shop and turns it into a talking shop. The Scottish people deserve far better. They deserve a Scottish Parliament that

represents the Scottish people, not one where the Opposition parties are agents of the British state, rather than advocates for the Scottish people, which is disgraceful.

Robert Brown: Is Bob Doris seriously challenging the democratic legitimacy of the Parliament, which was elected by the people of Scotland, under proportional representation, in the way that was approved in the referendum?

Bob Doris: I am proud of the Parliament, but I am also proud of the Scottish people. Sovereignty does not lie in this chamber; it lies with the people. Mr Brown's party would forbid the people from deciding their own democratic constitutional future.

What have Labour and the Liberal Democrats to fear from asking the Scottish people what they think about independence? Perhaps it is not a case of having nothing to fear but fear itself, but, rather, of having nothing to fear but the ballot box. After all, for Labour, losing Scottish elections for the first time in 2007 was followed by losing European elections in Scotland, too. Labour is trying to limit and control the constitutional debate because it is trying desperately to retain a grip on power, rather than considering what is best for the people of Scotland. It is hardly surprising that Labour does not know what is best for the Scottish people, given that it was driven from power in 2007 because it turned against the Scottish people.

The Parliament is at its best when it strives for consensus. I am sure that members will agree that I am second only to Mr Kenneth Gibson in trying always to achieve consensus in the Parliament. However, it is clear that we do not have consensus on independence. Some people in the Parliament want to alter the financial arrangements between Scotland and the UK by playing with income tax levels. Others might want to look at VAT, corporation tax, or control over the taxation regime for oil and gas, which would secure revenues for the Scottish people. There are a variety of views.

Some of us just want good old independence for the Scottish people. We want the ability to use our resources, to raise our own revenues and to decide whether to send our men and women to war and whether to have or reject weapons of mass destruction such as Trident. We just want independence—the natural, honest, dignified position of any self-respecting country.

I tell the British parties not to use Calman as a fig leaf to protect the embarrassment of the British state. Whether or not members believe in independence, they should let the Scottish people decide.

Jeremy Purvis: Will the member give way?

Bob Doris: Yes, if Jeremy Purvis is wearing his fig leaf.

Jeremy Purvis: My suits have been described as many things, but not that.

There are three aspects of the British state, two of which are the head of state and the currency. The SNP policy on independence for Scotland includes retaining the British head of state and retaining the British currency and interest rates that are set by the Bank of England. What else would the member cede to London on independence?

Bob Doris: That intervention shows that the Lib Dems have not got a clue on the constitution. If the United Kingdom wished to get rid of its head of state tomorrow, the UK would be a republic, irrespective of what the Scottish people wanted.

Jeremy Purvis: But—

Bob Doris: Excuse me. Jeremy Purvis has had his turn.

If the UK decided to join the euro tomorrow, we would join the euro, irrespective of what the Scottish people wanted. Independence would let the Scottish people decide.

Where the report states the obvious in cherry picking a range of powers, for example on speed limits and air-guns, on which we all agree, let us deliver on those proposals. We have consensus, so there is no need to faff about with steering groups in order to move forward on those areas.

Where consensus does not exist, let us test Calman's fiscal tinkering against independence in a referendum. After all, we are all democrats. Why would the British parties fear democracy?

10:46

Robert Brown (Glasgow) (LD): The debate is important not only for the Parliament but for the country at large. That is bound to be the case, given that the future of Scotland and its relationship with the rest of the United Kingdom are at issue. As Johann Lamont rightly said, the debate should be about good government; it should also be about accountability and Scotland's view of itself. All those important aspects were highlighted by the Calman commission.

The Calman commission and its report have some interesting features. First, there is widespread recognition that the report is a landmark report that will and should frame the basis of Scotland's constitutional relationship with the UK for the next generation. A number of commentators in the national media have recognised that. Among many comments, they talked of

“bold proposals to empower Scotland”

that would

“change the face of UK politics forever”.

An issue that has been understated here today is the implications of the changing devolution arrangements in Scotland for the future of the United Kingdom. That is also not recognised in London as much as it should be.

I mention in passing—this is partly for Ian McKee’s benefit—that commentators have recognised repeatedly that Calman moves the nations of the United Kingdom much further towards a federal or quasi-federal relationship. That was not marked out in the Calman remit, although it did not rule out the possibility in talking of strengthening the United Kingdom.

Michael Russell: I am sure that the member honestly believes that—indeed, it may be true, although I am not sure that it is—but how can he reconcile what he is saying with what David McLetchie said in his strong and passionate pro-union speech? If the Liberal Democrats and the Conservatives are members of the same steering group, how can they possibly take forward those proposals?

Robert Brown: I will come to that. The matter goes to the heart of the debate, which is about achieving consensus on the future of Scotland and working together with other parties.

The point that I was trying to make is that a federalism is a philosophical and practical political position that the Liberal Democrats have long supported, as members around the chamber recognise. It matches the position in many if not most of the mature democracies, large and small, across Europe, the Americas and the Commonwealth. The Calman commission drew much inspiration from those examples. Our relationship with federalism has its roots deep in Scotland’s past, for example in the contribution that Scots made to the federal constitution of the United States, among other countries. Indeed, it was also the position of choice for the Scottish commissioners of union in 1706.

The second feature of note, which Wendy Alexander touched on in her thoughtful speech, is that Calman was based on drawing together people on arrangements that can and do attract widespread support. Calman should not split our people. I say to Alex Salmond and Michael Russell that, unlike them, Liberal Democrats are always ready to put our proposals into the pool of debate, as we did with the Steel commission. We have always believed that the constitutional future of Scotland should be built on the widest possible, most inclusive consensus.

Michael Russell: Will the member give way?

Robert Brown: No, I am sorry—I do not have time.

I cite the example of Northern Ireland, where, through great pain and trauma, it was discovered that it was possible for the same state to encompass an identity that was both British and Irish. In a memorable phrase, Charles Kennedy, my party’s former leader, said that he saw no contradiction in being a Highlander, a Scot and a Briton, but the SNP cannot stomach an eminently sensible and dynamic solution to recasting our constitutional arrangements on this overcentralised and mixed-up—in terms of people, I mean—island. The SNP is like a rather picky piranha fish. It devours the tasty bits down to the bone but leaves the bits that it does not like, and the body is damaged by the whole process. We need to have consensus. [*Interruption.*]

The Deputy Presiding Officer (Alasdair Morgan): Order.

Robert Brown: The Calman report was unanimous which, as Tavish Scott rightly said, was a remarkable achievement. Liberal Democrats, along with members of the Labour and Conservative parties and people of no party affiliation, brought their views to the process, examined the evidence and agreed on the direction of travel. The report does not present a pink tartan version of a utopia; it offers a practical agenda for immediate reform and change, and suggests a distribution of powers and a system of fiscal accountability that have a purpose but which, as many speakers have said, also reflect the broad sentiments of people in Scotland.

Unlike many SNP members, Calman recognised the worth and value of the United Kingdom. The UK has been somewhat undervalued in recent years, but it is fair to say that the First Minister was noticeably subdued when the UK Treasury bailed out Scotland’s largest banks. It does not take an economist to recognise that it needed resources on the scale that the UK could bring to bear to deal with such matters. I seem to recall that, at the time of Northern Rock’s difficulties, the First Minister suggested that an independent Scotland would be able to inject £100 billion—it might have been £500 billion; I cannot quite recall. Whatever the figure, it was certainly many times the size of the Scottish budget.

Taxation and the proper distribution of fiscal powers are at the heart of Calman and form the key groundbreaking element of the proposals. Attention has focused on the responsibilities for income tax that would be transferred to Holyrood, but the introduction of a proper borrowing power and a power to introduce specified new taxes are equally important. Calman’s recommendations provide for a substantial measure of fiscal accountability for the SNP—if it remains in

government—and for everyone who values fiscal reality in this Scotland of ours.

Broadly speaking, I think that the existing division of legislative powers has stood the test of time. The idea that the Governments and Parliaments here and in Westminster could have a closer relationship is interesting. It has long struck me as odd that the Scottish Parliament has a European committee, but no UK committee, nor any developed arrangements for partnership and exchange with the UK Parliament and Government. Perhaps we were too busy getting the institutions going, but that is an issue that needs urgent attention.

Scotland and England are probably the oldest national states in the world. They were among the first countries to form a voluntary union, which has been a highly successful enterprise for more than 300 years. It has changed and been modified over time. On many occasions, the political and economic landscape has been transformed to meet the needs of the age, as happened in recent years with the establishment of the Scottish Parliament.

The Calman report does not offer the simplistic nostrums of independence or the safety valve of being able to blame Westminster. It offers more Government accountability, the more difficult challenges of partnership and the fiscal responsibilities that come with borrowing and taxation powers. It also offers us increased powers of the right kind, to further the interests of our people. The UK is greater than the sum of its parts but, in Scotland in particular, its parts can achieve more for themselves and for the union if they have effective and relevant powers. The Calman report points the way forward.

10:53

Murdo Fraser (Mid Scotland and Fife) (Con): I thank the Labour Party for giving us the opportunity to debate issues arising from last week's publication of the report of the Calman commission, which is, of course, the report that the SNP told us would never appear. The SNP told us that the commission would never be established, that it would simply be a talking shop and that it would propose nothing of merit. In every criticism of the commission, the SNP has been proved utterly wrong.

Despite his party having got it colossally wrong, Mr Russell, who is never a man to be easily embarrassed, surpassed even himself in bare-faced cheek when he pleaded with the three unionist parties to back his amendment. The SNP played no part in the Calman process, voted against it when the proposal was put to the Parliament 18 months ago and has consistently

sniped from the sidelines. Now it wants to take charge. It does not have a chance, but if Mr Russell wants to try to persuade me, I will listen with interest.

Michael Russell: Does the member not accept that there is more joy in heaven over a sinner that repenteth? With the amendment, we have the opportunity to deliver what he believes in. Why will he not vote for it?

Murdo Fraser: There we have a sinner repenting and accepting that maybe there is, after all, some merit in the Calman proposals. It gladdens my heart to hear Mr Russell now committing the SNP Government to the idea that Calman was a good thing after all. I just hope that his SNP colleagues will agree with him.

I take the opportunity that is afforded by the debate to thank every member of the Calman commission for the extensive work that they carried out on behalf of this Parliament and the UK Government. From the Tory side, I specifically thank the two Conservative members of the commission, Lord Selkirk and Lord Lindsay, for their contribution.

Surely even critics of the process would accept that the Calman report is an extensive and well-researched piece of work. The commission carefully considered a range of issues, collected a great deal of evidence, engaged various people who are experts in their field and produced a thorough and comprehensive report. In her speech, Wendy Alexander made excellent points about the quality of work and the breadth of opinion encompassed in the commission's outcomes.

The Calman commission was established pursuant to a motion that was agreed by the Parliament by a large majority on 6 December 2007, so it has always had a popular mandate to pursue its work. As Annabel Goldie said earlier, the report's conclusions do not represent the last word on the next stage of devolution, but they represent a very important contribution to that debate. The steering group that has been established will now take forward the discussion.

The open process that the Calman commission pursued in reaching its conclusions contrasts sharply with the narrow approach taken by the SNP Government in its so-called national conversation. Of course, it was never intended to be a conversation at all. The First Minister is far too fond of the sound of his own voice to allow other opinions to be heard. Indeed, less generous souls than me might claim that that malady also afflicts the Minister for Culture, External Affairs and the Constitution—at least, occasionally.

The key test for the national conversation is this: if the public response to it is against

independence, will the SNP agree not to pursue that policy? Everyone in the chamber and throughout Scotland knows the answer to that question: not a chance. The national conversation is a fraud, because it has a predetermined outcome. Worse still, the national conversation is a fraud that we, the taxpayers, are paying for. Unlike the Calman commission, it has no parliamentary mandate to operate. It is a vanity exercise for the First Minister and the SNP and it provides no useful function. Surely it is now time that it was gently laid to rest.

As Nicol Stephen said, the Calman commission's report has attracted praise from across Scotland. For example, David Lonsdale, deputy director of the Confederation of British Industry Scotland, said:

"The commission's report is undoubtedly a very good and thorough piece of work".

Kenneth Gibson: He is a Tory councillor.

Murdo Fraser: David Lonsdale's view was echoed by Grahame Smith, general secretary of the Scottish Trades Union Congress—I do not think that he is a Tory councillor. Michael Clancy, of the Law Society of Scotland, said:

"The Commission's work represents a detailed and worthwhile examination of the devolution arrangement."

Eileen Maclean, of the Association of Business Recovery Professionals, said that she was delighted with the report's recommendations. In contrast, all we have had on the national conversation from civic Scotland is silence. There has not been a word of praise for an exercise that has delivered no more than a forum for insomniac cybernats.

At least we heard an attempt earlier in the debate by some SNP members, such as Linda Fabiani, to engage seriously with some of the issues. That exposes the dilemma at the heart of the SNP. There are some slightly more sensible members on the SNP seats who are interested in the Calman process and want to engage and have a debate about whether it is right that more powers should come to the Parliament. However, other SNP members are obsessed by the idea that Calman is simply a unionist plot. As ever, Kenny Gibson and Bob Doris did not disappoint when it came to making that accusation. My colleague David McLetchie made the key point. He was right to say that the Calman commission is a unionist report that is about moving Scotland forward in the context of the United Kingdom, which is why we support it.

Today is an important day for the Scottish Parliament and for Scotland. In welcoming the Calman commission report, we are now moving on to consider the next stage of devolution. We are doing so in a positive and inclusive manner, with

the support of the Parliament. What a contrast that offers to the negative and insular view of the SNP. When the Parliament votes tonight to support the motion, it will be speaking for Scotland and sidelining the irrelevant argument for separation. I will have pleasure in supporting the motion.

11:00

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): This has been an important debate. On behalf of the Government, I welcome the debate and I welcome the contribution that has been made by the Calman commission. The Government will set out its response to many of the questions that have arisen—Mr Russell did that earlier, and I will also do so now.

There has been much talk today about mutual respect and the nature of parliamentary debate, and I want to make one parliamentary point. Our debates would be enhanced if members who participated in them were here for the opening and closing speeches, so that we could have full and rounded parliamentary debates. I regret that the leaders of the Conservative party and the Labour Party are not here for the closing speeches. For the parliamentary process, it would be appropriate if they were here.

Margaret Mitchell: John Swinney will have noted that the First Minister has not been here at all.

John Swinney: My point is not about members who have not been here. My point is that the Conservative and Labour leaders contributed to the debate but are not here now to respond to the debate as it concludes.

Murdo Fraser—I see him muttering to me from the sidelines, as he often does, in the nature of the politics of Perthshire and Angus—said that the Government had got it "colossally wrong". I am not altogether sure that "colossally" is a word—you would be able to tell me, Presiding Officer. However, when I consider the reaction of the Scottish public during elections in this country, I am not sure that the Government has got it colossally wrong.

What my colleague Kenny Gibson said earlier caused some irritation; he never causes irritation to members on the Government front bench, but he obviously does elsewhere in the chamber. He caused some irritation when he said that we had the Calman commission only because the Scottish National Party had won the election in 2007. That comment brought forth howls and jeers, screaming and gnashing of teeth and all the rest of it. However, let us remember Nicol Stephen's point. At the 2007 election, the Liberal Democrats argued for more powers for the Parliament—they

have made similar points consistently for more than 100 years; the Conservatives were not exactly enthusiastic about extra powers for the Parliament; and we had a resounding clarion call from the crowd on the Labour benches that there was no case for more powers for the Parliament. Mr Gibson and Mr Stephen may have expressed the idea in slightly different fashions, but their views were consistent: we would not be having this debate if the Scottish National Party had not formed the Government in Scotland in 2007.

My colleague Linda Fabiani made the important point that no one party reconvened this Parliament. Let us stop all this nonsense about one single party being responsible. We are here because the public were convinced of the argument and voted for it in a referendum. I seem to recall that some of the characters on the Conservative benches were far less enthusiastic than they are now about the concept of a Scottish Parliament.

Robert Brown: Does the cabinet secretary agree that the likelihood of the Scottish Parliament coming back into existence would have been significantly diminished had it not been for the work of the Scottish Constitutional Convention, in which his party did not play a part?

John Swinney: The Scottish Constitutional Convention created a concept of how the Parliament might come forward. It did not get its way on all matters; it demanded powers that we do not currently have. However, I ask Mr Brown to remember that, in the referendum of 1997, enthusiastic support was given to the concept of a Scottish parliament by the Scottish National Party. We campaigned for it. Some of us, including—I am not sure that I am allowed to say this—the Deputy Presiding Officer and me, voted in the House of Commons for the establishment of a Scottish parliament. We did so a great deal more enthusiastically than my friends and colleagues on the Conservative benches—not that any of the Conservatives here were around to accompany me in the task from 1997 to 1999.

I have been probing into the speeches made by members of the other parties, and it is interesting to try to detect how much glue is in the package. Tavish Scott tried to probe into that, and Margaret Mitchell certainly probed into it very effectively in her intervention on John Park. It was convenient that he did not manage to hear her. If he had heard, he would have understood her point.

I thought that, for a man who is enthusiastic about everything, David McLetchie was at best awful half-hearted in his response to my question whether he supported all the recommendations in the commission's report. I believe that Mr Scott said that those who dream of the long grass will

get a rude awakening. I hope that he will deploy his troops in getting some action on these matters.

What interests me—what has always interested me—is how we make progress on the constitutional question. Indeed, that is what brought me into politics.

Ms Alexander: I invite the cabinet secretary to clarify the Scottish Government's policy on Calman's financial proposals. Is it, as the amendment states and as we have heard this morning, the policy of the Government to wait until after a referendum before it does anything to assist in the implementation of Calman's financial proposals?

John Swinney: Before I deal with that point, I want to make one further point about how we make progress. I have been trying to probe members' objections to taking forward the various issues—airguns, electoral administration, the licensing of controlled substances for treating addictions, drink-driving limits and national speed limits—that are set out in Mr Russell's amendment. I believe that we all agree on them; I am certainly unaware of any disagreement in the chamber in that respect. I have asked everyone the same question: why on earth do we simply not make progress on those matters? No one has challenged my view, but I am still waiting for an answer.

I got some help with my question from what Sir Kenneth Calman himself said in response to a question from Glenn Campbell on "Newsnight Scotland" on 15 June. The question was:

"can your report be cherry picked or is it a complete package, all or nothing?"

It was doubtless posed in the usual charitable fashion in which such questions are usually asked. Sir Kenneth said:

"I think there are lots of bits, as I mentioned, which I think can be implemented quickly and easily without too much fuss, others will take a bit of time to think through. I don't think cherry picking is a phrase I would use with this report."

Sir Kenneth's response to Glenn Campbell's question might have been somewhat elegant, but his point is clear: there are certain issues of simple practical effect on which we can make ready progress. Those issues are set out in Mr Russell's amendment. My point is that we should not be setting up big steering groups; we should just be taking action.

Jeremy Purvis: Will the cabinet secretary give way?

John Swinney: I will take the member's intervention, as long as it is about taking action.

Jeremy Purvis: My interventions are always about taking action.

When the First Minister said that he would include Calman in the referendum, which parts did he have in mind?

John Swinney: The member's question brings me on to the point made by Wendy Alexander. In the referendum on the Scottish Parliament, the Scottish people were asked about—and voted for—a specific proposal on tax powers. As a result, I believe that any move to revise those tax powers must be put to the people of Scotland in a referendum.

The question of income tax powers is a fundamental part of the Calman report. Members have argued that having those powers would significantly enhance our autonomy and accountability. However, if we had been debating local income tax, Mr Whitton and Mr Brownlee would have been at the front of the queue to tell me that such a tax was a volatile and unstable proposition, because we could not rely purely and simply on the stability of income tax revenue. If the same argument is applied consistently across the range of financial powers, we can, as my colleague Linda Fabiani pointed out in her excellent speech, conclude only that we need a fuller range of economic powers if we are to deliver the economic growth that is required to fuel the Scottish economy. That flatly contradicts the point that Malcolm Chisholm made in his intervention on Ian McKee.

Moreover, under the Calman recommendations, we would have not a scintilla of the significant powers that we require to tackle climate change and other environmental problems. The climate change levy, fuel duty and vehicle excise duty all remain reserved to the UK Government. We should by all means have a discussion about the powers that we require, but we should also have a genuine enhancement of our responsibilities and accountability.

Ms Alexander: Will the cabinet secretary give way?

The Deputy Presiding Officer (Alasdair Morgan): I think that the cabinet secretary is beginning to wind up, Ms Alexander.

John Swinney: I ask Wendy Alexander to forgive me, but I am reaching the conclusion of my speech.

I will conclude, as I conclude every speech that I make in this Parliament, on a note of consensus—in stark contrast to the pitiful language that Robert Brown used about piranhas and all the rest of it, which does not take us terribly far forward. I will try to reach that point of consensus in my remaining moments.

Mr McNulty made an excellent closing speech on behalf of the Labour Party in yesterday's

debate on the Climate Change (Scotland) Bill. He told Parliament that we had all found our way through the legislation and arrived at a good strong bill as a consequence of discussion and dialogue in the chamber. The crucial thing that he said was that nobody went into the debate saying, "You're wrong and I'm right." As a consequence, we ended up with legislation that this Parliament has every right to be justifiably proud of having passed. I am not fussed whether the bill passes Iain Gray's test of being landmark legislation, although I think that it passes that test.

The Deputy Presiding Officer: The minister really must conclude.

John Swinney: I hope that the Parliament can find some way of progressing the consensus agenda. Mr Russell's amendment is clear that there is a sequence of issues on which we are utterly united. Let us get on with it and strengthen the powers of the Scottish Parliament.

11:11

Pauline McNeill (Glasgow Kelvin) (Lab): I will summarise Labour's position today. We are for stronger home rule for Scotland and modernising our relationship with the United Kingdom, and we affirm that Scotland's interests are best served by developing the Calman proposals through joint working by the parties that support them and, through the steering group, by both Parliaments. I put on record our thanks to Colin Boyd and Murray Elder, the Labour nominees on the Calman commission.

Given the Tory "think twice" referendum slogan, who would have thought, 10 years ago, that we would be working with them to make devolution stronger or that, with the Liberal Democrats, we would be on the verge of delivering real, radical change—or, as Nicol Stephen said, very considerable change?

Tavish Scott was right to say that we are already moving for that change and that it should be achieved as soon as possible. Nicol Stephen was right when he said that there might be a case for going further still in the future. It is important to note that the Calman report addresses that point when it says that we can take the balance of our accountability even further.

Such is our belief—it is a mutual, common belief—that Scots want to see more financial accountability and strength in devolution that, despite the policy differences between the three parties, we are able to work together to bring about that change. That is something that the SNP simply does not get.

Kenneth Gibson: You talk about having stronger home rule, with which I think everyone in

the chamber agrees. Do you share my view that no powers should be returned to Westminster?

The Deputy Presiding Officer: Remarks should be made through the chair.

Pauline McNeill: The Calman commission certainly does not recommend that any significant powers should return to Westminster.

Ten years on from when this Parliament began, we have found the constitutional confidence to take devolution to the next stage—a devolved Scottish Parliament that is well and truly established, that already has a permanent future and that is part of the democratic landscape of modern Scotland. It is fair to say that the Labour Government in 1997 was the engine of change—the SNP cannot deny that.

The Calman commission proposals strengthen our place in the UK and give us a stronger basis for accountability. Kenneth Calman and his team were the right people to consider devolution for us—they are serious people who drew serious conclusions.

At Our Dynamic Earth on Monday 15 June, the cynics were challenged with a radical set of proposals—that the Scottish Parliament would set the Scottish rate of income tax, that there would be borrowing powers and that there would be important changes to Scottish procedures.

The scope to increase public spending at our own hand was rubbished by Ian McKee as being a “few morsels”. Linda Fabiani’s critique characterised the SNP’s position: it would rather have the status quo than any financial change, if it cannot get what it wants.

I believe that the country wants us to promote the idea of and mechanisms for the two Parliaments working together to give Scotland more influence over its own affairs.

Jackson Carlaw (West of Scotland) (Con): Does Pauline McNeill believe that a vote in support of the motion is a vote to implement the Calman proposals on tax as they stand, or a vote to discuss their practicality? Does she support the list of powers to levy and implement as yet wholly unimagined new taxes, which David Whitton did not touch on?

Pauline McNeill: A vote for the motion is a vote for taking forward the Calman proposals through joint work with Jackson Carlaw’s party and the Liberal Democrats. Our votes will force the Scottish Government to work and co-operate on taking the proposals forward.

There is one huge difference between the SNP and the parties that support the motion, apart from the obvious difference over the constitution. We are and will be responsible for change, we will

make it happen and we will see it through to delivery. Scotland’s future should be dominated not by an eternal debate about nationalism and constitutional arrangements, but by a debate about our democracy, our governance and our hopes and aspirations for educational attainment, health, the environment, improving cancer care and creating jobs.

Let me be clear: we are working to take the Calman recommendations forward. Some of them will require more consideration than others. Wendy Alexander was so right when she said that the ownership of that work must lie with this Parliament, in conjunction with the Westminster Parliament. It is not a matter of simply handing over powers to the Scottish Government, which does not even believe in the Calman recommendations and which is setting out to undermine what we are trying to achieve.

Some changes to the Scotland Act 1998 and to the Parliament’s standing orders will be required, and there needs to be some analysis of that work. However, even this morning, Michael Russell and the other ministers still refuse to affirm that the steering group will get the Scottish Government’s co-operation. They still refuse to say what action they will take in relation to the commission’s financial proposals.

If we think back to the claim of right, we can see that it was a package for devolution. Donald Dewar made the argument successfully, and it formed the basis of the work of the parties in the Scottish Constitutional Convention. Furthermore, it had the support of the Scottish people. People need to work together from the beginning, rather than the SNP simply cherry picking the bits that suit its own aim of independence at the end. What SNP members are asking for is already work in progress, and they know it. Their demands are stage acting, and they know that they are marginalised. Of course, we would welcome any co-operation or consensus that the SNP was willing to offer.

Michael Russell: Will the member give way? I am about to offer.

Pauline McNeill: I believe that members will vote for the motion. I hope that Mike Russell will confirm that, if the SNP loses the vote, it will give full co-operation to the steering group.

Michael Russell: I want to scotch this nonsense once and for all. Scottish Government officials have been working with Calman during the process. We have been giving support and information, and we will continue to do so. I ask the member for an assurance that she will back the positive proposals for implementation that are on the table today. We should not delay any

further; let us just make them happen. Why will she not give us that assurance?

Pauline McNeill: Mike Russell speaks with forked tongue. What he says is not clear cut. There should be co-operation from the Scottish civil service. If he has just affirmed that that will happen, we welcome it.

The SNP wants to take the country where it clearly does not want to go. As Murdo Fraser said, it has used every available Government platform and taxpayers' money to promote independence—calling it “a national conversation”. The SNP's mission in government is to destroy the union and to undermine what we are setting out to achieve through stronger devolution. In the past few days, SNP members have behaved like impatient children. History is repeating itself: they got out of the convention and out of the commission, and now they are out of the steering group.

The Government has a duty to represent the interests of the whole nation, not simply the narrow interests of itself and its supporters. If it wants to act in the interests of the country, it should be willing work with us now. The SNP is desperately trying to turn the process into one of demands; in reality, the other parties are working together.

Scotland's future should not be dominated by eternal debate about nationalism and constitutional arrangements. It should be about our democracy, governance and aspirations for education, health and the environment. In time, people must be able to rely on Scotland's Parliament to debate the issues that matter to them: equality, jobs, youth training, health and educational attainment. We have been challenged on those key issues. Of course, the progress that we have made is not enough. We have different visions of Scotland's future, but the time is right for us to mature the devolution settlement so that we can achieve progress.

“Hybrid Bills”

The Deputy Presiding Officer (Alasdair Morgan): The next important item of business is a debate on motion S3M-4432, in the name of Gil Paterson, on behalf of the Standards, Procedures and Public Appointments Committee, on hybrid bills. I ask members who are leaving the chamber to do so—and not to linger in the corridor talking to other members, Mr Russell.

11:21

Gil Paterson (West of Scotland) (SNP): I put on record my thanks to the committee's clerking team and other officials. This is a technical report, and a great deal of hard work was done in the background to assist the committee. I compliment my colleagues on the committee on the way in which they did this piece of work for the Parliament.

At the end of 2008, the Minister for Transport, Infrastructure and Climate Change announced that the Scottish Government intended in late 2009 to introduce a bill that would provide for an additional crossing of the River Forth. The bill would be a public bill that would seek to purchase compulsorily certain rights, such as land. As standing orders do not include any procedures for public bills that affect private interests, the Standards, Procedures and Public Appointments Committee agreed to undertake an inquiry into what procedure would be necessary. Early on, the committee agreed that it would call such bills hybrid bills and that it would focus its consideration on providing rules for the scrutiny of Scottish Government bills that affect private interests.

In annex A to its seventh report of 2009, the committee sets out the rules that it recommends for hybrid bills. The committee agreed that there was benefit in utilising, where possible, elements of existing public and private bill procedures, given that those had been tested and refined in the light of experience. I thank all those who provided written evidence, which helped the committee to identify which procedures to recommend.

From the start, the committee recognised that it required to ensure that the procedures for scrutinising hybrid bills were robust in the face of any European convention on human rights challenge. The committee has therefore recommended that, in relation to consideration of and decision taking on objections, existing private bill procedures should be adopted for hybrid bills. The recommendation has the added benefit of ensuring that there is consistency of approach for the public in objecting to a private bill or a hybrid bill. The range of accompanying documents that will be required for hybrid bills will be similar to that

which is required for private bills, with some minor changes to printing and distribution to reflect the public bill element of hybrid bills.

Where the committee has departed from private bill procedure is in recommending rules that enable secondary committee scrutiny of the general principles and financial memorandum of a hybrid bill. The committee recognises that the interests of any secondary committee members will still need to be considered, as will issues related to evidence taking, but felt that those concerns will be best addressed by secondary committees after the bill is introduced.

The committee recommends that any member should be able to amend a hybrid bill at stages 2 and 3. However, should any amendments affect the private interests of individuals or bodies differently from the bill as introduced, those affected should have a right to have their concerns heard.

Finally, the committee noted that much of the detail of private bill procedures was set out in determinations that were—mostly—agreed by the Presiding Officer. The committee agreed that it, too, would adopt that flexible approach in relation to hybrid bills, and in annex B to its report it has provided draft determinations for the Presiding Officer and the Scottish Parliamentary Corporate Body to consider.

Time does not permit me to go into much detail about all the rules that we are recommending, but the committee believes that they strike the right balance between enabling those who are adversely affected by a hybrid bill to have their objections considered by a fair and impartial committee, and enabling the Parliament to consider the public policy elements of Scottish Government hybrid bills.

I move,

That the Parliament notes the Standards, Procedures and Public Appointments Committee's 7th Report 2009 (Session 3), *Hybrid Bills* (SP Paper 299), and agrees that changes to Standing Orders set out in Annex A to the report be made with effect from 26 June 2009.

11:27

Nanette Milne (North East Scotland) (Con):

Like most of my fellow committee members, I am a relatively new member of the Standards, Procedures and Public Appointments committee, and I have not, hitherto, been involved in any procedural work, so I pay tribute to those members who worked on the procedure for dealing with hybrid bills. In particular, I pay tribute to the committee's legal and clerking teams, which have put in a power of detailed and painstaking work to bring the proposals for the new procedure to Parliament in a relatively short timescale.

Not being of a procedural or legal frame of mind, I must admit that when I first read the committee report, I felt that it could rival watching grass grow or paint dry—it was very technical. However, it was extremely important to devise a procedure for hybrid bills to deal with any future bills of a public nature that affect private interests. I hope that the procedure that we are discussing today will provide for stable and competent law making in this and future parliamentary sessions.

The fact that the Scottish Parliament's standing orders do not already contain rules for handling bills that include provisions affecting private interests is perhaps a sign of the relative youth of the Parliament as we commemorate our 10th anniversary. The new procedure that we plan to adopt today will therefore bring our devolved legislature into line with Westminster and the hybrid bills procedure that operates there.

Perhaps the most problematic aspect of the administration of the hybrid bills procedure will be the make-up of future hybrid bill committees. In the case of a new Forth road crossing bill, which is likely to be the first hybrid bill presented to the Parliament, the 32 members who represent the Lothians and Mid Scotland and Fife regions will most likely not be eligible for appointment as members of the hybrid bill committee. I wonder whether North East members such as me, who regularly cross the Forth en route to and from Edinburgh, will also be deemed to have an interest and therefore be excluded from the committee's membership. As with private bill committees, members of a hybrid bill committee will be expected to attend every meeting of the committee, which could regularly take up a considerable amount of time. That could present difficulties for the Parliamentary Bureau in future in constituting the membership of committees.

Retrospectively, one wonders how a Scottish Parliament of 129 members would have managed to put together a committee to deal with an M8 motorway construction hybrid bill that covered the Central Scotland, Glasgow, West of Scotland and Lothian regions, effectively excluding 66 members from the committee's membership.

I hope that the hybrid bills procedure will reassure members of the public about their rights in connection with possible objections to future hybrid bills and about the protocols that will allow objections to be fully and fairly considered.

It is essential that we have in place a hybrid bills procedure for any future major construction projects that will be required to secure Scotland's national infrastructure and economic development, such as the proposed Forth crossing. I am happy to support the committee's report and to approve the consequent changes to standing orders, as set out in annex A to the report.

11:30

Tricia Marwick (Central Fife) (SNP): My speech will be short.

I will speak about who will serve on hybrid bill committees. Private bill committee members were drawn from among those members of the Parliament who did not represent the particular area affected by the bill. In the last two sessions, it seemed that members from Fife were disadvantaged because of the number of bills that we had to consider. For example, Nanette Milne's colleague Ted Brocklebank, Christine May and I—all Fife members—served on the Waverley Railway (Scotland) Bill Committee. I am looking forward to ensuring that I am not dragooned on to the Forth crossing bill committee because of my interest in the matter. I am sure that members who have escaped the onerous task of serving on such committees—particularly those from the north-east, such as Nanette Milne—will be delighted to consider an M8 bill, if one comes along, or the Forth crossing bill.

The Deputy Presiding Officer: I call Bruce Crawford to wind up on behalf of the Government. I can give him five minutes.

11:31

The Minister for Parliamentary Business (Bruce Crawford): My goodness. I have been waiting all week for these five minutes.

The Government welcomes the Standards, Procedures and Public Appointments Committee's report on hybrid bills. We acknowledge the hard work that the convener and members of that committee have undertaken. The committee managed to carry out that work speedily to ensure that the procedures are in place before the summer recess. The Government is grateful for that. We welcomed the opportunity to contribute to its inquiry, and we welcome the chance to endorse the proposed changes to the standing orders.

Tricia Marwick might be in for a bit of a surprise. If I get things right, the Central Fife constituency and the Glenrothes constituency will probably not be associated in any way with the Forth road bridge works. I shall bear that in mind when we come to a decision—

Tricia Marwick: Will the minister take an intervention?

Bruce Crawford: I will happily do so, as long as Tricia Marwick does not give a resignation speech.

Tricia Marwick: Given my long-standing commitment to a new Forth road bridge, it would be wholly inappropriate for me to be dragged on to a committee that will deal with it.

Bruce Crawford: Whether or not Tricia Marwick will be dragged on to that committee, her experience will be valuable, and she might find herself in that situation. I look forward to discussing the matter at some other juncture. I am sure that she will be able to persuade me to do what she wants; she usually can.

As other members have said, the immediate need for changes to the standing orders arose because the Government announced last year its intention to legislate for a new Forth crossing. Obviously, that new crossing will be a hugely important infrastructure project that will safeguard a vital connection in the country's transport network and provide economic security for the east of Scotland. The bill will not only seek authorisation for the construction and operation of the new bridge and linking roads; it will also seek the power of compulsory acquisition. Gil Paterson referred to that. The committee identified that that power will change the nature of the bill; it will become a hybrid bill rather than a public bill. Therefore, a new parliamentary process needs to be in place to ensure a fair outcome for the individuals and local organisations that are directly affected by the bill and wish to object. The hybrid bill process that the committee proposed in its report will provide that any objector will be able to put their case to a committee of the Parliament for proper consideration and a decision on their objection.

I turn to the recommendations. The committee was right to focus its inquiry on adapting the tried-and-tested procedures for public and private bills. The evidence that we submitted to the committee was based on that approach. We therefore support the committee's recommendations on changes to standing orders.

We note the committee's recognition in paragraph 8 of the report of the need to consider the publication of guidance on hybrid bills. Although we appreciate that the production of guidance takes time, we believe that it is imperative that the Parliament produces comprehensive guidance on the making and consideration of objections in advance of the introduction of the Forth crossing bill.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): As a member of the Finance Committee, I am interested in colleagues' views on the SPPA committee's report in relation to financial considerations. Does the minister have any thoughts on the eligibility of members of the Finance Committee, given their interest, to consider financial issues around the hybrid bills that are introduced? I do not think that the issues around the Finance Committee's role in scrutinising financial memoranda and so on, which

was previously the sole remit of the private committees, have yet been resolved.

Bruce Crawford: I think that Jeremy Purvis is trying to find some poor excuse not to be involved in the process of considering the Forth crossing bill when it is introduced. I am sure that his business manager, Mike Rumbles, who is sitting next to me, will take a keen note of Mr Purvis's need to be involved.

Jeremy Purvis rose—

Bruce Crawford: I understand that Mr Purvis has made a serious point, and we will actively consider it.

I will return to where I was in my speech—given the time that I have left, I had better be quick.

I thank the committee for its hard work and pragmatic approach, which has resulted in a set of straightforward and sensible recommendations. I confirm that the Government welcomes and agrees to the proposed changes to standing orders that are outlined in annex A of the committee's report. We also welcome the fact that the Parliament has agreed that the rule change will come into effect on 26 June.

11:36

Marilyn Livingstone (Kirkcaldy) (Lab): As deputy convener of the SPPA committee, I thank all those who contributed to the committee's work on hybrid bills, not least those who submitted written evidence, which greatly assisted us in formulating the new procedures. I thank the committee's convener, Gil Paterson, for ably taking us through all the processes that were involved, and I thank all those who have contributed to today's debate.

I will highlight three of the committee's recommendations. First, it recommended that objections should be able to be lodged in English or Gaelic. The committee is aware of the Scottish Parliamentary Corporate Body's Gaelic language plan, which seeks to give effect to the principle that Gaelic and English should be accorded equal respect, and it agreed that allowing objections to be made in that way would reflect that principle. It will, however, be for the Presiding Officer to decide whether to reflect the committee's recommendations in any determination on the proper form of objections.

Secondly, the committee agreed with the Parliament's decision in 2000 that charging an objection fee of £20 would encourage objectors to work together, which will benefit them by enabling the whole group to work together in providing evidence to the committee. The fee also reflects the procedure whereby the committee groups individual objections that are the same or that

raise similar issues at stage 2. Again, it will be for the Presiding Officer to decide.

Finally, the committee decided to recommend that the Scottish Government should meet the costs associated with proceedings held before an assessor appointed by a hybrid bill committee. The committee agreed that, as the costs of the assessor hearings are largely driven by the number of objections, we hope that that recommendation will act as an incentive to the Scottish Government proactively to address the concerns of any potential objectors at an early stage, thereby minimising the number of objections that are made. Once more, it is for the Presiding Officer to consider whether to agree to provide for the committee's recommendation in a determination.

The Forth crossing bill is, as members have mentioned, expected to be introduced in the autumn, so the hybrid bill procedures will soon become familiar to us. As a Fife member, I hope that I will have discussions with my chief whip similar to those that Tricia Marwick anticipates.

It is helpful that the committee has taken the approach of amalgamating public and private bill procedures, which are familiar to MSPs and to members of the public. Most important, we hope that the new procedures will serve members of the public by allowing them to make their views heard when necessary, which we believe will result in a fair and measured outcome. I support the motion in the name of the convener of the SPPA committee, and recommend that the Parliament agrees that the changes to standing orders set out in annex A of the committee's 7th report take effect from Friday 26 June 2009.

Question Time

SCOTTISH EXECUTIVE

General Questions

11:40

Rail Services (Carrick, Cumnock and Doon Valley)

1. Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): To ask the Scottish Executive what action is being taken to improve rail services in the Carrick, Cumnock and Doon Valley parliamentary constituency. (S3O-7565)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Transport Scotland has initiated a review, in partnership with Network Rail and First ScotRail, of services from Glasgow to Dumfries and Carlisle, and Glasgow and Kilmarnock to Ayr, Girvan and Stranraer. The purpose of the review is to understand what opportunities exist to improve journey times, frequency and connectivity. It is planned that the review will be concluded in time for introduction from the December 2010 timetable.

Cathy Jamieson: I look forward to hearing more about the review. However, is the minister aware of local concern about the proposed timetable changes on the Stranraer to Ayr line, which will disadvantage my constituents who commute from Girvan to Glasgow? In effect, the changes will increase their working day by some 50 minutes. In the light of our commitment to tackling climate change, does the minister agree that it would be unfortunate if the timetabling changes led to an increase in car use rather than an increase in train passenger journeys?

Stewart Stevenson: The member will know that I am a train enthusiast. I try to use train services as regularly as I can and I wish others to do the same. We are implementing some interim timetable changes. We have the prospect of ferry services at Stranraer moving up the loch, and that will have an impact by changing the nature of the railway services to the south. I encourage the member to continue to interact with me, as the minister, to ensure that I fully understand her constituents' concerns. The review is a key instrument through which we will understand needs and respond to them.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Does the minister agree that Cathy Jamieson's constituents in Carrick, Cumnock and Doon Valley will have much better rail services when they can travel by rail direct to the Borders? When will finance be in place for the

Borders rail project so that constituents from the Borders, and from coast to coast, will be able to travel by rail?

The Presiding Officer (Alex Fergusson): It is a good job that it is the last day of term.

Stewart Stevenson: Mr Purvis's ingenuity always astounds and gains admiration from members in the chamber.

The project remains on timetable—I say that as we are talking about timetables—and we have had engagement with interested parties that shows that we are making the progress that we need to make on matters of finance.

Alasdair Morgan (South of Scotland) (SNP): Will the minister take on board the concerns of people in Stranraer and Wigtownshire that the proposed interim changes to the trains that serve Girvan and go on to Stranraer will provide a worse service than the already poor service that they get at present? Trains are infrequent and irregular, and journey times are long and likely to be extended. That is not the way in which to encourage more traffic on to the trains, and it is happening at a time when the services are likely to lose those passengers who go by boat.

Stewart Stevenson: The member makes a perfectly fair point. That is precisely why we are doing the work to consider the requirements. At present, a number of the services that go to Stranraer have single-figure carryings. Indeed, looking at the numbers in front of me, I see that in a number of cases there has been a single passenger. There is clearly plenty of opportunity to improve patronage, and we will certainly take every opportunity to do so as we work through our timetable revisions.

Enterprise Finance Guarantee

2. Tricia Marwick (Central Fife) (SNP): To ask the Scottish Government what discussions it has had with Her Majesty's Government about the enterprise finance guarantee scheme. (S3O-7532)

The Minister for Enterprise, Energy and Tourism (Jim Mather): The Scottish Government participated in the launch of the UK-wide enterprise finance guarantee scheme on 14 January. Since then, Scottish Government officials have maintained regular contact with their Whitehall colleagues on the Scottish uptake of the scheme. We also participate in the UK Government's small business finance forum, where issues of access to finance are reviewed, including the performance of the enterprise finance guarantee scheme.

Tricia Marwick: The minister knows that I have written to him about a company in my constituency, which applied for assistance under

the scheme but was refused because the bank continues to assert that the company does not meet the bank's own criteria. Will the minister assure me that he will continue to discuss with the Treasury how the UK enterprise finance guarantee scheme can better meet the needs of Scotland's businesses?

Jim Mather: I can give the member the assurance that she seeks. I encourage the company in question to take advantage of the help for business helpline, on 0207 215 6777, which is available from 8 am to 5 pm, five days a week. Help is also available by e-mail, from economy@bis.gsi.gov.uk.

Knives

3. Paul Martin (Glasgow Springburn) (Lab): To ask the Scottish Executive what steps it is taking to reduce the number of knives being carried and used in our communities. (S3O-7570)

The Cabinet Secretary for Justice (Kenny MacAskill): The Government is committed to reducing the number of knives that are carried and used in our communities and we are working with a range of partners, including the national violence reduction unit, to tackle the problem head on.

Action includes co-ordinated enforcement by the police throughout Scotland, which last year alone resulted in more than 250,000 people being stopped and searched and more than 1,600 weapons being seized from potentially dangerous individuals; education through our new £500,000 youth engagement initiative—no knives, better lives—which will educate young people about the dangers and consequences of carrying a knife; and earlier and effective intervention, such as the groundbreaking community initiative to reduce violence project in the east end of Glasgow, in which our £1.6 million investment is supporting partners to tackle the long-standing problem of gang violence.

Paul Martin: Does the cabinet secretary share my concern about a recent report in the *Evening Times*, according to which more than 200 pupils in Glasgow—some as young as 12—said that they carry knives? What action is the Government taking in that respect? Will the Government support our call for a knife amnesty?

Kenny MacAskill: Educating school pupils is extremely important. On Friday I was in Inverclyde, where an initiative was piloted at St Stephen's high school in Port Glasgow as part of the no knives, better lives programme. Pupils were shown hard-hitting images and a variety of matters were considered. The initiative was formulated through discussions with young people, to ascertain what they thought was best. The

initiative is being rolled out throughout Inverclyde and might be taken elsewhere.

To some extent the initiative replicates what is going on in the east end of Glasgow. We are doing what we can to ensure that we have the appropriate tough laws for enforcement and that we can educate our young people about the consequences of carrying a knife.

There was a knife amnesty, and we are not precluding anything. The priority of the police and other agencies is to ensure that the law is enforced and that we prioritise changing the culture. However, we never say never.

Margaret Curran (Glasgow Baillieston) (Lab):

The cabinet secretary is aware of developments in the east end of Glasgow. Is he also aware that there have been a number of serious incidents recently, which have involved people in their teens? In light of that, is he aware that local people are increasingly demanding closed-circuit television, for the purposes of protection from crime and identification of criminals? The agencies tell me that it is hard to meet the demand for CCTV. Will the cabinet secretary increase funding for CCTV, to tackle knife crime in the east end of Glasgow?

Kenny MacAskill: Tackling knife crime is not just down to CCTV; it is part of a package, which is why we have the community initiative to reduce violence. The Government thinks that there is a role for CCTV in making our communities safer. The matter tends to be dealt with by councils as part of the community safety agenda. I have witnessed the good work done through remarkable schemes using CCTV in Glasgow and elsewhere, and I do not doubt that CCTV will have a role to play as part of the CIRV project in the east end of Glasgow.

It is about having tough laws and enforcing them, and it is about the police, prosecutors and the judiciary doing what they have to do. It is also about bringing together education, health and other partners to ensure that we educate our young people to change the culture of violence. There is no magic elixir or panacea. It is not simply about CCTV; it is about the appropriate legislative process and changing the culture, which is what we are doing.

Government Advertising (Newspapers)

4. Mary Scanlon (Highlands and Islands) (Con): To ask the Scottish Executive what percentage of its advertising is placed in local newspapers compared with national newspapers. (S3O-7500)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): In 2008-09, 73 per cent of public information notices and

tender notices, 39 per cent of campaign advertising and 27 per cent of recruitment advertising was placed in local newspapers, in comparison with national titles.

Mary Scanlon: Local weekly papers have a high readership in all towns, villages and remote and rural parts, especially in the Highlands, and are an excellent medium for public information messages. The *Northern Scot*, the *Strathspey & Badenoch Herald* and the *Inverness Courier* are studied and often revisited throughout the week. That is not always the case for national daily papers. Recently, extensive advertising has been undertaken for information campaigns on matters such as swine flu. In such instances, why is so little use made of local papers?

John Swinney: Mary Scanlon has got three press releases from one question. If—heaven forfend—I have questioned her motives in Parliament, I apologise unreservedly.

Mary Scanlon makes a fair point about the readership of local newspapers. In my constituency, local residents avidly and enthusiastically read the *Perthshire Advertiser*, the *Blairgowrie Advertiser*, the *Forfar Dispatch* and the *Brechin Advertiser*. They provide a welcome focus for deploying public information notices. Ministers will take account of that when considering the communication of public information on the influenza situation, which I have observed in local newspapers in the past few weeks.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Does the minister agree that, given its far-reaching proposals for constituency boundaries in the Highland region, it is unfortunate that the Boundary Commission for Scotland chooses not to advertise in *The Northern Times*, which is the main Sutherland county newspaper?

John Swinney: I am sure that the Boundary Commission has heard the point that Jamie Stone understandably makes. As for advertising propositions such as public information notices and tender notices, we are putting many such notices online as well as making them available in local newspapers. I am sure that Jamie Stone's points can be the subject of representations to the Boundary Commission.

A83

5. Jamie McGrigor (Highlands and Islands) (Con): To ask the Scottish Executive what plans it has to upgrade the A83. (S3O-7498)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Planned works for this year include the first phase of a route accident reduction plan. Work is also well under way on a major structural maintenance scheme south of East Kames. The strategic

transport projects review recommended a series of route management initiatives on the A83 to maintain the route's physical condition and safety standards.

Jamie McGrigor: Is the minister aware that, despite what he said, businesses and residents in Kintyre have concerns about the state of some sections of the A83, which is the key artery to their economy? So bad is the road that in some places people must drive in the middle to avoid the potholes at the sides. Will he step up his efforts to repair the whole road? If that means trunking the section between Kennacraig and Campbeltown, will he do so?

Stewart Stevenson: The member is right to refer to Argyll and Bute Council's responsibilities for the A83 south of Kennacraig. It is for the council, with the increased resources that the Government has provided, to make decisions about that section. North of Kennacraig, the route is a trunk road. As I have said, we are considering the condition of that road and making the appropriate interventions.

Kintore Railway Station

6. Mike Rumbles (West Aberdeenshire and Kincardine) (LD): To ask the Scottish Executive, given the approval of funding by the previous Administration for Laurencekirk railway station and its subsequent recent reopening, whether it will commit to provide funding for the reopening of Kintore station. (S3O-7511)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Transport Scotland has asked Network Rail to conduct a feasibility study into developing the Aberdeen to Inverness proposal that is included in the strategic transport projects review. As part of that study, Network Rail will examine the case for a new station at Kintore. The recommendations from the north east of Scotland transport partnership's study into the positioning of a possible station at Kintore will provide useful input to that work.

Mike Rumbles: The reopening of the station would be of tremendous benefit not only to Kintore residents but to people in surrounding areas, including my constituents only four miles away in Kemnay. Will the minister confirm that, if the studies that he has just mentioned come back with a positive business case, the Scottish Government will commit to provide the necessary funding?

Stewart Stevenson: The prospect of a station at Kintore is important to a wide range of people, including the local constituency member. Mike Rumbles will observe that there are two specific references to Kintore in the strategic plan that Network Rail has published for 2009 to 2014 and should be absolutely satisfied that we are fully

engaged on the matter. If he wishes to look at the strategic plan, he will find it at www.networkrail.co.uk/aspx/4355.aspx and the reference to Kintore is on page 6 of the "Route 25: Highlands" document.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): I thank the minister for coming to hear the views of my constituents at a recent meeting of COBRA—the campaign to open Blackford railway again. In light of the evidence that was presented to him on poor disabled access at Gleneagles, the dangerous access route to that station, the Ryder cup in 2014, the growth of Highland Spring and the problems at Dunblane down the line, has he had any opportunity to reconsider the possibility of reopening Blackford station?

Stewart Stevenson: It is not only Mr Purvis who is being innovative in questioning today.

I remain fully engaged in the subject. I took a great deal that is of considerable interest away from the annual general meeting of COBRA. Of course, we have not yet come to conclusions that I can share with the member.

Transport Summit (Glasgow)

7. Sandra White (Glasgow) (SNP): To ask the Scottish Government whether it will support a transport summit for Glasgow, bringing together various stakeholders to discuss the challenges and aspirations facing the city and its environs. (S3O-7545)

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Transport Scotland, Strathclyde partnership for transport and Glasgow City Council are working closely together to develop a shared vision for transport in Glasgow and the west of Scotland. That includes delivery of the west of Scotland strategic rail enhancements, which were announced as part of the strategic transport project review outcomes. In addition, SPT has recently completed the west of Scotland conurbation public transport study and, with the council, is finalising its appraisal of the Clyde fastlink proposals. A joint delivery plan will be developed to allow all parties to take forward their public transport improvements throughout Glasgow and the west of Scotland.

Sandra White: The minister may be aware that much of the correspondence that I receive is connected with the gridlock in Glasgow city centre and that, over the recess, I will seek Glasgow residents' views on that issue. Will he meet me to discuss the detailed responses that I receive?

Stewart Stevenson: I am always happy to meet members, which always expands my information base and understanding. If Sandra White cares to contact my office, we can make the necessary arrangements.

School Closures

8. Hugh Henry (Paisley South) (Lab): To ask the Scottish Executive whether it will review its procedures on school closures. (S3O-7564)

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): We introduced the Schools (Consultation) (Scotland) Bill to Parliament on 2 March and the Education, Lifelong Learning and Culture Committee published its stage 1 report last week. The bill will update and strengthen the consultation practices that local authorities apply to all proposals for major changes to schools, including closures.

Hugh Henry: Does the cabinet secretary have anything to say to the parents of pupils at South primary school, which is closing tomorrow?

Fiona Hyslop: The decision about South primary is clearly one for the local authority. As a minister, I have no involvement in that issue. A number of closures are currently the topic of media attention, not least the many schools that are being closed in Glasgow, which is an issue for Glasgow City Council.

The publication of the bill shows the Government's determination to improve the consultation process and take on board the heartache and despair that many parents feel at school closures. Difficult decisions may still need to be made, but they will be made with full and good consultation to ensure that parents' views are heard properly.

Bob Doris (Glasgow) (SNP): When reviewing consultation processes on school closures, will the cabinet secretary look at the example of Labour-controlled Glasgow City Council, which had a flawed consultation process? Although 96 per cent of parents wanted their schools to stay open, this week their schools are being closed. Can we ensure that such abhorrent decisions are never taken again?

Fiona Hyslop: Councils will remain responsible for taking democratic decisions on school closures. The Government will improve the legislation to ensure that consultations are full and fair.

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-1805)

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

Iain Gray: This week, a damning report on child protection services in Dundee said:

"Inspectors were not confident that all children who were at risk of harm, abuse or neglect, and in need of protection, were identified and received the help and support they needed."

We can hardly be surprised at that, given that 23-month-old Brandon Muir was beaten to death by his mother's boyfriend in that city. His mother was a heroin addict and Brandon's short life was brutal and chaotic. What action has the First Minister taken since that tragedy?

The First Minister: As Iain Gray knows, Peter Wilson, the former chief constable of Fife Constabulary, is conducting an independent inquiry and has initiated an independently chaired significant case review of the tragic case of Brandon Muir.

On the general position of child protection in the city of Dundee, the Her Majesty's Inspectorate of Education report, which was published on 23 June, showed serious deficiencies in child protection in the city. That is not the worst of a number of reports that we have had. On the strenuous and stringent system of inspections that have been carried out in all local authorities in Scotland, we have identified five local authorities, of which Dundee City Council is one, where there are serious deficiencies. That is now being addressed. On 18 June, Fiona Hyslop, as Cabinet Secretary for Education and Lifelong Learning, and Adam Ingram, as the identifiable and responsible minister, met Dundee City Council's child protection leadership, which included the chief executive of the council Alex Stephen, the director of social work, the chief executive of NHS Tayside Professor Tony Wells and the assistant chief constable of Tayside Police. They did so to put in place the substantial remedial action that the council will take to improve the situation and protect the children of Dundee.

Iain Gray: As part of the First Minister's answer indicated, cases such as that of Brandon Muir are not one-off cases that happen in one city or another. We can all remember other examples

from the past. We know that 10,000 to 20,000 children in Scotland live with drug-addicted parents and that many more—perhaps up to 100,000—live with parents who are addicted to alcohol. We have heard those same figures from the Scottish Government for two years now. I have been saying for months that we do not need to count those children; we need to find them, and quickly, so that we can protect them. What steps has the First Minister taken in the past two years to find out exactly who those 10,000, 20,000 or 100,000 children are?

The First Minister: First, there is the in-depth investigation and inquiry into the tragic case of Brandon Muir. We should all await the outcome of Peter Wilson's inquiry before we jump to any assumptions about the precise nature of the case.

Secondly, the reason why we are uncovering the deficiencies in social work and child protection in a variety of areas in Scotland is that we have the most systematic and strenuous inspection system certainly anywhere in these islands and perhaps anywhere in Europe. That has identified that there are deficiencies in five local authorities; 26 authorities are broadly satisfactory or better; and five local authorities—Inverclyde Council, East Renfrewshire Council, Renfrewshire Council, West Lothian Council and Perth and Kinross Council—are very good indeed.

That system was planned by the Parliament in 2005 and has been implemented by this Government to remedy deficiencies when they appear. I hope that Iain Gray will acknowledge that one of the other reports that was published yesterday, on the city of Aberdeen—the follow-up report from an unsatisfactory report six months ago—found substantial progress as a result of the action that has been taken. Therefore, not only in one tragic case where an inquiry is pending but in social work protection for children right across Scotland, this Government applauds—as I hope all in the Parliament applaud—the action that is being taken to make safer the children of Scotland.

Iain Gray: The inspection regime, which I think my colleague Peter Peacock introduced and which was agreed by the Parliament—as the First Minister indicated—is an important move forward. It has identified deficiencies in five local authority areas. That said, surely those deficiencies and the fact that 20,000 children are at risk because of their parents' addiction indicates a national problem. Overstretched social workers are doing their best, but something needs to change. That is a job for the First Minister. As the minister with the highest office, he should be working for the most vulnerable children in the country. Will the First Minister support my call for a national inquiry to

devise a new and better child protection system for Scotland?

The First Minister: We have a very good child protection system in Scotland, which is identifying deficiencies, authority by authority, and remedying them. The system was introduced by the Parliament and implemented by this Government.

Iain Gray said that social workers are hard pressed. I agree with him. When tragedies have occurred and difficult situations arisen, I have expressed, I hope, the support of the Parliament for the difficult job that social workers do.

Iain Gray asked about my involvement in the issue. It is enough to know exactly what the profession itself is saying about the position in Scotland at the moment. Figures were published yesterday that show a record number of social workers in Scotland: we have 5,072 social workers, up 126 on the position in 2006. They also show that we have a record number of social workers in children's services—2,349, up 59 on the position in 2006—and that vacancy rates for social workers have dropped this year to a six-year low. In the publication *Community Care*, Ruth Stark, the British Association of Social Workers professional officer for Scotland, stressed that the level of political support for social work in Scotland explained why the vacancy level in Scotland is so dramatically lower than vacancy levels across the United Kingdom.

What I say next is for not only Iain Gray but the entire chamber. When professional social workers, given the difficult job that they do, express appreciation for the cross-party political support that they are receiving, all members must, for goodness' sake, rise to the compliment and keep up our cross-party support to protect the children of Scotland.

Iain Gray: The First Minister simply misses the point. I do not criticise social workers. I believe that they try—overstretched as they are—to implement the system that we have put in place. The First Minister defends the system with the figures that he cited. My argument is that the system has to change. I will explain.

We are about to embark on our summer recess. Scotland's schools are also about to go on summer holiday. Summer is a time for children—as we remember from our childhoods—but not for children such as Brandon Muir. The times in which those children live are brutal, chaotic and joyless—summer or winter. We need to change the balance in terms of leaving those children with their families or keeping them safe. The time has come to challenge and change the orthodoxy that underpins our system and to be quicker to remove and protect. Doing that needs a national debate

and leadership to start it. Does the First Minister agree? If not, why not?

The First Minister: We have appointed Peter Wilson to conduct an independent inquiry. When lessons are learned and recommendations are made that are specific either to the local or national area, they will be implemented. I will not accept from Iain Gray any suggestion that the system that the Parliament put in place and which is now being enforced is doing anything other than improving protection for the children of Scotland.

The key relevant findings are not just that we have more social workers and a dramatically lower level of vacancies than that south of the border, but that systematically, council by council, mistakes and deficiencies are being identified and, above all, rectified. Does Iain Gray not understand the significance of the fact that not only have deficiencies in the city of Dundee been identified, but, as a result of the identification of problems in the city of Aberdeen, action has been taken that will protect the children of that city, and such action is being taken by the vast majority of councils across Scotland?

Given that we as a Parliament introduced the systematic inspection process, all of us should take pride in the fact that it is working and improving the safety of children in this country. Of course we will take forward the independent inquiry's recommendations, but we will probably wait to see what its recommendations are before we jump to any conclusions.

Prime Minister (Meetings)

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

To ask the First Minister when he will next meet the Prime Minister. (S3F-1806)

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

Annabel Goldie: I have in my hands a copy of the Scottish National Party manifesto and no, I am not going to rip it up, because it is hard evidence of the promises that Alex Salmond has broken over the past two years on class sizes, on student debt, on first-time buyers, on council tax and on the Scottish Futures Trust. The list goes on. If that were not bad enough, the First Minister has picked fights with Westminster at every opportunity. He has even politicised swine flu. Will he spend the recess deciding whether he is running a Government in power or a Government in opposition? Will he apologise to all the voters whom he has misled?

The First Minister: On the last day before the recess, I am delighted that I, too, have a list. [Interruption.] I am being asked by back benchers and some front benchers to read it all. The council tax freeze, the small business bonus, the abolition

of tolls on the Forth and Tay road bridges, the reversal of the decision to close the accident and emergency units at Monklands and Ayr hospitals, and the delivery of funding for 1,000 more police officers are just the first five—I could go on to list all 51 commitments that this Government has kept and, in many cases, exceeded.

I do not expect Annabel Goldie to judge this Government kindly, but I do expect her at least to respect the judgment of the Scottish people. Can she have forgotten that only two weeks ago, there was an election across Scotland, in which the Tory party was, I think, pleased to come third, even though its vote had declined? Does she not remember that the SNP came first, which implies that among the people of Scotland there is some level of satisfaction with the performance of this SNP Government?

Annabel Goldie: That is just more hot air—more emissions from the First Minister. Heaven help our climate change targets.

To return to the First Minister's broken promises, a flagship policy in his manifesto was:

"Scotland can be smarter. It's time for ... smaller class sizes and it's time to dump student debt."

So what happened? It is less a case of a smarter Scotland and more one of a smuggler First Minister, if the performance that we have just had is anything to go by. We have as First Minister a man who blames everyone else for his own failures and who will fritter away £40 million a year on free prescriptions for the wealthy, but who will not hesitate to pick a political fight with Westminster over funding for flu vaccinations. Has he no sense of guilt, no twinge of conscience, over his broken promises? I again ask him whether he will use the recess to apologise to all the voters whom he has misled.

The First Minister: I had only got to number five in my list of all the commitments that we have met, but I note that at number 10 is delivery of the funding to phase out prescription charges. As Annabel Goldie will remember, that was affirmed in a vote of this Parliament, which is something for which she has the most enormous respect.

Annabel Goldie must accept that there is a substantial degree of evidence that the people of Scotland are reasonably satisfied with the progress of the SNP Government. However, on the attitude of or respect between Scotland and Westminster, I must say to Annabel Goldie that I see that Michael Forsyth seems to be picking a few fights with her. I do not know whether that is a Westminster-Scottish confrontation or just an internacine war within the Conservative party.

One of the reasons why this Government is respected by the people of Scotland is that we stand up for them without fear or favour.

Cabinet (Meetings)

3. Tavish Scott (Shetland) (LD): To ask the First Minister what issues will be discussed at the next meeting of his Cabinet. (S3F-1807)

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

Tavish Scott: I am not quite sure what an "internacine" war is, but I am sure that we will hear in due course.

As part of the Scottish National Party's campaign to centralise the police under the control of ministers, the Government announced yesterday the formation of a national police board. How will that board report to this Parliament?

The First Minister: A party must have lots of members before it can have an internacine war, so the Liberals will not be familiar with it.

Like many of the initiatives that we are taking to improve justice in Scotland, the initiative to which Mr Scott referred will have a substantial role in the effective delivery of the justice system in Scotland.

Tavish Scott: For 150 years—[*Interruption.*]

The Presiding Officer (Alex Fergusson): Order.

Tavish Scott: No, I am not going there. This issue is quite serious, so we might try to get a serious answer, but I suppose that we will wait some time for one. The First Minister is always good for the jokes, but we never get an answer from him.

For 150 years in this democracy, people have been worried about the Government gaining political and operational control over policing, so why does the First Minister not see that a national police board, appointed without debate in Parliament and with no basis in law, moves us down that dangerous road? Northern Constabulary has achieved the best clear-up rates for crime in the United Kingdom, but how much of that will be lost when a newer priority is dictated by a minister here in Edinburgh? The Grampian joint police board convener said this week:

"Grampian Police are leading the way in many innovative projects ... We need a police service that is responsive to local needs not subject to central diktat and centrally imposed targets."

This is the slippery slope to one police force, is it not?

The First Minister: Operational control remains with the local authority-denominated police boards

across Scotland. However, I hope that Tavish Scott agrees that certain areas require national co-ordination. For example, the initiative to tackle serious crime is a national initiative that requires to be taken across the country. Just this week, information was supplied on the success of the specialist unit that is addressing the serious problem of sex crime in Scotland. Again I say to Tavish Scott that I hope that he, with the whole Parliament, accepts that that work must be taken forward on a national basis.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): They are doing that already.

The First Minister: Mike Rumbles says that they are doing that already, but they are doing it because the Cabinet Secretary for Justice has introduced reforms. That is exactly why we need both responsive local police boards and national co-ordination across Scotland, which was brought into being by this Government after eight years of inaction by Mike Rumbles and his colleagues.

The Presiding Officer: I will take one constituency question from Marilyn Livingstone.

Marilyn Livingstone (Kirkcaldy) (Lab): I am sure that the First Minister is aware of the situation facing MGt plc in my constituency. Due to circumstances outwith its control, MGt has been adversely affected by the very public difficulties facing Setanta's UK operations. MGt is a very successful company that plays a significant role in the mid-Fife economy. This is the first time in its 11-year history that it has had to invoke a consultation process with its staff that may see up to 95 redundancies and that will include a review of costs.

Can the First Minister give a commitment that all key agencies will work together to ensure that all available support is given to MGt's highly skilled workforce to ensure that it can continue its valuable contribution to Fife's economy? Will the First Minister's Cabinet Secretary for Finance and Sustainable Growth enter into discussions with MGt to see what support the Scottish Government can give that important and enterprising business and its workforce?

The First Minister: Yes, I can give assurances on the cabinet secretary's intervention and the mobilisation of the partnership action for continuing employment team to help with the position in Kirkcaldy. As members know, MGt has suffered because it provides call centre arrangements and billing and software services for Setanta. As a result, perhaps up to 100 posts are at risk out of the company's 1,000 employees in Scotland.

The situation is serious, and I agree with Marilyn Livingstone that it is not in the direct control of the company. In the past, the company has received

regional selective assistance grants from the Government. The Cabinet Secretary for Finance and Sustainable Growth will directly and personally intervene to see what can be done to help with this particular difficulty.

Alcohol Summit

4. Michael Matheson (Falkirk West) (SNP): To ask the First Minister how the outcomes of the Scottish Government's alcohol summit will be taken forward. (S3F-1813)

The First Minister (Alex Salmond): The alcohol summit was a very productive event that brought together all partners with an interest in tackling the long-standing problem of alcohol misuse in Scotland.

The Government has already signalled its intention to introduce an alcohol bill before the end of the year, which will include proposals on minimum pricing, further bans on irresponsible off-sales promotions, and several other initiatives. We welcome continued discussion with other political parties and with other social partners. We are working with the alcohol industry and other interest groups as we take our proposals forward.

Michael Matheson: I draw the First Minister's attention to a letter in *The Herald* today, from Stephen House, the chief constable of Strathclyde Police, which states:

"Cheap drink is fuelling crime in Scotland. It is blighting our communities, damaging our quality of life and even costing lives. It cannot go on."

There is overwhelming evidence that the price of alcohol and the level of consumption are closely linked—similar evidence was submitted at the alcohol summit. Will the First Minister ensure that when a minimum pricing scheme is introduced, it will tackle the problem of cheap alcohol effectively? Such a scheme is regarded as a key way in which we can go about changing Scotland's unhealthy relationship with alcohol.

The First Minister: Alcohol misuse is one of the biggest public health challenges ever faced by our country. We acknowledge that no single solution to the problem exists, and that action will be required on a number of fronts. That is why the framework for action sets out legislation that is designed to effect change in the short term, and sets out actions that focus on achieving cultural and behavioural change over the longer term.

Strong evidence exists that increases in health harms are driven by increased consumption, which, in turn, is driven by price. That is why one of the cornerstones of our approach is to introduce a minimum price per unit of alcohol. We do not underestimate the challenges in pursuing that policy; it is a groundbreaking area of policy in

public health. However, as Dr Peter Anderson—a consultant in public health who has advised the World Health Organization and the European Union—made clear at Monday's summit, the eyes of the world are on us, and we must have the courage to introduce minimum pricing.

Mary Scanlon (Highlands and Islands) (Con): How will the First Minister's Government protect our whisky industry within the proposals on minimum pricing?

The First Minister: As I am sure the member will have seen from a number of projections, the whisky industry is not directly affected by the proposals on minimum pricing.

It is very important indeed, as we promote and defend our vital whisky industry overseas, that whisky is marketed as a premium product and not in any sense as a cut-price or a cheap product.

Scotland and whisky are very much conjoined in terms of image. Whisky should be marketed from a nation that can be proud not only of its products but of its record in public health. It is therefore in the interests not only of the whisky industry but of everybody in Scotland that we take on and defeat Scotland's problem with alcohol.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): I am glad that the Scottish Government saw fit to take up our suggestion of an alcohol summit. It was very helpful that such a range of people gathered together. However, it would also be helpful if the First Minister said that he regarded the summit as the beginning of a process rather than as an end in itself. At the summit, a number of areas of contention arose, as well as a number of areas of consensus. The contention was not only in relation to minimum pricing.

There is willingness among industry representatives, political parties and other stakeholders to ensure that the debate continues. Will the First Minister assure us that he and the Cabinet Secretary for Health and Wellbeing will consider ways of bringing industry representatives together with cross-party groupings of MSPs, on an on-going basis, to ensure that we build genuine consensus, rather than force through something that people are not signed up to?

The First Minister: Cathy Jamieson will know that, by definition, we as a minority Government cannot force things through this Parliament. That ability might lie elsewhere, but it certainly does not lie here. We propose legislation; the Parliament disposes of it and, I hope, rallies behind it.

On Monday, the Deputy First Minister gave the assurance that Cathy Jamieson has called for. This is the start of a process of engagement, and we are anxious to find the consensus that will

allow meaningful legislation to be passed. The Parliament has already demonstrated that that can be done, for example in its approach to tackling climate change. In that regard, we have passed an historic, groundbreaking bill that sets an international example that we hope others will follow. Let us try as a Parliament, as political parties and as public representatives to do the same in tackling one of Scotland's scourges: the problem of alcohol.

Anti-sectarianism Strategy

5. Bill Butler (Glasgow Anniesland) (Lab): To ask the First Minister when the Scottish Government will present a national anti-sectarianism strategy to the Parliament. (S3F-1808)

The First Minister (Alex Salmond): We will present our co-ordinated national approach to tackling sectarianism in Scotland to the Parliament in October, drawing together the different strands of existing activity that are already helping our communities to overcome this long-standing issue. For example, through sense over sectarianism we are already providing £412,500 over three years to people in the greater Glasgow area to develop and implement their own ideas for tackling sectarianism; through Nil by Mouth we are providing £118,000 this year and next to tackle sectarianism in the workplace; and through our support for YouthLink Scotland we are providing education resources to tackle sectarianism at all levels.

Bill Butler: I genuinely welcome the First Minister's answer, which, following the commitment in principle that he gave me in the chamber on 18 September 2008, sets out a specific timescale for introducing a national anti-sectarianism strategy.

Will the First Minister pledge today that the strategy will contain, among other things, a commitment to a national rehabilitation programme for those who are convicted of religiously aggravated offences, a pledge to address the decline in the number of twinning programmes in schools and an acceptance that an anti-sectarianism programme should be rolled out across the primary and secondary school curriculum?

The First Minister: All those matters are being actively considered. I am sure that Bill Butler will not be disappointed with the co-ordinated strategy when it emerges in October.

I am glad that Bill Butler has welcomed the strategy and the timescale for introducing it. I am sure that he will also recognise and welcome the strong efforts that have been made in the various community initiatives that have been taken forward

in schools and communities throughout Scotland. The organisations that I have listed—and I could list more—are doing vital work on behalf of us all, and they, too, will be part of the national strategy that will be announced in October.

Digital Switchover

6. Iain Smith (North East Fife) (LD): To ask the First Minister what action the Scottish Government is taking to ensure parity of coverage for all homes in Scotland following the digital switchover. (S3F-1825)

The First Minister (Alex Salmond): As Iain Smith knows, the Scottish Government is actively pursuing a policy of independence, under which responsibility for broadcasting and issues around the digital switchover would transfer to this Parliament. It is worth noting that the Calman commission, which the member supports, would not give me, any minister, the Scottish Government or indeed this Parliament any new lever to intervene effectively on this vital issue. This is a question of powers and parity, and of the action that Liberal Democrats would no doubt like ministers to take. We are lobbying vigorously, but there is a world of difference between lobbying and having effective power.

Iain Smith: I am not sure that I will bother thanking the First Minister for that answer.

Members: Oh!

Iain Smith: Well, it was not really an answer.

The First Minister will be aware that Consumer Focus Scotland's review of the digital switchover in the Borders highlights, not surprisingly, that many people were deeply unhappy at receiving a reduced service for the same amount of money. Forty-seven per cent of homes in the Borders get a reduced service, and it is estimated that one in five in the STV north area and one in ten elsewhere in Scotland will be affected. My constituents in Cupar have suffered from a reduced service for years, with no access to Channel 5 or Freeview. After the switchover, they will continue to receive a reduced service and will lose out further when free-to-view high definition channels and services such as BBC Alba and—if it ever happens—the Scottish digital channel are added to terrestrial digital transmitters. Does the First Minister agree that all licence payers deserve the same service and that the first call on any so-called surplus from the digital levy should be to equip relay transmitters to transmit the full range of terrestrial digital channels?

The First Minister: Yes, that is a laudable aim with which I agree, despite the customary graciousness of Iain Smith's question. I am prepared to agree that relay transmitters should be a big priority for the surpluses, as indeed should

be a digital television channel for Scotland. Ministers have met Digital UK officials, most recently on 3 June, to talk about the digital switchover and to put many of the concerns outlined by Iain Smith to the responsible officials—Mike Russell is doing that as Linda Fabiani did before him. I ask the member to note that there is a world of difference between ministers in this Parliament, on behalf of members such as Iain Smith, lobbying officials of Digital UK and having the power, ability and legislative competence to do something about the concerns.

Mary's Meals

The Deputy Presiding Officer (Trish Godman): The next item of business is a members' business debate on motion S3M-3762, in the name of Margaret Curran, on St Bridget's chapel Mary's Meals backpack project. The debate will be concluded without any question being put.

Motion debated,

That the Parliament endorses the work of the Mary's Meals international movement and in particular the group working from St Bridget's Chapel in Baillieston; commends the initiative, which is helping to feed over 350,000 children in poor areas of the globe on a daily basis, encouraging hungry children to attend school to be fed and, through education, gain a better future for themselves and their communities; expresses great pride in the fact that Mary's Meals is based in Glasgow and administers volunteers and feeding programmes in Africa, Asia, Latin America and Eastern Europe, and recognises the hard work of the volunteers at St Bridget's who participate in the Backpack Project, providing deprived children across five continents with school bags and school essentials donated by local community members.

12:32

Margaret Curran (Glasgow Baillieston) (Lab): I am very pleased that my motion on Mary's Meals has been chosen for this last members' business debate of the term. I thank the members who signed the motion and those who are staying for the debate.

The motion should be seen in partnership with my other motion. Together, they pay tribute to the young people of Our Lady of Peace and Sandaig primary schools; members of the St Jude and St John Ogilvie justice and peace committee; and the combined work of St Bridget's parish church, St John's Episcopalian church and the Church of Scotland congregations of Mure Memorial and St Andrew's in my constituency.

All those people, young and old, work with commitment and dedication, inspired by the simple vision of Mary's Meals, which is

"that all those who have more than they need, share with those who lack even the most basic things, and that every child receives one daily meal in their place of education."

Representatives from the churches are with us in the public gallery today, as are the children of Sandaig and Our Lady of Peace primary schools who recently sent more than 350 backpacks to Malawi. It is appropriate that this Parliament celebrates through the debate those significant acts of compassion and solidarity. The work, which is often unsung, takes place throughout Scotland, but I am sure that all members will agree that the contribution of those from the east end of Glasgow is particularly effective.

Mary's Meals was named after the mother of Jesus and undoubtedly encompasses many motivated by religious faith, but its humanitarian focus broadens to people of many faiths and of none. The initiative, which was created by two brothers, Magnus and Fergus McFarlane-Barrow, emerged from Scottish International Relief. The brothers were initially driven to act by the human cost of conflict in Bosnia. What was a place of pilgrimage in Medjugorje had become a place of enormous suffering, which led the brothers to initiate practical relief work.

Mary's Meals emerged when a young boy in Malawi, who saw his mother lie dying on the floor surrounded by her six young children, told Magnus McFarlane-Barrow that he had one remaining hope in life:

"to have enough to eat and to go to school one day."

Thus an energetic programme of school feeding began.

We know that the promise of a meal draws children into education, and Mary's Meals provides food, books and practical provisions for learning. The pencils, stationery and books that were collected and organised by the children of Barlanark a few weeks ago will right now be assisting young children in Malawi to learn.

Education is one of the most fundamental opportunities of life, and supporting education is one of the most empowering elements of international development. As Mary's Meals teaches us, it is overwhelmingly likely that, without education, poor children will remain poor for the rest of their lives. School feeding is therefore one of the most effective tools to draw poor children into school and to keep them there.

The Mary's Meals programme is simple and straightforward. It is necessary, and it has a lasting impact. Mary's Meals has provided daily meals for 350,000 children, and it is active throughout the world, from India to the Philippines, from Uganda to Haiti, from Albania to Bolivia. Recently, the programme has developed pioneering work with the Roma community who, tragically, are too often targeted in many countries.

The work could not happen without the voluntary effort of people such as those in the east end of Glasgow, to whom we pay tribute today. Mary's Meals is driven by a bond with fellow citizens from across the world, and its work resonates with the words of Nelson Mandela:

"overcoming poverty is not a gesture of charity. It is an act of justice."

Mary's Meals is a strong and robust organisation, and 93 per cent of every pound raised goes straight on project expenditure. All the people involved in Mary's Meals know that it has

saved lives and changed lives. The programme has mobilised that essence of humanity—people who want to act in the face of human suffering.

Some people have been inspired by St Augustine, who told us that love

“has the hands to help others ... It has eyes to see misery and want.”

Others have been motivated by campaigns such as make poverty history. Mary's Meals provides a forum for them all, whatever their driving force or motivation, to act simply to deliver practical support to those in need. Mary's Meals has demonstrated that very small acts and efforts can make an enormous difference to people's lives.

It is fitting that we understand that point in our work in the Scottish Parliament and that, as we approach the end of term, we recognise the noble efforts that are made throughout our communities. We must mobilise our work to support them.

Again, I thank my colleagues who have supported me in this work, and I invite them to a short reception after the debate. It is a reception with a difference, because members will only get served water—Mary's Meals would not spend any resource in helping MSPs, I can assure everyone—but members will get to meet young people and others from the communities that have done so much to help others across the world under the banner of Mary's Meals.

12:38

Anne McLaughlin (Glasgow) (SNP): If I were to ask my 12-year-old nephew Daniel what he would like out of life, I am pretty sure that not having to go to school and for his mum to stop making him eat vegetables would feature highly on his list. I am sure that there are other things that he would like, and I hope that more lofty ambitions will come one day soon. I remember being his age, and a day off school felt like the best present that anyone could ever give.

It is not Daniel's fault that another boy of a similar age, living in Malawi, answered the question rather differently. His greatest desires were very simple:

“to have enough to eat and to go to school one day”,

as Margaret Curran has already mentioned. That is the polar opposite of what Daniel would wish for. The question was posed by Magnus McFarlane-Barrow, who, along with his brother Fergus, responded by starting up Mary's Meals, which has grown since that day in 2002. It now provides healthy nutritious meals for 350,000 children across the world.

It is not Daniel's fault, but it is ours—partly, but not individually. Individually, many thousands of

people care and go further than simply caring by actually doing something. Margaret Curran has talked about the dedication of those who run Mary's Meals, in particular those from St Bridget's church, a church that I know well as Baillieston SNP has held many a fundraising event at the venue—and I can never, ever find my way to it.

Knowing that I have a big interest in international development, Mrs Curran's Westminster counterpart, the local MP John Mason, has spoken to me about the dedication of St Bridget's, as well as that of many organisations across the Baillieston area, in tackling international poverty.

Individually, there are thousands of people across the developed world who care deeply, but collectively we are not getting it right. Collectively, we are ignoring opportunities to make real changes and have even contributed to creating a world in which some children are desperate for a day off school and some are equally desperate to have the strength to get to school.

Let us look at what we are doing or not doing collectively to tackle poverty and inequality in the world. As we all agreed yesterday, the United Kingdom budget pledge to cut carbon emissions by 34 per cent by 2020 will fail to prevent dangerous global warming from devastating the lives of people in developing countries, who are more likely to suffer because of their location and lack of resources. That is especially cruel, as they are least likely to be responsible for climate change. I am proud that the Parliament worked collectively, on a cross-party basis, to set a target of 42 per cent and, I hope, to lead the way and influence other countries.

Climate change is just one part of the overall problem. As we all know, the developing world now spends \$13 on debt repayment for every \$1 that it receives in grants. Another issue is the arms trade. Developing nations continue to be the primary focus of foreign arms sales activity by weapons suppliers, yet it is estimated that in the past decade more than 2 million children have died as a result of armed conflict.

Trade gives us cause for concern. Earlier this week, the World Bank indicated that this year worldwide trade will plummet by nearly 10 per cent and output will fall by 2.9 per cent. Developing countries will be hit hard by falls in private investment, with nearly \$1 trillion less in foreign investment this year than two years ago. That could leave developing countries hundreds of millions of dollars short of the money that they need simply to finance their foreign obligations, including the debt repayment to which I have just referred.

The final issue is the global food crisis. According to Oxfam, 967 million people are going

hungry in the world today. One child dies of hunger-related causes every five seconds. The food crisis has plunged an extra 100 million people into poverty, with food prices continuing to rise. Thank goodness for projects such as Mary's Meals. Although I think that it is the wrong that the situation exists that makes Mary's Meals necessary, I applaud the work that it does and the army of volunteers who, no doubt, make many personal sacrifices to do it.

I love the simplicity of the project's mission. To get children into school and education—the only opportunity that they will have to get out of the grinding poverty into which they were born—it provides one healthy, nutritious meal a day at the school. I am also impressed by the way in which Mary's Meals involves local people in its work and demonstrates that everyone has a contribution to make. For example, in Malawi it has an army of local volunteers. On its website, members can read about Emily Chamba, a volunteer cook and the mother of a benefiting child. Imagine being unable to feed your child—Mary's Meals enables mothers to meet the basic instinct to feed their children.

Recruiting people such as Emily Chamba is hugely important because, although we must be compassionate towards people in developing nations, we must also be respectful. Too often we think of them only as victims who need our pity. By working with local volunteers, Mary's Meals recognises that people born into poverty in developing countries are victims but can also be skilled, intelligent, committed colleagues who are ready, willing and able to make a contribution to the development of their country.

Let us also consider the volunteers in Glasgow, where the charity is based. Having worked as a charity fundraiser for nearly a decade, I know how valuable volunteers are and how tough it can be to raise the money. I also know the power of work that goes into running the shops. There is a Mary's Meals shop next to where I live, in Dennistoun; I will visit it shortly and, I hope, make some purchases. I know how much organisation goes into putting together the backpacks—another simple but fantastic idea. Not only do children in developing countries benefit, but our children benefit by learning.

The Presiding Officer is telling me to wind up. I thought that I had six minutes—I now see that I have been speaking for that long.

The Deputy Presiding Officer: Actually, you had four minutes—you are doing quite well.

Anne McLaughlin: Thank you, Presiding Officer.

A Mary's Meals worker described a trip to Haiti's slums as being as she had expected, except for one thing—the fact that

“There was no TV button with which to turn it off.”

How many people in our rich, developed world, if they were unable to use the off button, would turn away from people in developing countries, and how many would follow the lead of projects such as Mary's Meals and do something about the situation?

I applaud and congratulate Mary's Meals and all of its volunteers across the globe. I appeal to the world collectively to ensure that one day there is no need for their work because everyone in the world has enough to eat and has an education.

12:45

Jack McConnell (Motherwell and Wishaw (Lab): I join Margaret Curran in congratulating the schools and churches in her constituency and in the east end of Glasgow that have made such a significant contribution, not just to the work of Mary's Meals and Scottish International Relief but, most important, to the children and families in Malawi and elsewhere who benefit from their activities.

In the past four years, I have had the absolute pleasure of visiting Malawi and seeing for myself the difference that those activities make, not only for the youngsters who are fed but their communities—healthier youngsters attending a school have more chance of success in life.

Throughout Scotland, dozens of schools, primary and secondary, have supported either the backpack project or the basic concept of Mary's Meals. Raising just £5 per child—I think that it has gone up this year, as a result of inflation, to £5.30—can feed a child for a whole year in Malawi and other parts of the developing and post-conflict world.

Whether youngsters in this country are collecting a small number of the goods that tend to be discarded in almost every home in our country to put in a backpack to send to a child elsewhere who has nothing, or collecting the £5 that allows that child to be fed for a year, to attend school, to be alert and attentive and to get something from that school experience, the simplicity of the project allows them not only to feel that they are making a real contribution and to understand that contribution, but, perhaps most important, to learn from that contribution. They are not only making a contribution but gaining from it, because they gain a better understanding of the rest of the world, a sense of friendship and a motivation that will stay with them for a long time.

I want not only to support Margaret Curran and congratulate her local schools and churches but to congratulate all of the schools, churches and community groups in Scotland that are helping Scottish International Relief and Mary's Meals to make that contribution. I congratulate all of the volunteers for Mary's Meals in the east end of Glasgow and in Argyll, which is where the charity is based.

Scottish International Relief ensures that its work happens with the minimum of administrative costs. There are many people who, for all the best of reasons, run charities around the world and get an incredible amount of publicity and credit for it, almost always deserved. We sometimes get the impression that the people who run the charities get as much credit and publicity as the purpose of the charity. That has never been the case with Scottish International Relief and Mary's Meals. Magnus MacFarlane-Barrow is an inspirational—if quiet—individual, who has made a very special small Scottish charity into something huge internationally. He has done that with the support of many people, and he would be the first to thank and congratulate them, but today let us pay tribute to him and the inspiration that he has given to Scottish International Relief, to Mary's Meals and to hundreds—perhaps even thousands—of Scottish school children, in Overton primary school in my constituency, in schools in Margaret Curran's constituency and in schools elsewhere. I hope that the charity continues to do its work for many years to come.

12:49

Bill Aitken (Glasgow) (Con): I congratulate Margaret Curran on securing the debate, which enables the Parliament, as we reach the end of a fairly long and arduous year, to finish on a reasonably optimistic note. It has been an optimistic debate that has told an inspiring story.

First, on a more local basis, congratulations are undoubtedly due to the congregations of St Bridget's and the other churches in the east end of Glasgow that have co-operated so well and so constructively with regard to this project. It has been said many times before that the people of Glasgow have very big hearts. Few members would disagree with that. The project is yet another illustration of how big their hearts are and of how they can work constructively and positively not only for people in their own locale or greater Glasgow but internationally.

I am reminded of the massive contribution that the voluntary sector in general makes to Scottish society and Glasgow society in particular. Members may have heard me talking about that before. We should be grateful and proud of that sector.

It is amazing that 350,000 children benefit daily from the charity's activities. Margaret Curran spoke about the various countries in which the charity operates. Those countries are widespread, disparate and very needy. Jack McConnell, who has a particular interest in and commitment to Malawi, underlined the good that it does there. The fact that it achieves its aims in a cost-effective manner has come out of the debate. It is cost effective in that it ensures that the maximum amount of input and the maximum contributions go out for the maximum benefit of beneficiaries. Perhaps other charities could learn that lesson—indeed, dare I say to the minister, perhaps Government departments should learn it. It is clear that where benefits can be maximised, more people will benefit.

Basically, the charity meets the most essential of all children's needs. It gives them meals and opportunities for education. It has been said before that charities giving money to communities that are in need is a good thing, but it is much better to enable and empower communities in the days and years ahead to benefit from the tangible things that have been offered. Food and education are offered in this case. With education comes the opportunity for people to make a living and to apply possibly basic education skills in a certain direction to enable them to be more employable and able to support their families in a much more sustained manner. It is tragic that doing such things is impossible in many parts of the world, even nowadays.

I say to the members of the churches in the gallery, and to the children in particular, that they should carry on their good work. Their own community, the wider Scottish community and the Parliament are proud of what they do and are grateful for the way in which they do it.

12:53

Karen Gillon (Clydesdale) (Lab): I, too, congratulate Margaret Curran on securing this important debate. I also welcome and congratulate everybody in the gallery who has been involved in such an important project and has contributed to the success of Mary's Meals.

Margaret Curran gave us the history of Mary's Meals; she spoke about how it started and how it has developed. The debate brings into sharp focus the fact that we are all global citizens and that the actions that we take in Scotland have a positive or negative impact on people throughout the world. In the west, our overuse of scarce resources has contributed greatly to climate change and global warming. As a result, those who live in the developing world are suffering. Increased flooding and higher temperatures are wiping out the crops of some of the most vulnerable people in the

world. I am proud of the Climate Change (Scotland) Bill, which we passed yesterday, but we must now live up to the challenges that it places on us as a society and progress matters with our colleagues throughout the western world. I am also proud of the UK Government which, unlike many of its western counterparts, will meet the international aid commitments that it made at Gleneagles. It is no doubt inspired by all of those, including my family and me, who took part in the make poverty history marches throughout Scotland and the world.

The people in the Parliament today are without doubt real global citizens, not just because they have collected items for backpacks or raised funds but because, in doing such things, they have learned more about people in other parts of the world and the challenges that they face.

Members know that I, like Jack McConnell, have an interest in Malawi. My first visit, in 2005, was an incredibly humbling experience, as it brought into sharp focus the daily challenges that most Malawians face. Most of them live on less than 60p a day. The bottle of water that I am holding up costs more to buy in the Scottish Parliament than most Malawians have to live on; as I look around the chamber, I see many half-empty bottles of water.

One thing that struck me when I was in Malawi was that Malawians do not want our pity. They want our help and support to grow their country and their economy, to feed their population, to educate their children, and to enable them to live in a world in which preventable diseases such as malaria do not kill children every second. That is a huge challenge, but they are trying to face up to it.

I cannot begin to imagine what it would be like to get up in the morning and know that I could not feed my three children; that they could not go to school because they would have to walk 5 miles there and simply did not have the energy to do so; that their chances of living beyond 15 or 16 were probably very slim; and that my chances as a mother of seeing them grow up and have children were incredibly unlikely. That is the reality of life for many people in Malawi.

As I am a socialist, my underlying principle is that I want the world to become a better place. I want every child to grow up in a better world than the one in which I grew up, and to have the right to a school, an education, a meal and a job, and the right to grow up in an environment in which they are given proper health care.

That is, in a small way, what the Mary's Meals movement is about, because it is—as I have seen for myself—doing that for children in Malawi. I have seen the difference that it has made to those children. They come to school knowing that they

will get fed and, as a result, they learn better. They know that they will have equipment in their school, such as the pens and paper that we take for granted, and that their teacher will be able to teach them.

People here in Scotland are making a contribution and are supporting and helping Malawian children to become global citizens too. I look forward to the day when my children are able to visit countries such as Malawi and not see the challenges of poverty that I saw when I was there.

I thank the members who have contributed to the debate. All members have schools in their constituencies that are involved in the movement, such as Blackwood primary in my constituency. I thank those who are here in the public gallery today. They are an inspiration to us and they make us feel incredibly humble. We thank them for all that they do, and we ask them to continue to do it. For our part, we will do what we can from a Government and a Parliament perspective to support and help them and our colleagues throughout the world.

12:58

The Minister for Children and Early Years (Adam Ingram): I congratulate Margaret Curran on securing the debate so that, as Bill Aitken said, we can end the parliamentary session on a high note. The motion offers us the chance to commend and publicise in the chamber the work that is done by Mary's Meals. The movement's contribution is considerable. However, the motion also gives us the chance to endorse the immense contribution of those Scottish schools, churches, groups and individuals who, through their efforts and commitment, ensure that Mary's Meals has the resources to feed hungry children throughout the world.

As my colleagues have said, what we are celebrating is not just that those children receive a meal every day but that that is linked to their receiving an education. As Karen Gillon rightly said, education is a right for every child in the world. It is undeniable, here and in the developing world, that education is the main route out of the poverty, hunger and grinding want that affect so many children throughout the world.

For more than 400 million children, hunger and malnourishment are a daily reality. Instead of going to school, either they are needed at home or they must go out to work to help their families in their daily fight for survival. Included in that number are the many orphans with no one but themselves to rely on for food and a roof over their heads. That was brought home to me last Saturday at the holy fair in Ayr, when I had a chance meeting with a young man who had come

over from Malawi and was trying to get some ideas to take back home to help with the huge problem that Malawi faces as a result of the impact of HIV and AIDS, which has left many children without a parent to look after them. Many of those orphan children also act as parents and carers for their younger siblings—those are the child-headed households that that young man was talking to me about.

For those children, education is a dream, unattainable because of their unremitting struggle for food. Because they are deprived of the education that should be theirs by right, they will never get the chance to realise their potential or gain the skills that are necessary to help them to escape poverty.

The Mary's Meals project offers a simple solution to that vicious cycle—a daily meal delivered to every child who attends school. Knowing that they will receive a meal every day, the children come back every day. With food in their stomachs, they can concentrate and learn. With an education, they have a route whereby they can work themselves out of poverty. It is a simple but effective idea that has steadily gathered momentum and which now provides daily meals for more than 350,000 of the poorest children in the world.

I am very pleased that Scotland is committed to playing its part in the global fight against poverty, and the Scottish Government has demonstrated its commitment by continuing financial support from the international development fund to support the Mary's Meals project in Malawi. We are currently providing the project with £400,000 for the three financial years to 2010-11.

The Government of Malawi has also adopted the policy of universal primary school feeding, and is committed to allowing it to spread across the country. It has also named Mary's Meals as one of the main in-country providers. That is testament to the great work that the project is doing and the high regard in which it is held by the people of Malawi. By the middle of last year, around 300,000 children were included in the Malawi programme. Since the start of the newest phase of the project, funded by the Scottish Government's international development fund in November 2008, Mary's Meals and Scottish International Relief have introduced the feeding programme into nine new schools in Malawi, reaching 11,081 new children.

In addition to feeding children through Mary's Meals, Scottish International Relief is to be commended for considering more closely the issues that prevent children in developing countries from continuing to attend school. It has shown great imagination in looking at the problems that those children face from the child's point of view.

Once a child goes to school, they need pencils and paper and the other equipment that is necessary for them to take full advantage of the school environment. They also need to feel that they do not stand out from other children and that they fit in. That is where the backpack appeal comes to the fore, and where schools and churches such as St Bridget's chapel in Baillieston make a huge contribution. As Margaret Curran has described, the volunteers at St Bridget's encourage their community to donate a school bag filled with such basic items as pens and notebooks. Those bags are then driven by Scottish International Relief to those receiving meals. The bags send a signal to families and communities in developing countries that gaining an education is important, and they also send a signal that families and communities in Scotland, who contributed the backpacks, care about them and support them through their hardship.

More and more people are taking part in the project. It has sent more than 120,000 backpacks to some of the poorest children in the world in places such as Haiti, Malawi, Uganda, Liberia, Romania and the Democratic Republic of Congo. The project's success in Scotland has been seen and celebrated throughout the world. Many countries in the European Union and North America have begun to follow Scotland's example, and are collecting and filling backpacks to send to developing countries.

The debate has focused our minds on the wonderful work that is carried out by Mary's Meals through Scottish International Relief, in strong and close partnership with the people of Scotland. I am pleased to have had an opportunity to congratulate the community of St Bridget's chapel in Baillieston on their sterling work in supporting the backpack appeal.

I thank members for taking the time to speak in support of the motion.

13:05

Meeting suspended until 14:15.

14:15

On resuming—

Point of Order

The Minister for Culture, External Affairs and the Constitution (Michael Russell): On a point of order, Presiding Officer. I provided notice that I wanted to raise this issue. I thought it necessary to inform the Parliament that, after this morning's debate on the Calman commission and the pressure from members with regard to progress—particularly Tavish Scott's remark on it—at lunch time the Scottish Government lodged in the Scottish Parliament information centre draft orders on the transfer of powers. A section 30 order and a section 63 order are now available for members, and will be available for the Parliament to implement when it chooses to do so. We hope to continue to make progress and I hope that members will now accept that the civil servants, too, are involved in the process, as the whole Parliament should be.

The Presiding Officer (Alex Fergusson): I think that that is more a point of information than a point of order, but it is now on the record.

Question Time

SCOTTISH EXECUTIVE

Health and Wellbeing

14:16

Tobacco and Primary Medical Services (Scotland) Bill (Childhood Smoking)

1. Kenneth Gibson (Cunninghame North) (SNP): To ask the Scottish Executive what impact it considers the Tobacco and Primary Medical Services (Scotland) Bill will have on the number of children taking up smoking. (S3O-7526)

The Minister for Public Health and Sport (Shona Robison): Some 15,000 children and young people start to smoke each year in Scotland, and the potential impact on their health is frightening. It is difficult to be precise on the bill's impact on the number of children taking up smoking, but our modest calculations suggest that banning the display of tobacco products alone could result in 700 fewer smokers from the 60,000 children born each year.

Kenneth Gibson: Is the minister aware that the number of cigarette brand variants has increased by 44 per cent since overt tobacco advertising was outlawed? Does she agree that that demonstrates that the tobacco industry will seize on any ambiguity that it can find in legislation? Can she assure the Parliament that regulations accompanying the bill regarding cigarette storage in shops will not leave loopholes for the tobacco industry to exploit in its continuing attempts to replace smokers who have passed away as a result of using tobacco products?

Shona Robison: Yes. I am aware of those statistics and of the tobacco lobby's constant attempts to recruit new customers for its product. Obviously, the Scottish Government is determined to reduce its opportunity to do that. On regulations on the display of tobacco products, we are working with retailers, particularly small retailers, to find a way that will meet the aims of the policy but not put undue cost burdens on small retailers. The discussions are going very well indeed. We will continue to keep the Parliament informed of the outcome of those discussions.

Rhoda Grant (Highlands and Islands) (Lab): The bill will not make an impact unless it is enforced. Will the minister ensure that adequate resources will be available to local authorities to ensure that they can test purchase at a level that will prove to be a deterrent to those who would sell to young people?

Shona Robison: I am sure that Rhoda Grant is aware that we have already increased the resources substantially, in the shape of £4.5 million over three years for enhanced tobacco sales enforcement. I hope that Rhoda Grant welcomes that, because it is important that, in our partnership with the Convention of Scottish Local Authorities and the local authorities, we continue to make progress on test purchasing and to make progress with Her Majesty's Revenue and Customs on tackling illicit sales of tobacco. We have put in the additional resources to enable that to be done; I hope that the member welcomes that.

National Health Service Volunteer Drivers

2. Karen Gillon (Clydesdale) (Lab): To ask the Scottish Executive what support it will offer to national health service volunteer drivers to continue to give their time, in light of a reduction in overall mileage rates. (S3O-7561)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): The Scottish Government appreciates the tremendous support that volunteers give to the NHS in Scotland. The guidance that we issued in February on the payment of out-of-pocket expenses for volunteers follows the Her Majesty's Revenue and Customs recommendation on the appropriate non-taxable mileage allowance payable to volunteer drivers. That recommends 40p per mile, which covers fuel costs and includes an element to cover motoring costs for the first 10,000 miles in the tax year, and 25p per mile thereafter. In addition to the mileage allowance, the guidance sets out day subsistence rates.

Karen Gillon: I thank the cabinet secretary for clarifying the amounts.

In my constituency, and in other rural constituencies, there is concern that the impact on volunteers could be quite severe. Drivers will now lose out once they exceed 13,000 miles. For someone travelling between Wishaw general and Leadhills, the round trip is 82 miles. Volunteer drivers play an important role. What else can be done to support them? What will be the impact on the Scottish Ambulance Service if volunteer drivers begin to withdraw their services?

Nicola Sturgeon: Karen Gillon makes fair points. As I said, we value highly the work of volunteers. Their contribution to the Scottish Ambulance Service in particular is known to all members.

I hope that Karen Gillon appreciates that we have to strike a balance and find a fair system of recompense. That is what we have tried to do with the new guidance. We have tried to ensure that it is fair to volunteer drivers while ensuring that

people do not fall into the category of recompense that would incur tax liability. That is why we have followed the HMRC recommendations.

At the previous health and wellbeing question time, I told John Scott that we would keep the implementation and the impact of the guidance under review. It is important to me that volunteers in the national health service, including volunteer drivers, feel valued and are not out of pocket as a result of their contribution.

As Karen Gillon knows, in 2007 we commissioned Volunteer Development Scotland to develop a three-year volunteering strategy. That strategy action plan will be important over the medium to long term, so that we can continue to support volunteers and their excellent contribution.

Jackson Carlaw (West of Scotland) (Con): In written responses to me, the cabinet secretary confirmed that information on the total mileages for individual volunteers, and on the average lengths of their journeys, was not known by the Government. The previous mileage rate was uncapped and was not prejudicial, but the new mileage rate is capped and is prejudicial. I am told that the new policy is not being applied in England and Wales. Will the cabinet secretary reconsider before damage is done to the overall volunteer contingent? After listening to representations from volunteers who do large mileages, I very much fear that damage will be done.

Nicola Sturgeon: As I said to Karen Gillon, and as I have said to Jackson Carlaw's colleagues before in the chamber, we will keep the issue under review. Despite the valid points that members are raising, I hope that all members appreciate that we all value the contribution of volunteers. Nobody wants volunteers to be discouraged from making their contribution.

I cannot speak about the situation in England and Wales; my responsibility is for the situation here in Scotland. The Government does not hold centrally the information that Jackson Carlaw mentions, but that does not mean that the information is not held at health board level.

We are anxious to ensure that volunteers are properly recompensed for their work and for their out-of-pocket expenses, but we must ensure that they do not incur tax liability. That is why we have followed the HMRC recommendations. All that I can do is repeat again that the Government and the Scottish Ambulance Service will monitor the situation closely. I want to ensure that people in Scotland feel able to volunteer and feel valued.

Multiple Sclerosis (National Health Service Support)

3. Jamie Hepburn (Central Scotland) (SNP): To ask the Scottish Government what support in

the community the national health service provides for people affected by multiple sclerosis. (S3O-7530)

The Minister for Public Health and Sport (Shona Robison): Progressive conditions such as multiple sclerosis require close collaboration at local level between health and social care services. Community health partnerships have a clear role in promoting that integration. That is recognised in our long-term conditions action plan, which was published last week.

The multidisciplinary team model, developed in NHS Tayside, includes a specialist care manager, responsible for assessing the care and welfare needs of people with MS. We would wish other boards and their local planning partners to follow that example.

Jamie Hepburn: I thank the minister for her answer. Recently, I met members of the Cumbernauld and district branch of the MS Society, and they informed me of their intention to establish a drop-in centre for local people who are affected by MS. Does the minister agree that that type of initiative has an important role in community support for people with MS and their families? What support might be available to assist with the initiative? Will the minister agree to visit the drop-in centre with me when it is established?

Shona Robison: I will be happy to visit the drop-in centre when it is established. It sounds like a good development, and I encourage the group to talk to partners such as the local authority and the local health board about what support is available and about ensuring that services can be integrated. I will be happy to continue to talk to the member about that.

The Presiding Officer (Alex Fergusson): Question 4 is withdrawn.

In Vitro Fertilisation

5. Margaret Curran (Glasgow Baillieston) (Lab): To ask the Scottish Executive what it is doing to guarantee that all national health service boards offer three cycles of NHS-funded in vitro fertilisation treatment to those who are eligible. (S3O-7557)

The Minister for Public Health and Sport (Shona Robison): As I indicated to Parliament last month, we are funding Infertility Network Scotland to work with NHS boards across Scotland, concentrating in particular on boards that do not fulfil the recommendations in infertility guidance, including current recommendations on the number of cycles offered to patients.

Margaret Curran: I am pursuing this question on behalf of constituents of mine who have been critical of the two courses of treatment that they

received, feeling that they did not constitute full and fresh treatment. I will pursue the matter with NHS Greater Glasgow and Clyde, but I would be grateful if the minister could indicate the timescale for persuading the health board to deliver three cycles. Such a move would offer some hope to my constituents, who are considering having private treatment that they can ill afford.

Shona Robison: NHS Greater Glasgow and Clyde includes in one cycle of treatment the transfer of frozen as well as fresh embryos, which, in effect, means that patients in that health board area receive more chances for treatment than those in the many other areas where boards allow only two fresh transfers and one frozen transfer. I am sure that the member will understand that point.

As far as timescales are concerned, I have already informed Parliament of our intention to establish this summer the expert advisory group on infertility services, which will consider the draft action plan and some of the changes that will be required. As Margaret Curran will acknowledge, these are long-standing problems that were probably not given the attention in the past that they deserved. Indeed, that is why we are moving forward with the expert advisory group. We are very determined to pay attention to those issues and to ensure that people, no matter where they live in Scotland, are not disadvantaged.

Mary Scanlon (Highlands and Islands) (Con): Against the background of the work that is being done and, indeed, of Helen Eadie's members' business debate last month, will the minister examine the varying age limits and body mass index levels that are used to exclude women from IVF treatment to ensure that there is a consistent approach across Scotland?

Shona Robison: The upper age limit should be 39 years inclusive, which means that, in effect, the woman should not have reached her 40th birthday.

With regard to BMI levels, I have to say that at the moment a woman's weight is not one of the access criteria for infertility treatment. Because clinical decisions are involved, we expect clinicians to follow the relevant clinical guidelines such as the National Institute for Health and Clinical Excellence guidance on fertility. I am sure that the expert advisory group will be able to consider the issue, but the fact is that, wherever the age limit is drawn, people will still fall outside it. As these matters are finely balanced, we have to seek expert advice. That is why we have set up the group, which will meet over the summer to come up with advice and conclusions for ministers.

The Presiding Officer: Question 6 is withdrawn.

NHS Grampian (Public Engagement)

7. Nigel Don (North East Scotland) (SNP): To ask the Scottish Executive what measures are being introduced to encourage engagement between the public and NHS Grampian. (S3O-7522)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): Following the commitment that I gave during the stage 3 debate on the Health Boards (Membership and Elections) (Scotland) Bill to undertake alternative pilots at the same time as the direct election pilots, I announced on 17 June that NHS Grampian had been chosen as one of the alternative pilot areas for improving public engagement and involvement.

Nigel Don: Given the range of folk in the Grampian area who could contribute to such a pilot, what specific steps might be taken to ensure that it will involve the widest possible range of people?

Nicola Sturgeon: I am more than happy to discuss such matters with Nigel Don and other members from the Grampian area as we develop the pilot. The two alternative pilots, the second of which will be in NHS Lothian, will take different approaches to improving public engagement. In Grampian, for example, that will involve the number of executive board members being reduced from the current seven to five. It will also involve working with the Office of the Commissioner for Public Appointments in Scotland to look at different ways in which we can improve the public appointments process, the purpose of which is to encourage a much greater diversity of candidates to come forward for appointment to the health board.

As I said at the start, I am more than happy to continue to discuss the details with Nigel Don and others.

NHS Dumfries and Galloway (Consultation)

8. Derek Brownlee (South of Scotland) (Con): To ask the Scottish Government what the current position is on the independent scrutiny panel reviewing the consultation process in NHS Dumfries and Galloway. (S3O-7495)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): The independent scrutiny panel was established to carefully consider NHS Dumfries and Galloway's clinical strategy proposals in advance of the board undertaking formal public consultation. The panel is awaiting a final submission from NHS Dumfries and Galloway to inform its deliberations and I understand that it is expected by the end of June.

Derek Brownlee: Will the cabinet secretary give further clarity on what impact that will have on the likely timescale for what might be rather far-reaching changes to service provision in the region? What role, if any, is there for the Scottish Government in assessing the proposals that come out of the consultation process after the independent scrutiny panel has completed its work?

Nicola Sturgeon: I thank Professor Frank Clark for the work that he is doing in leading the independent scrutiny panel. Obviously, the timescale for consulting on and then making changes lies with NHS Dumfries and Galloway. The member is aware that following the independent scrutiny panel's conclusions, the board will require to go to formal public consultation, for which the expected timescale is 12 weeks. The purpose of the independent scrutiny panel report is to inform the public during that consultation and to assure them that the assumptions and information that were taken into account by the board in reaching its proposals are robust and accurate.

Derek Brownlee asked about the Government's role. Once all the proposals for major service change have been through the ISP and the public consultation process, they come to me for formal approval or otherwise. As a result, it is probably best that I do not say too much more at this stage about the proposals that are on the table.

Pharmacies

9. Iain Smith (North East Fife) (LD): To ask the Scottish Executive whether it plans to review the procedures for considering applications for new pharmacies. (S3O-7512)

The Minister for Public Health and Sport (Shona Robison): I announced to Parliament on 21 May our intention to undertake a review beginning this summer, and a formal consultation in the autumn.

Iain Smith: I thank the minister for her answer and indeed for the assurances that she gave in the members' business debate last week.

The minister is aware of concerns in my constituency about the reapplication for a pharmacy in Leuchars, where there is currently a dispensing general practitioner practice, which covers the Balmullo and Leuchars communities. The concern is that although the application was rejected both by the local pharmacy committee last December and on appeal by the national appeals panel in May, a fresh application was made quickly afterwards.

I would be grateful for the minister's assurance that NHS Fife will follow the guidance in the new regulations that will come into force on 1 July to

have public consultation on that new application and that, when the review takes place, it will look at the issue of reapplications and whether there should be a time bar before new applications can be considered.

Shona Robison: I am happy to take up that issue with NHS Fife, which I expect will follow the new procedures on consultation that will come in on 1 July, as the member rightly pointed out.

During the members' business debate on the subject, I think that I gave an assurance that reapplications would be part of the review; I am happy to give that reassurance to the member again.

Delayed Discharges

10. Brian Adam (Aberdeen North) (SNP): To ask the Scottish Executive what efforts are being made to ensure that delayed discharges from national health service hospitals are kept to a minimum. (S3O-7517)

The Minister for Public Health and Sport (Shona Robison): The Scottish Government is committed to ensuring that no patient is inappropriately delayed in hospital once treatment has been completed. For the second year running, NHS boards, working with their local authority partners, recorded no delays of more than six weeks at the April census point.

Officials are working closely with partnerships to ensure that that position is sustained. The joint improvement team has also provided intensive support to a number of partnerships to help reduce delays.

Brian Adam: I congratulate the minister on achieving those standards, but can she assure me that if we have a second wave of swine flu, especially if it is in a more virulent form, any delayed discharges will not have an adverse impact on our hospitals' capacity to deal with it?

Shona Robison: The preparations for pandemic flu have been developed over a number of years, and the expectation of what boards will have to do has been well set out. We do not know what the impact will be. We do not know whether there will be a second wave; if there is, we do not know what difficulties and challenges it will mean for the health service. Everything is being done to minimise any disruption to the normal flow of patients. We will have to take it one step at a time, once we know the full scale of any challenge that a second wave might bring.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): I thank the minister for the detailed replies—pandemics were what I wanted to address. The reduction from 2,000 delayed discharges to zero last March is excellent, but will

the minister ask the joint improvement team to examine the length of time for which individuals are in hospital below the six-week level? The average number of days is creeping up, and in pandemic planning that is clearly very important.

Shona Robison: That is something that the joint improvement team, along with partnerships, is addressing. Six weeks is the maximum length of time, and we hope that people will be discharged from hospital as quickly as possible—and, of course, as quickly as is safe. We do not want people to be readmitted unnecessarily.

All of that work is proceeding. As Richard Simpson will acknowledge, people have complex needs in some cases, and it can take more time to ensure that the right services are in place for them. That can sometimes take a little time, and such things must be dealt with on a case-by-case basis. We are having active discussions in that regard with our local partners and at a national level.

Mary Scanlon (Highlands and Islands) (Con): What is being done to reduce the number of emergency admissions to hospital among elderly people, for whom delays can often lead to a loss of confidence and independence?

Shona Robison: Mary Scanlon will be aware that that issue is of great importance to the Scottish Government, and we have already put a lot of effort into reducing the number of emergency admissions. That involves getting services right locally: it is about good local partnership working; having the right home care services to allow someone to remain at home; telehealth; telecare; and ensuring that preventive services are in place.

We will strive to do more around that agenda, as it is critical to reduce the number of unnecessary admissions to hospital. The evidence tells us that, when an elderly person is admitted to hospital, their chances of returning home diminish as they lose their independence, skills and confidence. That is of the highest priority for the Government.

The Presiding Officer: Question 11 was withdrawn.

Affordable Housing (Consequential Funding)

12. Lewis Macdonald (Aberdeen Central) (Lab): To ask the Scottish Executive how the consequential funding of £31 million for affordable housing will be allocated among local authority areas. (S3O-7573)

The Minister for Housing and Communities (Alex Neil): The £31 million of additional funding will be used to accelerate and sustain investment in new housing developments for affordable rent and to kick-start and unblock private developments to help deliver homes for mid-

market rent and low-cost ownership. We are maintaining flexibility in the precise allocation of the funding to ensure value for money for Government and to maximise opportunities to meet housing need and to sustain jobs in the construction sector.

Lewis Macdonald: I understand the merits of flexibility. Nonetheless, the minister will recall that, when he distributed £25 million in kick-start funding just a couple of months ago, he was unable to find any funding for the £2 million bid for affordable housing from the Aberdeen City Council. Is he aware that a resubmitted bid has been made by the council? Will the minister ensure that, when he comes to make the allocation on this occasion, the real need for affordable housing in Aberdeen will be recognised? Will he ensure that his Government will provide fair and full funding to meet that need?

Alex Neil: As the member knows, we are working with the Convention of Scottish Local Authorities to allocate the rest of the first £25 million that is being made available to kick-start council housing.

That £25 million compares with the zero sum that the previous Administration invested in council housing. The member will be delighted to know that, in addition to any moneys that we make available to Aberdeen City Council to kick-start council housing, this year we are starting a record number of 256 new houses in Aberdeen city, through the housing associations and the Devanha programme.

Mary Mulligan (Linlithgow) (Lab): Will the minister ensure that local authorities such as West Lothian Council, Midlothian Council, Fife Council and Aberdeen City Council, which received a smaller total from the affordable housing investment programme this year than they received last year and which have displayed a good record of building new affordable housing through partnerships, receive a good share of the consequentials? When will the announcement on the division of the consequentials be made?

Alex Neil: We will announce decisions on the consequentials fairly soon.

With regard to the specific areas that Mary Mulligan mentioned, we will take into consideration all factors and allocate resources on the basis of need. I was hoping that the member would welcome the fact that this year we are spending a record amount—£675 million—on affordable housing in Scotland, £90 million more than the record under the previous Administration.

Local Employment Partnerships

13. Christina McKelvie (Central Scotland) (SNP): To ask the Scottish Government what role

it envisages for local employment partnerships between national health service boards and other agencies during the current economic climate. (S3O-7537)

The Deputy First Minister and Cabinet Secretary for Health and Wellbeing (Nicola Sturgeon): The majority of NHS boards and local authorities have signed or are committed to signing local employment partnership agreements with Jobcentre Plus. I hope that all public sector organisations will work constructively with Jobcentre Plus during the current economic climate and in the future.

Christina McKelvie: I am glad to hear the cabinet secretary recognise the crucial relationship between employment and health. I will give one example of the success that a cross-agency approach to the issue can have. As of March this year, NHS Lanarkshire's pathways to work partnership with Jobcentre Plus had helped 3,000 people to return to work. Does the cabinet secretary agree that the already important role that employment partnerships play in addressing the health and income inequalities that result from decades of neglect of Scotland's poorest communities will become even more crucial in light of the increase in ill health that can be expected to result from rising unemployment caused by Gordon Brown's recession? Will she encourage NHS boards to step up their activities in the area as part of the Government's strategy finally to tackle Scotland's shocking record of health inequality?

Nicola Sturgeon: I thank Christina McKelvie for raising an important issue. Like all members, I agree that the public sector has a big role to play in helping back into employment those who have traditionally been quite distant from the labour market. The NHS has a proud record in the area, although there is still work to be done.

The member will be aware that, since 2004, NHS Scotland has been developing, funding and implementing a range of pre-employment initiatives in several boards across the country. NHS boards now have well-developed pathways for the provision of pre-employment training and work placements to individuals who have been quite far away from the labour market. The really good news is that, in the majority of cases, the training that NHS boards can give results in sustained employment. At the moment, retention rates are between 70 and 80 per cent. That is good news both for the individuals who are getting the opportunity to work as a result of the programmes and for the NHS, to which those people bring valuable skills.

Affordable Housing (Single Regional Developers)

14. Johann Lamont (Glasgow Pollok) (Lab): To ask the Scottish Executive what progress has been made on the single regional developer model for affordable housing. (S3O-7568)

The Minister for Housing and Communities (Alex Neil): Last December we consulted on proposals for reform to our procedures for investing in affordable housing. We received more than 200 responses to the consultation. We have considered them carefully and discussed their implications with stakeholders, including the Convention of Scottish Local Authorities, the Scottish Federation of Housing Associations and Homes for Scotland. Today I will issue a statement setting out revised proposals for taking forward that agenda.

Johann Lamont: I thank the minister for that response, although I am not quite sure whether it confirms my understanding of the issue. Perhaps I can probe a little more. After 17 months, which included two consultations that showed significant opposition to the idea of a single developer model and a vote in Parliament opposing it, I understand that the minister has finally said that the policy has been dropped. Perhaps he can confirm that.

When the minister reports in more detail on the issue, will he comment on the impact of that significant change in policy? Will he confirm that the Scottish Government now accepts, in relation to the community-controlled housing association movement, that bigger is not necessarily better, that there are diseconomies of scale as well as economies, and that a one-size-fits-all model makes no sense in relation to housing and community regeneration?

Alex Neil: I am surprised that Johann Lamont is not up to date. Last December, when we published this consultation, we said that we did not propose single regional developers and that, in fact, there was the possibility of more than one developer in any one region. We confirm that in a statement today. We will not impose a lead developer on any part of Scotland, although a number of lead developers are, in effect, already operating on a consensual basis, decided from the bottom up in consultation with relevant councils and housing associations. I agree with Johann Lamont that bigger is not always more efficient and that smaller is often the best way forward. We will encourage housing associations the length and breadth of Scotland to become more efficient, irrespective of their size.

Jamie McGrigor (Highlands and Islands) (Con): Does the minister agree that housing associations are best placed to deliver affordable homes? In view of the fact that by 2030 there will

be an estimated 81 per cent increase in people over 85, will he tell me what is being done to allow housing associations to deliver the extra provision needed for the increasing number of elderly clients? For example, what will he do to encourage the very sheltered housing concept that housing associations now envisage?

Alex Neil: Jamie McGrigor will be glad to know that, after I leave the chamber, I am having a meeting with the three housing associations that specialise in the provision of housing for the elderly, and I will be having detailed discussions with them on that very point. I agree with Jamie McGrigor that we need to ensure that the right quantity, quality and size of housing is available for our ageing population.

Mental Health

15. Bill Wilson (West of Scotland) (SNP): To ask the Scottish Government, in light of recent research findings that people materially affected by the recession were up to eight times more likely to have sought treatment for the first time for a mental health problem, what actions it will take to ensure that the current financial crisis does not develop into a mental health crisis. (S3O-7546)

The Minister for Public Health and Sport (Shona Robison): Services are already in place to address the range of mental health problems that may be linked to the recession, including increased access to psychological therapies, the breathing space telephone advice line, self-help materials and medication. We and national health service boards will keep services under review in light of demand.

Bill Wilson: Will the minister give me her assurance that waiting times for mental health services will be addressed in line with waiting times for other health services?

Shona Robison: We are working to develop the waiting time target for children and adolescent mental health services. For the first time, we have begun to make progress with that. The member will agree that that is a good start, given that mental health services did not previously come within the waiting time guarantee. Is there more that we can do? Yes, there is. We will keep those matters under review to see how far we can go. I hope that the member will recognise the Government's commitment to doing so.

Food Content and Labelling Powers

16. Rob Gibson (Highlands and Islands) (SNP): To ask the Scottish Government what importance for the nation's health it considers that the current powers for making decisions concerning food content and labelling have. (S3O-7527)

The Minister for Public Health and Sport (Shona Robison): This is a complex matter. The Parliament has some powers in relation to food content and labelling, but there are also reserved matters involved.

Rob Gibson: Has the minister considered the potential effects of the transfer back to Westminster, as proposed by the Calman commission, of on our ability to create a healthy food policy in Scotland?

Shona Robison: Transferring any of those powers back to Westminster would be a retrograde step. In fact, it would make more sense for us to have the whole range of those powers at our disposal in Scotland, as I am sure the member agrees.

Affordable Housing (Borders)

17. John Lamont (Roxburgh and Berwickshire) (Con): To ask the Scottish Executive how it is supporting the building of affordable housing in the Borders. (S3O-7496)

The Minister for Housing and Communities (Alex Neil): For this financial year, the Scottish Government is supporting the building of affordable housing in the Scottish Borders with £7.2 million of affordable housing investment programme funding. That is a 29 per cent increase on the budget that was announced last year. The accelerated funding of £1.16 million that the Scottish Government announced last year for the Scottish Borders helped not only a number of local contractors but to provide much-needed additional affordable housing.

John Lamont: There is a great shortage of affordable housing in the Borders and in many other rural communities throughout Scotland, but there is also great frustration in smaller communities about the housing allocation policy. Local people are finding it hard to get accommodation in their own communities. Often, they have to live in inadequate accommodation or move many miles away because of the shortage of local accommodation. That can have a destabilising impact on many small communities. Does the Government plan to do anything to address those concerns?

Alex Neil: The member makes a valid point, which relates not only to small communities in rural areas; the difficulties can cause problems in urban areas as well.

We are currently reviewing the allocations guidance that we issue to local authorities jointly with the Convention of Scottish Local Authorities. We hope to consult on that guidance later this year. I hope that the member will feed into that review so that we can take into account any

particular problems that small communities in rural areas face.

Mary Mulligan (Linlithgow) (Lab): Given the difficulties that people are experiencing in accessing mortgages and the particularly high demand for rented accommodation, what proportion of affordable housing investment in the Borders should be for housing for rent rather than for low-cost home ownership?

Alex Neil: We do not plan on the basis of a fixed percentage of investment for housing for rent or home ownership, particularly because some of the programmes that we operate are very flexible—they give as much choice as possible to the person who is seeking a house. Obviously, the shared equity programme operates in the Borders and elsewhere, and there is investment in housing for rent. The key points are that the mix should be determined by demand and need in the area rather than by a formula or share that we allocate nationally, and that we meet as far as possible the need and demand for the different types of low-cost provision not only in the Borders but throughout Scotland.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The minister will be aware of the forward-looking relationships that all of the registered social landlords in the Borders have. Earlier this year, Mr Lamont and I met the Cabinet Secretary for Health and Wellbeing to discuss the best way forward to deliver social housing in the Borders. Will the minister confirm that a single developer model will not be put in place in the Borders and that an approach that involves the Borders consortium of housing associations working closely with developers, the private sector and the council will be permitted to proceed? That would be a positive way forward.

Alex Neil: We will not only permit that approach—we will encourage it. Obviously, the arrangement in the Borders is proving to be successful just as similar but not identical arrangements in many other parts of Scotland are proving to be effective in delivering affordable housing. I am delighted to endorse Mr Purvis's comments.

National Health Service Dentists (Aberdeen South)

18. Nicol Stephen (Aberdeen South) (LD): To ask the Scottish Executive what percentage of adults and of children in the Aberdeen South parliamentary constituency are registered with an NHS dentist. (S3O-7514)

The Minister for Public Health and Sport (Shona Robison): At 31 December 2008, 30.8 per cent of children and 15.3 per cent of adults were registered with a national health service

dentist in the Aberdeen South parliamentary constituency. A new four-dentist NHS practice is due to open shortly in the south of Aberdeen city. The dentists in that practice intend to register between 3,000 and 6,000 patients under NHS arrangements, which will increase the percentage of people who are registered with an NHS dentist in Aberdeen South.

Nicol Stephen: The figure for children who are registered in Aberdeen South appears to be fewer than one in three, and the figure for adults is fewer than one in six. Can the minister confirm that those are some of the worst figures not only in Scotland but in the entire United Kingdom? Is there a target for improving that situation during the current session of Parliament? If not, will the minister urgently consider introducing one?

Shona Robison: The situation has, of course, not suddenly occurred during the past two years. As Nicol Stephen was a minister in the previous Executive, I would have thought that he would recognise the long-standing problems of access to NHS dentistry in certain parts of Scotland, including in his own constituency.

We recognise the problems, and we have been working extremely hard to increase the number of dentists, which we have achieved. I hope that the member welcomes the fact that we have delivered the Aberdeen dental school on time and that it is working well. There is more to do, and we will continue to work with the profession to ensure that access to NHS dentistry improves throughout Scotland. I hope that the member welcomes that and will work with us to achieve it.

End-year Flexibility

The Deputy Presiding Officer (Trish Godman): The next item of business is a statement by the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, on end-year flexibility. The cabinet secretary will take questions at the end of his statement, so there should be no interruptions or interventions.

14:57

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I welcome the opportunity to inform Parliament of the provisional budget outturn for 2008-09. As a clear demonstration of the Government's sound financial management, I am delighted to report that the provisional outturn for 2008-09 is expenditure of £27,944 million against a departmental expenditure limit budget of £27,975 million, which is an underspend of just £31 million.

The end-year flexibility of £31 million that has been generated by the provisional underspend is the lowest recorded total since devolution—lower than the £42 million in 2007-08. It represents approximately 0.1 per cent of our DEL budget, which is equivalent to less than half a day's spending by the Scottish Government. That is in contrast to previous levels of underspend, which peaked at £623 million in 2003-04.

The achievement of such low underspending reflects our proactive approach to budget management and our desire to make maximum use of the resources that are available to us. That has never been more important than at the present time, when the economy is in such difficulty. We have done, and continue to do, all that we can, within the limited powers at our disposal, to stimulate the Scottish economy and to protect jobs, skills, businesses and families during this difficult time.

At the autumn budget revision, we brought forward plans to accelerate the affordable housing investment programme in 2008-09 to the tune of £30 million; and at the spring budget revision, there was further capital acceleration of £53 million for transport, enterprise, the schools estate and the higher and further education sectors. I am delighted to confirm that that money has been spent as intended, and that overall we are recording a capital underspend of only £3 million against a total capital budget that is in excess of £3.3 billion. We intend to carry on that process in 2009-10, and we will continue to demonstrate that the economy remains our top priority. We are determined to use all the resources and powers at our disposal to minimise the current downturn's impact on the Scottish economy.

By once again minimising underspend, we have ensured not only that funds have been used as was intended, but that the end-year flexibility balance—which is held on account at Her Majesty's Treasury and is due to appear in its public expenditure 2008-09 provisional outturn publication in July—will have decreased significantly.

The opening balance of Scottish end-year flexibility at HM Treasury of about £950 million, which was published last July, will have fallen by nearly £280 million to about £670 million. I need hardly remind Parliament that that is Scotland's money, which is intended to be used for the benefit and in the interests of the people of Scotland. We have already shown that we will use the resources that are available to us for the benefit of the people of Scotland.

The unprecedented agreement that I made with HM Treasury as part of the spending review settlement has ensured that we have guaranteed access to £300 million of end-year flexibility in 2008-09; £400 million in 2009-10; and £174 million in 2010-11. That is a total of £874 million, which was factored into our spending plans, as outlined in the spending review document that was published in November 2007.

Outturn against the Budget (Scotland) Act 2008 limits will be published in the Scottish Government's consolidated accounts and is expected to show an underspend of approximately £269 million, subject to audit. That includes the impact of the original budget overallocation of £100 million, variances of approximately £50 million in roads capital charges, £14 million in the cost of capital for Scottish Water and a further £76 million, the largest element of which is a technical accounting adjustment in student loans. Those variances are outside the departmental expenditure limit and have no impact on delivery of our policies or on the resources that are available to the people of Scotland.

The underspend of £31 million represents our headline underspend figure and measures our performance in managing the Scottish block of public expenditure. It will ensure that resources are targeted as necessary to support the Scottish economy during these difficult times. However, in announcing that achievement, we recognise that there is no room for complacency. Efficient and effective management of our budget remains a key characteristic of the Government, and one that will prove to be invaluable as we move into a fundamentally different and fundamentally tighter public spending environment. Any examination of the medium-term perspective on the public finances, or a momentary glance at the level of debt that is now carried by the United Kingdom Government or at the UK current account deficit,

demonstrates that any expectation of real-terms growth in public spending is not supported by evidence.

In the recent budget, the Chancellor of the Exchequer indicated a real-terms reduction in total managed expenditure, within which the Government will have to deal with the rising cost of unemployment and social security benefits. The consequences of those actions will be a real-terms fall in the departmental expenditure limit resource that is available to the Scottish Government. Recent estimates suggest that total managed expenditure at UK level will on average decline by 0.1 per cent a year in real terms between 2011-12 and 2013-14, which will produce a consequential real-terms reduction in our DEL of 2.3 per cent a year, as annually managed expenditure increases.

We also know that the Scottish Government will, as a consequence of the chancellor's budget, have £500 million less at its disposal in 2010-11 than was planned in the spending review. That will create a need to change our plans. We have already started to plan for the challenge that that will present in financing public services in Scotland. The Government is in discussions with other parties and will set out its proposals to Parliament in September.

The Scottish Government has managed, and intends to continue to manage, the budget effectively in the best interests of the people of Scotland. However, it is beyond doubt that we will have to overcome significant obstacles, which are put in our way by the financial arrangements under which we operate and by the budget decisions of the UK Government.

The Scottish Government has today announced the lowest-ever underspend by a Scottish Administration. It bears testimony to our sound and prudent financial management and demonstrates our intention to use all the resources that are available to us for the benefit of the people of Scotland.

I welcome Parliament's comments on the record low underspend figure of £31 million in 2008-09, which will follow this statement.

The Deputy Presiding Officer: The cabinet secretary will now take questions on the issues that were raised in his statement.

David Whitton (Strathkelvin and Bearsden) (Lab): I welcome the cabinet secretary's statement and thank him for having provided advance copies. I note that on page 4 he talks about the departmental expenditure limit falling in real terms. I simply remind him of the recent exchange of letters—which I am sure he saw—between the Finance Committee and his director-general of finance and corporate services, Stella Manzie, who admitted that the Scottish

Government's departmental expenditure limit spending increases next year by 1.3 per cent in real terms. However, let us not be churlish.

Brian Adam (Aberdeen North) (SNP): Too late.

David Whitton: Mr Adam said, "Too late." He would know.

I welcome the direction of travel on end-year flexibility. However, I point out that a large part of the underspend in previous years related to some fairly major capital projects. It is certainly true that the pipeline of capital projects has run dry under the present Government, but be that as it may.

Mr Swinney said that he had agreed a £300 million draw-down for this year although, in an answer to a parliamentary question from my colleague Jackie Baillie, he said that the actual draw-down was £313 million. Has he spent all the £313 million and, if so, in which budget lines does the extra money appear? Will he also spell out from where the £31 million underspend for this year has come?

John Swinney: I will endeavour not to be churlish on this occasion. I gently point out to Mr Whitton that, if he looks at page 4 of my statement, he will see that I was referring to the financial years 2011-12 to 2013-14. The correspondence between the director-general of finance and corporate services and the Finance Committee, which I know Mr Whitton followed avidly, related—if my memory does not let me down—to budget year 2010-11. Mr Whitton will understand that, in that part of my statement, I tried to set out as dispassionately as possible that, in the period 2011-12 onward, whatever our dispute—[*Interruption.*—]and whatever gymnastics Jackie Baillie wants to perform, the medium-term financial position will involve real-terms reductions in public spending. No reading of the chancellor's publication in April would in any way lead us to question that assessment.

Mr Whitton commented on capital projects. I have given Parliament reassurance that the Government has spent to within £3 million of its £3.3 billion capital expenditure on traditional capital expenditure projects. Of course, a range of projects are in the pipeline, such as the M74 and M80 projects and the Airdrie to Bathgate rail link, not to mention the emerging schools, the Forth replacement crossing and the Southern general hospital in Glasgow.

Mr Whitton asked about draw-down from the Treasury. As I said in my statement, that is factored into our planning for the spending review period so, in essence, it makes up an element of the resources that we have set out. A publication with further details on the breakdown of the departmental expenditure limits, which sets out the

background to the composition of the £31 million underspend, is available in Parliament.

Derek Brownlee (South of Scotland) (Con): I, too, thank the cabinet secretary for the advance copy of his statement. It refers to the unprecedented agreement with HM Treasury in relation to the spending review period. What additional flexibility in relation to end-year flexibility for later years has the Treasury granted since then?

On the broader strategy on use of end-year flexibility money, the significant draw-down of funding in the current spending review period has compensated for the fact that growth in the spending totals through the block grant was much reduced from that in previous years. Significant sums are being drawn down and spent under the plans. Given what the cabinet secretary and the governor of the Bank of England have said about the profile of public spending in the future, rather than drawing down and spending all the money now, might it be an appropriate time to reflect on and to consider whether it is sensible to build up an extra reserve to cushion further spending reductions that might be in the pipeline?

John Swinney: In approaching the spending review in 2007, I took the view that the change in the profile of public expenditure increases was so sharp in comparison with the previous spending review that we had to manage the transition. That is why I negotiated an agreement with the Treasury to draw down £874 million over three years.

As Mr Brownlee appreciates, once we have drawn down that money, our remaining resource in end-year flexibility in the UK Treasury will be relatively modest. The amount is not quite at the front of my mind, but it must be just less than £100 million, as a consequence of the announcements that I have made today.

The only other commitment that we have, beyond the three-year arrangement for this spending review, is that the Treasury has made it clear to us that we may use end-year flexibility to compensate for one change that arises from the chancellor's April budget—the reduction, which totals £129 million in 2010-11, in our capital baseline as a consequence of reductions in the UK Department of Health's capital baseline. On current form, the Government will have sufficient resources on deposit at the Treasury to make good that shortfall, but we are entitled to use those resources only once.

Once that has been done, and notwithstanding any underspend that is generated in 2010-11, the Government does not expect to have fresh resources on deposit at the Treasury, so the circumstances to which Mr Brownlee's question

relates will not necessarily arise. Of course, if the opportunity is available, resources can be accumulated to protect public expenditure in more difficult circumstances. However, I am sure that Mr Brownlee understands, after following intensely this morning's debate, that the Scottish Government would not have control over such a resource under the current arrangements, so such a prospect would be rather undesirable.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I, too, thank the cabinet secretary for the advance copy of his statement and for an interesting element of the technical notes that are associated with it. The technical notes show clearly, with regard to the overallocation of £100 million that was put into the spending review period, that the Government presents in its calculation this year an overallocation balance of £80 million. When discounted, that shows an underspend on the DEL across the portfolios of £116 million and not £31 million. A bit more clarity from the Government about how the overallocation in the table to which I referred has been used would be welcome.

Does the underspend figure relate to arm's-length organisations? The directly comparable figure when the Government took office was the provisional outturn in 2007, which was £106 million, excluding arm's-length organisations. The comparison was £106 million when the Government took office; this year, the figure is £116 million.

How robust are the provisional figures, which turn into the published accounts? The Government's accounts for the year ended 31 March 2008 were published in September last year. The last provisional statement by the cabinet secretary showed an underspend of £42 million. The DEL and capital underspend in the consolidated accounts that were published last September for that same year was £130 million, not £42 million. Will the cabinet secretary make a statement on the publication of the consolidated accounts and the provisional accounts? The most recent figures in those documents varied by nearly £100 million.

John Swinney: Overallocation is intended to encourage a process to avoid unnecessary underspends. Essentially, the Government has overplanned, so it has managed to deliver a lower underspend during the year.

Mr Purvis has invited me to make a comparison between actual expenditure and the level of overallocation, although he knows full well that I am required to make a comparison between actual spending and the departmental expenditure limit—that is the discipline according to which I have to deliver results. The realistic comparison is between actual spending and the departmental

expenditure limit, which is my control total for public expenditure in Scotland.

Of course we published the consolidated accounts—otherwise, Mr Purvis would not have access to that information—but the information that Mr Purvis gave was not provided on a like-for-like basis. In my statement to Parliament today, I have provided a calculation of the provisional allocation in the same way as all my predecessors. Of course accounting adjustments are made when the consolidated accounts are completed, but the comparison that I have given Parliament today is entirely consistent with the approach that was taken by all my predecessors.

Michael Matheson (Falkirk West) (SNP): I congratulate the cabinet secretary on achieving the lowest underspend since devolution. That is yet further evidence of the prudent way in which he is managing the Government's finances.

As the cabinet secretary will recognise, it is not in the best interests of the people of Scotland either that billions of pounds of Scottish taxpayers' money languish in Her Majesty's Treasury's accounts, or that our account down there has zero pounds and zero pence in it. Will he advise us how he believes he can achieve the right balance to ensure that sufficient resources are available to be used at the right time by the Scottish Government?

John Swinney: Mr Matheson makes a fair point, which picks up on Derek Brownlee's question about the instruments of financial management that we have at our disposal. I can certainly see an argument for trying to create some form of reserve that could be utilised to deal with particular challenges within any given budget year, but my difficulty with that proposition is that we would be unable to control it. The reserve would need to be held at Her Majesty's Treasury, so any use of it would be dependent on agreement with the Treasury. Given that we are about to enter a public spending period in which the Treasury is likely to take a much greater interest in the scale of end-year flexibility and use of those resources, an arrangement such as I was able to negotiate in 2007 might not be available because of wider pressures on public expenditure resulting from the current economic circumstances and the condition of the UK's public finances.

I am trying, in my budget management strategy, to maximise the resources that we can deploy to deal with the challenging times that we face today and to manage pressures in-year. The outturn report will show exactly how we have managed those pressures. It is essential that we continue to deploy such stringent management in order to guarantee that we utilise resources effectively and fully in the interests of the people of Scotland.

Jackie Baillie (Dumbarton) (Lab): I welcome the cabinet secretary's statement. I am not sure why he mentioned gymnastics, but I can tell him that the somersaults that he performs in the chamber are always interesting to witness.

The underspend of £31 million takes the total EYF available for 2010-11 to £270 million. That consists of the £174 million that was previously agreed with the Treasury, the unallocated £65 million and the £31 million that he has announced today. Let me repeat David Whitton's questions. Has the £313 million for 2008-09 been fully spent? How did the £31 million underspend arise? Those are questions of interest.

Looking to the future, has any of the £174 million for 2010-11 been allocated? Does the cabinet secretary have plans for that money? Does he agree that, with the prospect of £270 million of EYF in the pot, the funding is more than sufficient to cover the £129 million of capital that is required to counter the reduction in Department of Health spending?

John Swinney: I fear that more gymnastics are yet to come.

Jackie Baillie is right in her calculation of the numbers regarding the £275 million that will be available in 2010-11. Some £174 million of that has been allocated already—in the spending review in 2007. The spending review numbers that I published in 2007 incorporate £174 million. Where is it allocated? It is allocated into the profile of public expenditure, but it is a part of what I published in the indicative allocations in 2007.

The £100 million that is currently available, which is not subject to the 2007 deal with the Treasury, can be used to offset the change in the capital baseline because of the reduction in the Department of Health's capital baseline, but that can be used only for 2010-11. Essentially, £129 million of the £500 million, which I know commands such affection among Labour members, can be compensated for by use of end-year flexibility, but only in 2010-11. Of course, a new £500 million comes off again in 2011-12.

Jackie Baillie repeated some of Mr Whitton's questions. Of course, the drawdown of £300 million in 2008-09 was—just as the money has been factored into the spending plans for 2011—factored into the budget and was spent as part of the control total that I have set out.

Jackie Baillie: Has it been spent?

John Swinney: Jackie Baillie is asking questions while I am answering. It has been spent insofar as we have an underspend of £31 million.

Joe FitzPatrick (Dundee West) (SNP): I add my congratulations to the cabinet secretary on his sound management of Scotland's finances, which

has ensured that Scotland's budget is being used to Scotland's maximum benefit in these difficult times.

The Treasury has proposed that we fund the construction of the new Forth bridge by, among other things, allowing end-year flexibility to build up over a number of years and drawing down a lump sum. Does the cabinet secretary believe that allowing such a build-up would be a wise course of action, given the current economic circumstances?

John Swinney: The Treasury's suggestions about how we could pay for the Forth replacement crossing demonstrate clearly to any casual observer that there is no substance to anything that the Treasury has suggested.

David Whitton: The Treasury's plans were sensible.

John Swinney: Mr Whitton alleges that the plans were "sensible." I am sure that he will live to regret that remark.

The Treasury suggested that we should use the end-year flexibility of £130 million—that is what it will probably reach by 2010-11—to pay for part of the Forth crossing, but it is also telling us to spend it on compensating for the reduction in the Department of Health's capital baseline. We are all aware that we cannot spend money twice.

There are two real points to be made about payment for the Forth replacement crossing. One is that we have said that the Government will take the project forward under traditional capital procurement in order to ensure that we guarantee its delivery. That is exactly what we will do. The second is that projects of that nature would be enhanced if we could undertake prudent and prudential borrowing, which we discussed in Parliament this morning at length.

James Kelly (Glasgow Rutherglen) (Lab): I agree with the cabinet secretary that, at this time, it is important to get the most out of the Government's resources. From that point of view, there is the opportunity for the stated objective of the Scottish Futures Trust to generate savings of between £100 and £150 million per year to make a positive contribution to the budget. How much in savings did the Scottish Futures Trust generate in 2008-09 and how much does the cabinet secretary forecast it will save in 2009-10?

John Swinney: I am glad that Mr Kelly is now beginning to change the tone of the Labour Party's contribution to the debate on the Scottish Futures Trust. We are now moving into an area of discussion in which we can focus on some of the practical benefits of the Scottish Futures Trust. He may be away up there in the back benches, but I am glad that that James Kelly is giving some leadership to members on the front bench—

indeed, I am delighted. Long may it last. A role reversal would not go amiss.

The question was on the Scottish Futures Trust. Obviously, the SFT was established during the course of 2008-09 and now has a significant workload to undertake on the hub projects and school estate projects that are now under way. We will, of course, report to Parliament on the savings that we can expect.

The advantage of the Scottish Futures Trust is that we can reinvest the savings as the projects develop instead of losing access to resources. Some of the constraints of the financial arrangements within which we operate also make that somewhat more difficult.

Linda Fabiani (Central Scotland) (SNP): I have real concerns on the Calman proposal to devolve 10p of income tax to Scotland, which could lead to an unexpected drop in income tax revenue. That, coupled with very limited borrowing powers, would leave the Scottish Government not with an underspend, but with a shortfall to report. Does the cabinet secretary agree that those proposals would leave Scotland in an extremely vulnerable position? Surely the Scottish Government would be forced to initiate swift spending cuts or have the prospect of being beholden to the Treasury for a last-minute bailout?

John Swinney: I am pretty certain that any reading of the Calman commission recommendations would leave that impression. If the Scottish Government were to take that approach, there would be no question of a last-minute Treasury bailout. After all, responsibility for management of Scotland's finances would have passed to the Scottish Government.

Linda Fabiani marshalled her arguments well in speaking in the debate this morning. Although there are advantages in having control of Scotland's income tax rates, if we are to give value to those powers, we have also to have control over allowances, criteria and the circumstances under which income tax is levied. Crucially, we would also have to be able to manage the consequences of a shortfall in income tax revenue. In order to do that, a broader range of financial powers would have to be made available to Parliament, which is why we are putting forward a compelling argument for fiscal autonomy—which has its supporters in different parts of the chamber and among members of all shades of opinion around the chamber. I look forward to Linda Fabiani's wise counsel prevailing on the issue, as it did in the debate this morning.

Arbitration (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Trish Godman): The next item of business is a debate on motion S3M-4465, in the name of Jim Mather, on the Arbitration (Scotland) Bill.

15:28

The Minister for Enterprise, Energy and Tourism (Jim Mather): I am delighted to open the debate on the principles of the long-awaited Arbitration (Scotland) Bill. I say "long-awaited" because the possibility of legislation on arbitration in Scotland has been under consideration for at least 20 years.

For the benefit of members who are unfamiliar with the concept, it may be helpful if I take a moment to explain how arbitration works. It is a private form of dispute resolution that takes place outside the public civil courts and in which one or more arbitrators give a binding ruling on a dispute that the parties to the dispute have agreed to refer to arbitration for decision. When parties choose arbitration, they give up their right to go to court and court proceedings that arise from the dispute are suspended. Arbitration therefore complements other forms of alternative dispute resolution such as mediation.

The position of arbitration as the dispute resolution mechanism of choice for Scottish commerce has been eroded in recent years, partly as a result of the unsatisfactory state of the law, which is outdated and lacks a modern framework. Consequently, I believe that there is a clear need for the bill. We need to restore arbitration as an efficient and effective method of dispute resolution, which is attractive to potential users. The bill provides a modernised, codified law for Scotland that is in line with generally accepted international standards and aims to capture the best of international practice.

The Chartered Institute of Arbitrators has described the bill as a "landmark piece of legislation" and the commercial judges of the Court of Session have said that the bill will

"provide the framework within which arbitration in Scotland could flourish."

I have been told that arbitrators in other countries are

"amazed at the elegance and economy of this Bill".

This is a highly technical bill that has been developed in close consultation with stakeholders. From the outset, the level of engagement has been second to none. Indeed, our parliamentary draftsman has said that he has never known such

detailed drafting suggestions to be made on a bill. I would therefore like to thank everyone who has been involved. The process of stakeholder engagement will continue over the summer. On 18 August, I will host an event with people who are interested in the technical detail of the bill and, on 6 August, I will hold a separate event with commercial organisations that operate consumer arbitration schemes.

To put the bill into a general context, I say that it supports the Government's key priority of developing and enhancing sustainable economic growth to generate wealth and prosperity in Scotland. To that end, particularly in the current economic climate, when businesses are increasingly choosing to resolve their disputes out of court to save time and money, we need methods to be available that will facilitate the speedy and effective resolution of those disputes at a viable cost. It is clear to us that the flexibility and specific utility of arbitration make it just such a method.

The bill will put the majority of the general Scots law of arbitration into a single statute. It aims to take an approach to arbitration that is consistent with the approach that is taken in the rest of the United Kingdom under the Arbitration Act 1996, where that is appropriate. Of course, we believe that we have taken every opportunity to augment and update the 1996 act in line with modern arbitral practice. Under the bill, the same rules will apply, in principle, to domestic, cross-border and international arbitrations that are seated in Scotland—in other words, to those arbitrations that are governed by the Scots law of arbitration. That approach has been welcomed by the vast majority of stakeholders.

The Scottish arbitration rules that will govern the conduct of arbitration are set out in schedule 1. We deliberately put the procedural rules in one place. During the consultation process, many consultees commented favourably on the fact that the rules were set out separately from the main body of the bill. That approach means that the rules can be read as a relatively self-standing code that can be used as a guide by practitioners and users. It also makes it easier to compare the rules with those of arbitral institutions and those that are agreed between parties. The rules are designed to be as accessible as possible to anyone who finds themselves involved in arbitration or who is considering using it.

Before I address some of the issues that the Economy, Energy and Tourism Committee raised in its stage 1 report, I will touch briefly on the potential economic benefits of the bill. At this stage, it is impossible to make a meaningful estimate of any future benefit to the Scottish economy but, in a recent discussion of the bill's

potential economic benefits that I facilitated with about 30 enthusiastic and informed people, many matters arose, from the economic benefits to small businesses of pursuing bad debts using arbitration to the spin-off benefits for hotels, restaurants and the retail trade. I fully accept that, as the committee said, we should not

"overstate the economic benefits of this Bill"

particularly

"in terms of attracting high net-worth individuals to Scotland for international arbitration cases."

However, without the bill, it is likely that arbitration would continue to be badly neglected in Scotland and to perform at a relatively low level.

I very much welcome the detailed scrutiny that the committee provided in its stage 1 report, its broad agreement to the need for the bill and its support for the bill's primary objectives. I welcome the committee's comments on the bill's proposal that the United Nations Commission on International Trade Law model law for international commercial arbitrations should be repealed in Scotland. The bill, which is based on model law principles, will provide a comprehensive framework for arbitration in Scotland. It will fill in crucial gaps, such as the lack of powers on the part of the arbitrator to award damages, expenses or interest.

Nevertheless, the model law provides a valuable international baseline standard for arbitration, and we need to fully address the Scottish Council for International Arbitration's concerns that the bill should not unduly interfere with international arbitration. However, during the consultation, the overwhelming body of opinion was that the model law should be repealed. Those bodies that were in agreement with that proposal included the Royal Institution of Chartered Surveyors, the commercial judges of the Court of Session, the Chartered Institute of Arbitrators, whose members conduct international arbitrations across the world, and the Faculty of Advocates.

I am happy to give the assurance that the committee sought whereby, even if the model law is repealed, it will still be possible for parties to adopt it for their arbitration if they so wish. That is effected by section 8(4), subject to the mandatory rules, as the committee noted in its report.

Meanwhile, we are considering further how the mandatory rules will interact with the model law. I can confirm that every substantial provision in the model law has an equivalent in the bill and there is no conflict between the model law and the bill. The differences are relatively minor and are in details such as time limits for court appeals, express rules on immunity and the ban in rule 61 on pre-dispute liability on expenses to protect the economically weaker party. What we want for Scotland is the

best of the model law, with the crucial gaps filled, and clarity delivered that those arbitrating internationally need have no fear of arbitrating under Scots law.

The committee suggested that the Government should reconsider the default nature of rules 45 and 46, which allow the arbitrator to award damages and interest, and consider making them mandatory instead. The Law Society of Scotland and the Faculty of Advocates thought that economically stronger parties may seek to persuade weaker parties to delete those rules from any subsequent arbitration. It should be borne in mind that a default rule in the bill can be overridden only with the agreement of both parties and that it otherwise applies as a matter of law. However, we recognise that the parties, for their own reasons, may not wish to have rules on damages and—particularly in the case of members of the Muslim community—interest.

Nevertheless, I am happy to confirm that we will discuss that and a number of other technical points that are set out in the committee's report at the meeting with stakeholders that I mentioned earlier, which has been arranged for 18 August. The aim is to engage further at that meeting with representatives of the Law Society, the Faculty of Advocates, the Chartered Institute of Arbitrators, the Scottish Council for International Arbitration, the commercial judges of the Court of Session, members and clerks of the Economy, Energy and Tourism Committee and others to address outstanding technical comments on the bill. I therefore hope that members will see that progress continues to be made.

However, we also recognise that simply reforming the law on arbitration in Scotland will not in itself have the effect of increasing the use of arbitration domestically or attracting international arbitration business to Scotland. To a large extent, that will be up to arbitration practitioners and those who see benefits in using arbitration as a method of commercial dispute resolution. Meanwhile, the Government will play its part in seeking to advance the use of arbitration as it seeks to make it easier for parties, particularly commercial bodies, to access methods of dispute resolution that are time and cost efficient, particularly in these difficult economic times. I commend the bill to members.

I move,

That the Parliament agrees to the general principles of the Arbitration (Scotland) Bill.

The Deputy Presiding Officer: I call on Iain Smith to speak on behalf of the Economy, Energy and Tourism Committee.

15:37

Iain Smith (North East Fife) (LD): I am sure that members have been anticipating this debate with the same excitement with which the Economy, Energy and Tourism Committee anticipated receiving the bill. However, that enthusiasm did not prevent the committee from doing a thorough job of scrutinising the bill at stage 1, as I think can be clearly identified in our stage 1 report.

I put on the record my thanks to the other members of the committee. Perhaps, on this occasion, I should single out Gavin Brown, who made the slight mistake earlier on of admitting that he was previously a practitioner in arbitration. He therefore became the committee's expert witness, and much of the questioning of witnesses fell to him—we are grateful to him for that. I thank, too, our clerking team for the excellent job that they did in supporting the committee and drafting our report, particularly given the other pressures on the team from matters such as last week's business in the Parliament conference and our energy inquiry.

It would be fair to say that I was not entirely convinced that the bill fell within the remit of the Economy, Energy and Tourism Committee. If I got that wrong, it would be churlish of me not to admit it. However, I am afraid that, having gone through stage 1, I am still not convinced that the bill falls within the committee's remit. We recognised that there could be some economic advantage from the bill's provision of a modern arbitration process for domestic arbitration, which would clearly benefit business, and from the possibility that it could attract some international arbitration work. However, we felt that such matters were unquantifiable and were certainly not guaranteed to happen. I am therefore not convinced that there would be a clear economic advantage from the bill that would confirm that it should fall within the committee's remit. However, we recognised that there is a need for modernised arbitration legislation and that current law needs to be codified—I do not think that there is any doubt about that. Once enacted, the bill's provisions may encourage greater use of arbitration.

The committee tried to identify what economic advantages there might be. We were not helped by the fact that the policy memorandum and the financial memorandum contained an error—they said that the City of London attracts £3 billion-worth of arbitration business. However, later evidence from the bill team and the Chartered Institute of Arbitrators suggested that the figure should be nearer £250 million. That is a fairly substantial difference. The figure for the potential benefit to Scotland therefore fell from somewhere around £250 million to perhaps £25 million. Given

the lower costs here, the figure might even be nearer £15 million. All the figures assume that we can attract 10 per cent of the business that is currently conducted in London. The committee cautions the Scottish Government not to overstate the economic benefits of the bill. I am glad that the minister acknowledged and accepted that point in his opening remarks.

The committee acknowledges the compelling arguments for the primary objective of the bill, which is to codify and consolidate arbitration law. We believe that that objective is probably the most important one in the bill—more important than the economic objectives. However, we felt that to achieve the primary objective, and to achieve any economic benefits, the law must be sound. The Faculty of Advocates warned against the potential for litigation that might result from, for example, poor drafting. The Faculty of Advocates said that an iron law of court practice is that poor drafting breeds litigation. We must therefore ensure that the bill, when it is passed, is as good as it can be.

Based on the evidence that we received, the committee identified a number of concerns over provisions in the bill. Those concerns will have to be addressed at stage 2. I welcome the minister's commitment to having a meeting on 18 August. I hope that many of the concerns will be addressed at that meeting, and that we will identify the amendments that need to be lodged for stage 2.

During our stage 1 inquiry, several issues were drawn to the attention of the committee. Schedule 1 covers Scottish arbitration rules, and the commercial judges of the Court of Session were concerned that some doubt would arise over whether the rules would form part of the law. I therefore welcome the minister's assurances that they will form part of the general law. Sections 6 and 8 will establish that the rules in the schedule are part of the general law of Scotland.

The issue of the UNCITRAL model law exercised the Law Society in particular. The Law Society has sent various communiqués to the committee on the issue. It seemed that not all of them said the same thing, which confirmed my belief that, if we put two lawyers in a room, we end up with three opinions and a very large bill. That is one of the reasons why people go to arbitration. I welcome the minister's commitment that he will try to ensure that the issues in relation to the UNCITRAL model law are clearly resolved before the bill reaches stage 3.

Important issues arose in relation to retrospective law and commencement. It appears that section 33 could, in effect, operate retrospectively, and doubt was expressed over whether it would or not. It is clear that the section would not apply to arbitrations that were entered into before the act came into force. However,

concerns were expressed over the implications for contracts that include a provision for arbitration. If such contracts had been entered into before the act came into force, would clauses in the contracts be superseded by the act? Discussion with the legal profession will be required on that issue, so that we can have some clarification. At the meeting on 18 August, we will have to consider the consequences of provisions being applied retrospectively.

We had an interesting debate on whether rules 45 and 46, on damages and interest, which are currently described as default rules, should become mandatory rules. I think that the committee was persuaded, on balance, that the rules should be mandatory. However, we remain open to persuasion at stage 2. We are concerned that, in certain circumstance, the stronger party would be able to write out the rights to damages or interest. I found it slightly odd that, although in its evidence on rules 45 and 46 the Government argued that that was unlikely to happen as both parties had to agree on whether a default rule should be removed, the bill team told the committee that rule 50

"is intended to be a mandatory rule because, in a situation in which a small company pursued a debt against a larger company, rule 50 would allow the arbitrator to make a provisional award ... If rule 50 were not mandatory, the larger company might seek to get the smaller company to agree that that rule would not apply."—[*Official Report, Economy, Energy and Tourism Committee*, 3 June 2009; c 2248.]

The suggestion is that, with provisional awards, a small company might be pressured into removing its rights, whereas that would not be the case with damages and interest. I am unconvinced by the Government's arguments on this issue and believe that we should look again at making those rules mandatory.

There was also some debate about sisting. The Faculty of Advocates pointed out that the right to arbitration might be invoked as a delaying tactic, and suggested that provision against such tactics be added to the list of circumstances in which a sist might be refused. We ask the Government to give careful consideration to that point, because we do not wish the sisting of legal proceedings to be used as a delaying tactic.

We had a lot of discussion about anonymity and confidentiality, particularly on court proceedings that might result from arbitration. The commercial judges of the Court of Session argued that although there are good reasons for invoking confidentiality in, for example, children's cases, in other cases such a move would appear to conflict with the principles of open justice to which the courts now strive to adhere. The Government should review that point.

The Law Society made a fair point that we should not routinely refer points of law to the courts and that any such referral should be made only if the arbiter has made a legal error. Essentially, arbiters should deal with the legal questions in the first instance.

There was a lot of debate on the meaning of section 22, which deals with arbitral appointments referees, and concern was expressed that the way in which the bill is worded might give the impression of a closed shop. I wonder whether the minister will take another look at clarifying the wording of that section because, having reread the policy memorandum for this afternoon's debate, I am even less convinced by it and feel that what the Faculty of Advocates, in particular, has highlighted might indeed be an unintended consequence of the bill. I also ask the minister to address the question whether the mandatory and default designations for rules 50 and 51 should be the other way round.

Although the committee is satisfied that the bill should proceed, it is concerned by the number of significant drafting faults in it that will have to be addressed at stage 2 and we welcome the minister's commitment to consult the Faculty of Advocates, the Chartered Institute of Arbitrators, the Law Society and others at the meeting on 18 August.

With the caveats that I have outlined, we support the bill's general principles. I should also make it clear that the committee is available to assist the Government in ensuring that this important legislation is passed. There is no rush and the minister should take all the time he needs to get the amendments and the bill's provisions right. After all, this is a once-in-a-lifetime opportunity to get arbitration law right; I certainly cannot see the Parliament coming back to it in the near future.

15:48

Lewis Macdonald (Aberdeen Central) (Lab): This morning, we heard about the range of benefits provided by our devolved Scottish Parliament. Not only does it make radical new laws on land ownership and public health, but it clears the backlog of more modest legislative reforms that everyone agrees are necessary but have simply fallen off the end of the queue for legislative time at Westminster.

The modernising of arbitration law is one of those necessary reforms that are not politically contested and do not make front-page news but which nevertheless offer real benefits. Instead of being designed by legislators with a specific purpose in mind, Scotland's arbitration system has evolved from centuries of judicial practice. Although this bill has attracted more dispute at

stage 1 than some might have predicted, none of that controversy was about the objective of reform or the proposition that reform is required. Everyone agrees that it is important to clarify and consolidate arbitration law.

Nevertheless, there has been controversy. It is just as well that the Parliament's committees are able to thoroughly scrutinise even relatively routine measures to ensure that any problems can be identified and resolved, because, as we have already heard, a number of such issues have arisen with this bill.

One of the first issues that arose in the Economy, Energy and Tourism Committee was what the economic potential of the bill might be. The allocation of scrutiny of the bill to that committee depended on the argument that economic benefit was the primary purpose, but it soon became apparent that there was no reliable or agreed basis for estimating what volume of international business a codified modern Scottish arbitration system might attract. Indeed, the minister conceded that very point today.

It is not so long since committee members heard ministers justify their pledge to create 16,000 green jobs in Scotland by quoting a figure that was used in a UK Government report and then dividing it by 10. In support of the Arbitration (Scotland) Bill, we saw some figures for potential economic benefits that, it turns out, were based on the same approach. How much international arbitration business can a modern arbitration law bring to Scotland? It seems to me that, "Take the £250 million a year for London and divide by 10," is not a very scientific approach and not one that would survive much scrutiny for long. As the convener said, the financial memorandum accompanying the bill proposed a different figure for the amount of business going through the City of London, which simply added to the confusion.

If the bill is indeed an economy measure, it is a pity that we have had to do without any proper estimate of what economic benefits it might bring. If attracting international business is the primary economic purpose of the bill, it is a shame that some of those fundamental issues are still to be resolved.

Perhaps the most fundamental issue is the question whether to repeal the UNCITRAL model law, which is the current provision on which international arbitration business in Scotland and many other jurisdictions is based. The minister proposes repeal of the model law. The Chartered Institute of Arbitrators believes that he is right to do so, but the Scottish Council for International Arbitration believes that repeal will

"discourage international business from coming to Scotland."

The Law Society believes that

"parties to arbitration should be permitted the option of applying the UNCITRAL Model Law if they so wish".

In the Law Society's view, the only way of ensuring that that is the case is to remove the repeal provision from the bill. Frankly, it is not enough for the minister to say that the bill says that there will be access to the model law because of section 8(4) if the Law Society is right that that is contradicted by the proposal to repeal section 66 of the Law Reform Act 1990. That is not a minor disagreement; it goes to the heart of what the bill seeks to achieve. It reflects different judgments about whether access to the model law or adoption of a single set of arbitration rules will have the most appeal in the global marketplace and how to ensure that Scotland achieves the best of both worlds. It is not the only outstanding issue.

The convener mentioned retrospective effect. Future arbitrations might well arise from contracts that have already been agreed on the basis of the current system as understood by the parties to those contracts. The parties to such contracts need to be clear about where they stand and again it appears that relevant stakeholders have not yet been persuaded of the Government's approach to the issue.

Confidentiality of proceedings is one of the attractions of arbitration and needs to be protected under any changes to the law. The issue arises of how the bill can at the same time protect confidentiality if a party to an arbitration goes to court on a point of law, and adhere to wider principles of open justice. If neither the Faculty of Advocates nor the commercial judges of the Court of Session are comfortable with those provisions, it is clear that ministers have more work to do to get them right.

It is important that ministers meet their commitment to consider how the bill might affect consumer arbitration schemes that operate currently in the context of UK arbitration law and to meet those organisations that run such schemes. The minister said today that he will do that in August. The bill is about business and the law, but it must not have unintended consequences for consumers.

I hope that ministers will explore the possibility of having an anonymised digest of outcomes of arbitration cases, like the one that is published monthly in the Netherlands, to ensure that any precedent about which consumers should know is not missed.

The bill should be considered as work in progress with significant amendments still required because it is not yet fit for purpose. I hope that the minister will be able to respond positively and

clearly enough to show that progress will be made to deliver the bill that all parties want to see.

15:54

Gavin Brown (Lothians) (Con): I begin by declaring that I used to be a practising solicitor. I am retained on the roll of solicitors by the Law Society of Scotland and I have been involved in a number of arbitrations, although I do not stand to benefit personally from the bill. Despite the many good points in the bill and the enthusiasm of the minister, I have no intention of returning to arbitration, in either the near or the distant future.

I thank the clerks to the Economy, Energy and Tourism Committee, who did an excellent job in pulling together the stage 1 report under difficult time constraints.

The Scottish Conservatives fully support the principles of the bill. There is much to be said for codifying arbitration law. Arbitration has been with us in Scotland for many hundreds of years. Some people suggest that it predates our court system. Despite the court system then coming into use, arbitration remained popular. Over a period of several hundred years, case law developed in a fairly piecemeal fashion, with a couple of statutes along the way. The benefit of the bill before us is that it pulls the law together, codifying it in one statute. It modernises and tidies up the law in various areas, and it produces a more dynamic offering. If arbitration is to be successful, a more dynamic offering is definitely required.

If the bill is truly to meet its goals, arbitration must become faster and cheaper, and those two factors are directly related. Arbitration was popular in the past as it was fast, cheap and confidential, and because parties were able to remit their dispute to a man of skill. Over the past couple of decades, arbitration has become very slow. As a consequence, it is now sometimes more expensive than going to court. In going to court, people do not have to pay directly for the services of the judge; they do have to pay directly for the services of an arbitrator, however.

Parts of the bill will make the process faster. I like rule 23 of the Scottish arbitration rules set out in schedule 1. It puts a positive obligation on the arbitrator; it imposes a duty to

"conduct the arbitration ... without unnecessary delay, and ... without incurring unnecessary expense."

That sets out how the arbitrator should go about their business.

The ending of the stated case procedure, which was brought into force in 1972, should unblock many arbitrations in the future. The stated case procedure allows parties to go to the Court of Session on a point of law before the arbitration

can proceed. It is a great idea in principle but, over the decades, many spurious applications have been made to the courts, thereby delaying arbitrations by months and, in some cases, years.

Those two measures, together with the fact that a bill is actually proceeding, might help to produce a culture change in arbitration in Scotland, which could itself speed the process up.

Despite all those things, I ask the minister and his team to do absolutely everything in their power between now and stage 3 to find anything else that they can to speed up arbitration. The bill, and arbitration in Scotland, will stand or fall on whether we can make the process faster and cheaper. If we can, arbitration could have a pretty bright future in Scotland, both domestically and in terms of bringing in international arbitration. If the bill does not do that, I will be seriously worried about the future of arbitration.

We have heard about the economic aspects. There is no doubt in my mind that the bill will bring economic benefit. It can save court time, and I think that there will be an increase in the uptake of arbitrations. At the moment, there are only 50 commercial arbitrations a year in Scotland, and about 250 consumer-related arbitrations. As well as the economic benefit, I am sure that there will be an increase in the number of international arbitrations that come here. The important point, which every member has touched on in the debate so far, is how big the economic bonus will be. I take the minister's point—he said that it is important not to overstate the case—but I think that it was overstated in the financial memorandum. There is obviously a big difference between £3 billion, which arbitration was originally believed to be worth to the City of London, and the figure of £250 million, which is probably what it is actually worth to the City. The 10 per cent figure is a nice easy way to calculate what arbitration might be worth to Scotland, but 10 per cent of the value of arbitrations conducted in London will not simply gravitate to Scotland. That will take a great deal of effort, time and, no doubt, investment, because London is a well-established international centre of arbitration. I am sure that we will get some arbitrations just by passing the bill, but a great deal of effort will be required if we are serious about getting anywhere near 10 per cent.

The minister mentioned the two additional meetings that need to be held. There were two blind spots in the Government's consultation process. Not enough work was done with consumers, especially on low-cost arbitrations, which function fairly well in practice at the moment. I am concerned about the impact of foisting 25 mandatory rules on such arbitrations. I am not sure that that issue was taken fully into account, because the bill looks as if it was drafted

with commercial arbitrations in mind. I welcome the minister's commitment to pursue the matter and look forward to seeing the results of the meeting to which he referred.

There will also be a meeting with legal experts to examine the drafting and some unintended consequences of the proposals. For example, the bill will give the arbitrator a power akin to interdict. Breaching an interdict that is issued by a court of law is a criminal offence, but we do not know whether breaching an interdict-type measure handed down by an arbitrator will be an offence.

We see what the Government is trying to do in the confidentiality provisions. However, if after the arbitration there is a question of law to be determined by a court and the court breaches the confidentiality rule, either intentionally or unintentionally, what will the consequences be? What action can be taken against a judge if confidentiality is breached? Has the matter been thought through?

Various other rules have been mentioned. Rules 45 and 46 concern the power to award damages and the power to award interest from the due date. There is a disparity in bargaining power—especially in the world of construction, which is the source of many arbitrations—between the employer or person funding the project and the contractor, and between the contractor and the subcontractors. When projects go out to tender, it is easy for the stronger party to say to people that they have no chance of getting the job unless they agree to a default rule being scrubbed out completely. The Government recognises that unfair bargaining power in rule 50. Why does the same argument not apply to rules 45 and 46?

The issue of commencement is important. Clearly, the bill will not apply to arbitrations that are already under way. Will it apply to contracts that have been signed but for which no arbitration has begun? Under the bill as it stands, it appears that those contracts would be affected, which would be a retrospective application of the law. The general principle in Scots law is that retrospective application is undesirable. Where we apply the law retrospectively, we must have strong reasons for doing so. When the parties signed up to their contracts, they agreed an arbitration clause and a set of rules, but the bill would impose at least 25 mandatory rules on them.

We support the general principles of the bill, but there is work to be done. So far the Government has shown itself to be willing to move and to do that work. I look forward to considering the bill at stage 2.

16:03

Rob Gibson (Highlands and Islands) (SNP):

This is a technical bill that has engaged the interest primarily of the legal profession, rather than the trade associations or industry bodies that are the usual suspects that appear before the Economy, Energy and Tourism Committee. We have taken evidence from some eminent legal brains. It was quite a change for committee members to watch witnesses arguing with one another about aspects of the bill. That was more than entertaining—it was enlightening, because it showed in which ways the bill probably needs to be improved.

As we have heard, there was cross-party support on the committee for the general principles of the bill. We recognise that the existing legislation on arbitration is cumbersome and often quite elusive, as so little of it is codified in statute; it is a deterrent to using arbitration as a means of dispute resolution in Scotland. Without a reform of the law, the use of domestic arbitration would most likely continue to dwindle and Scotland would remain unable to compete with other jurisdictions for international arbitration cases. However, as I said, the committee has a number of reservations about the delivery of the policy objectives of the bill. The two main areas that members will no doubt dwell on are the issues of minimising expense and ensuring that the process is efficient, and the economic benefits.

A key argument in favour of the bill is that it would minimise the expense associated with arbitration and ensure that the process is efficient. I agree with other members that that appears to be vital. As Gavin Brown eloquently explained, the bill must make arbitration cheaper and quicker.

While clear and consolidated legislation may make the law more accessible, the main provisions in the bill to promote the more efficient and cost-effective resolution of disputes are mandatory rules 23 and 24. However, I wonder whether there is a need for more than a duty on the tribunal and the parties to conduct arbitrations

“without unnecessary delay, and ... without incurring unnecessary expense.”

In evidence to the committee, a number of witnesses referred to the tactics that parties will resort to in order to ensure that they achieve the result that they want. That raises the question of what remedies are available when an arbitration has not been conducted as quickly or as cheaply as possible, which is an important point for the Government to bear in mind when it considers what amendments it might introduce at stage 2. The legislation needs to speed up arbitration and make it cheaper for the parties concerned.

From a general economic perspective, disputes have a negative effect on the Scottish economy. We all recognise the impact that consumer and commercial disputes have on individuals and businesses, especially as many of the smaller disputes remain unresolved. A modern, accessible arbitration system should offer an additional means of resolving disputes more quickly and cheaply, thereby benefiting the Scottish economy. As has been pointed out, that was the practice in the past—particularly in the 19th century—and it worked perfectly well. Additionally—I suspect that this is a point that colleagues on the Justice Committee would recognise as important—if arbitration flourishes as a result of an improvement in the legislation, it could result in a reduction in pressure on the courts.

One of the key economic arguments behind the introduction of the bill has been that it will allow Scotland to compete internationally as a location for major arbitrations. From the evidence presented to it, the committee learned of the value that arbitration brings to major cities throughout the world. Even a limited number of international arbitrations would be of value to the Scottish economy. However, it cannot be taken as a given that a modern arbitration law will, of itself, attract large-scale international arbitrations to Scotland. Although the committee is aware of the intention of the Scottish branch of the Chartered Institute of Arbitrators to promote the bill should it complete its passage through Parliament, it is also of the view that more might be necessary to deliver any significant economic benefits to Scotland. The aim of attracting 10 per cent of the value of arbitrations carried out in London is laudable, but I suggest that a coherent marketing strategy, as well as a considerable period of time, may be necessary to achieve that.

Members have dealt with several nitty-gritty issues, over which I will not tread again. We are generally agreed that we want amendments at stage 2 that will tackle the issues already raised. In conclusion, while I welcome the central purpose of the bill, I do so with a note of caution. We need to get the legislation right for it to be successful and for it to establish arbitration as a quick and economical means of resolving disputes in Scotland. I look forward to the minister's response to the concerns that have been outlined.

16:09

Ms Wendy Alexander (Paisley North) (Lab):

The Arbitration (Scotland) Bill is the final bill that we will consider before the recess. Yesterday, I had the pleasure of seeing people from a secondary school in my constituency who were visiting the chamber. Over lunch, they admitted to me that they had found the detail of the Climate

Change (Scotland) Bill rather dry compared with the vaulting ambition of our cause. I hesitate to think what they might make of this afternoon's proceedings on arbitration.

As members have said, the principle of modernising arbitration in Scotland has been widely supported. The fact that the practicalities and the detailed provisions of the bill attracted more controversy than the Economy, Energy and Tourism Committee expected at the outset has also been alluded to. Scotland's legal luminaries have not spoken with one voice on the topic.

In his opening speech, the minister made it clear that the bill is not a party-political bill. Indeed, any party that is represented in the chamber might have proposed it. However, the evidence that was gathered at the pre-legislative stage, which is reflected in the committee's report, suggests that significant amendments are required for stage 2. No member of the committee questioned the Government's good faith with respect to the bill, and no one doubted that the Government had conducted the right sort of consultation involving the right interested parties. However, the relevant issue that remains is whether the bill as it stands is fit for purpose.

I profess no special expertise in the matter and I am not a lawyer; indeed, during the committee's consideration of the bill, I was often delighted to be seated next to Gavin Brown, who is a lawyer. His grasp of the matters at hand, compared with my meagre insights, was encyclopaedic. However, even committee members who were complete novices in such matters reached the unanimous view that, without being amended, the bill will simply be adequate as opposed to truly good. It is an adequate bill as it stands because it risks producing unforeseen and unintended consequences. Those risks require to be addressed before stage 2.

I welcome the commitment that the minister has already given to give up part of his summer holidays to have further consultative meetings, but the issues that are highlighted in the committee's report give food for thought and require work to be done on them at this stage. I also welcome the assurances that he has already offered on the status of the model law and the interaction between it and the bill, but the committee is anxious that further work should also be done on section 33, including on whether it will have retrospective effect; on the need to clarify further the bill's relationship with the Arbitration Act 1996; and on the importance of not doing anything to undermine very small-scale consumer arbitrations—Gavin Brown made points about that. The committee also thinks that further work should be done on whether rules 45 and 46, which have been mentioned, will inadvertently open the door

to one party's having unfair bargaining powers; on the risk that the sisting of legal proceedings will be used as a delaying tactic; and on the need for the principles of openness in our general approach to legal matters not to be infringed by the confidentiality in proceedings that people often seek when they are involved in arbitration.

I realise that all those points are technical. I was encouraged by the minister's opening remarks about the draftsman thinking that the bill had attracted some of the most detailed comments that he had ever known in a legislative process. I would put it at the furthest frontier of what members might be expected to adjudicate on.

In that spirit, I welcome the further consultation events that the minister announced today. Meetings in the latter half of the summer are welcome, but I hope that he will ensure that some of the work that needs to be done is undertaken early. The convener of the committee made it clear that we probably have only one chance to get things right. We are not talking about simple matters. The Scottish legal community is not speaking as one on the outstanding issues.

The existence of ministers' direct political accountability to the Scottish Parliament is the difference between the pre-devolution approach to Scottish law making and the approach that is now taken, with powers being vested in the Parliament. That remark should be viewed in the context of the debate that we had in the chamber this morning. I do not expect the minister to take a personal interest in resolving each of the technical issues that the committee has noted and put forward for consideration today. Indeed, I hope that he has some time to enjoy his particularly beautiful constituency in the weeks ahead; I certainly intend to frequent it with my family later this summer. However, I hope that before the minister departs for Argyll, he will ensure that the necessary work is under way and that the opportunity of the 10-week recess is grasped to allow thorough consideration of the issues that have been raised.

If the minister ensures that that is the case before he leaves, he will be ensuring that what is currently an adequate piece of legislation will become a thoroughly good piece of legislation. If the Parliament achieves that, the vision for which the bill is reaching—for Scotland to become a future centre for international arbitration—can and will be realised.

16:15

Stuart McMillan (West of Scotland) (SNP): I am delighted to speak in this debate as a member of the Economy, Energy and Tourism Committee. It is my first official outing to speak on a bill that is going through the committee, and I am sure that it

will not be my last. I thank the committee clerks: since I became a member of the committee, only a few months ago, their help and assistance has been invaluable.

As we have heard, there was a debate about which committee was to examine the bill. I will not go over that ground, apart from saying that we are where we are, and we have to deal with it. I am sure that I am not being unkind to my committee colleagues in saying that none of us, apart from Gavin Brown, is an expert on the existing arbitration laws. Gavin Brown's legal expertise proved invaluable during the evidence sessions, and allowed those mere mortals with no legal background to understand the bill in more detail, so I thank him for that.

Before I move on to the issues around the bill, it is important to note that the committee acknowledged that the Scottish Government conducted a transparent and accessible consultation. We were satisfied that the Scottish Government had sought to engage with as many stakeholders as possible in developing the bill.

With regard to the economic benefits of the bill, I am a great believer in the KISS—keep it simple, stupid—management method, but I fully appreciate that that will not always be possible; it will not always be an option; and it will not always be wanted by those who have vested interests. However, in the case of this bill, it is possible, it is an option and the legal profession appears to want it.

The evidence that the committee has received shows that there is consensus that a new consolidated arbitration bill may provide economic benefits. Increased economic activity is welcome, and will hopefully lead to Scotland becoming a commensurate player in arbitration. It will be difficult for Scotland to compete directly with the established arbitration centres of London, New York and Geneva, but I am sure that there will be increased opportunities for arbitration in Scotland.

The committee suggests that it will be difficult to quantify the value of the potential arbitration business. We also suggest that it is important that the Scottish Government does not overstate the economic possibilities of the bill and, as has already been mentioned, we question the figures that relate to London in the financial memorandum. The figure of £3 billion in the financial memorandum can be compared with the figure of £250 million that the committee received in evidence. Those figures are obviously slightly different, and we must have clarity from the Government about which is the more accurate.

It is important that marketing of Scotland as an arbitration centre be fully established. We took the view that the Scottish Government should re-

examine its position on the marketing of arbitration. Once the bill has passed through the Parliament, in whatever shape or form, it should be incumbent on all the stakeholders to market the improved service. I appreciate that the judiciary and the legal system are totally independent of the Parliament and political interference, but as the bill is about business opportunities, the Scottish Government could look at marketing for the next stages of the bill.

Another issue centres on rule 24 and the general duties of the parties. Rule 24 is a mandatory rule that calls for the parties to arbitration to deal with it "without unnecessary delay" or "unnecessary expense". Those are laudable aims, and I am sure that the committee members agree with them in principle, but we have some questions about how realistic those duties are. We heard contrasting evidence about time limits and their worth and the realistic—or unrealistic—possibility of their being enforced. Personally, I have some sympathy with the arguments for enforcing time limits, particularly if they can reduce the cost of arbitration. However, I fully appreciate the arguments of those who say that a one-size-fits-all approach will not work. Every arbitration case will be different, and the parties involved will be of differing sizes and financial statuses, so there is a legitimate argument for time limits not to be introduced. Paragraph 79 of our report highlights our position quite clearly and our final point therein legitimately queries how those duties can be enforced. I look forward to the Government's response on that in due course.

I have enjoyed my short time on the committee and the collegial way in which we have dealt with issues. I have been in the Parliament for only two years, but I have enjoyed that approach on the three committees on which I have served and I hope that that will continue to be the case. However, I was a touch disappointed with one aspect of our deliberations. Paragraph 128 of our report states that the bill is

"not yet fit for purpose".

There was a division in the committee about that paragraph. At the time, I argued that almost every bill that has gone through the Parliament has been amended at some point—yesterday, we spent a whole day in the chamber dealing with amendments to the Climate Change (Scotland) Bill—and I am sure that that will continue to be the case, even in the distant future when the Scottish National Party is no longer in power. Bills will continue to need to be amended, whether substantially or not. I suggest that saying that a bill is not fit for purpose creates a dangerous precedent and downplays the Parliament more than the Government of the day.

In this morning's debate about the future of the Parliament, all parties said that they want it to have more powers. However, with more powers comes added responsibility—that applies to MSPs as well. I gently suggest that MSPs should watch their language from time to time, and I think that having that phrase in the report is quite dangerous. Everyone on the committee appreciated that the bill needs to be significantly amended, and we were unanimous on that in our report. However, we should be careful about our language, particularly when we are dealing with a bill that is not, as Wendy Alexander and Lewis Macdonald have already mentioned, party political.

With that, I commend the committee's report to Parliament. I look forward to the bill making progress through Parliament.

16:22

Iain Smith: Miraculously, I have changed from being the convener of the committee to being the Liberal Democrat spokesman, in which role I would just like to say that I agree with everything that the convener of the committee said in his opening remarks.

I will not take up too much of the chamber's time, which might be a worry to those who have yet to speak. As has been said, this is not a party-political bill; it is a bill whose aims are supported across the chamber.

It is worth reminding ourselves of the bill's policy objectives. Its primary objectives are: to clarify and consolidate Scottish arbitration law, filling in gaps where they exist and providing a statutory framework for arbitrations that will operate in the absence of agreement to the contrary; to ensure fairness and impartiality in the process; and to minimise expense and ensure that the process is efficient. I do not think that anyone could disagree with any of those objectives.

One of the key issues that we must discuss is to do with the Scottish arbitration rules, which are set out in schedule 1 to the bill. Which rules are mandatory and which are default? I assume that the purpose of the mandatory rules is to protect each party and ensure that a party that might have a slightly stronger bargaining position cannot undermine the fundamental rights of the other party by seeking to remove certain rules. In relation to rules 45 and 46, an issue arises that is very much about the need to ensure that both parties in an arbitration are protected. I strongly recommend that the mandatory aspect comes into play in relation to those rules.

The construction industry is often mentioned in that regard, but suppliers to major supermarkets are another example. We know from our

experiences as constituency members, and from debates and reports, that suppliers to major supermarket chains feel that they are in a weak position when bargaining because much of their business relies on their contracts with the supermarkets, which are very strong. When an arbitration agreement is reached between a supplier and a supermarket, the supermarket is in a strong position to say, for example, that it will not agree to a damages clause and to ask for that to be struck out. In signing the contract, the supplier might feel that they have to agree because they are not in a position to bargain.

When we consider the arbitration rules at stage 2, it is important that we think carefully about the rules that are currently default and those that are mandatory. We must ensure that we make mandatory all those rules that are required to protect the rights of weaker parties. However, we should not have unnecessary mandatory rules; we should have default rules wherever appropriate. As Gavin Brown rightly pointed out, we do not want to discourage arbitration by having rules that are so rigid that they are inappropriate, certainly for minor consumer arbitrations.

There are concerns about the phraseology in the bill. One concern that came across to the committee was that, because the bill is lifted largely from the Arbitration Act 1996, which applies in England, as drafted it includes language that might not be appropriate in the Scottish context. It is important that, at stage 2, we ensure that all the language is appropriate in the Scottish context. I had a particular example that was drawn to our attention by the Faculty of Advocates, but I cannot find it at the moment.

The Liberal Democrats will certainly support the general principles of the bill. I am not necessarily looking forward to stage 2, but I am sure that the committee and the Government will work hard to ensure that we come back at stage 3 with a bill that is fit for purpose and which we can all support.

16:27

Alex Johnstone (North East Scotland) (Con):

In the 10 years for which I have been a member of the Parliament, I have not been a member of the Economy, Energy and Tourism Committee or any of its previous guises. Until today, that has been a matter of regret, but now that I have discovered the amount of work that has been necessary on the bill so far, I am perhaps glad that I had the Climate Change (Scotland) Bill to deal with instead.

Anyone who has been a member of Parliament for any time will realise quickly that there is a requirement for arbitration. I am sure that other members will have come across situations in

which disputes were dealt with inappropriately, and ultimately were not resolved, as a result of the difficulty in accessing civil justice faced in a dispute by a party that does not have the deep pockets that are necessary to pursue an issue through the courts. Anything that moves us forward on that is desirable. Although I have come late to the process—in fact, I had the opportunity to study the papers in advance of the debate only today—I believe that the issue is fundamentally important.

The consolidation, fine-tuning and streamlining of the arbitration rules in Scotland have a great deal to offer. As we have heard, they offer a great deal to those in Scotland who can benefit from them. I am interested in the argument that there might be a potential economic benefit, not only in relation to indigenous arbitrations, but from the fact that, conceivably, an industry could grow up around international arbitrations. We would all welcome that if it were to come along, but I was glad to hear the minister downplay its significance in his opening speech. The dispute over the figures could have led to confusion. During the debate, members have united around the idea that the numbers are perhaps not as big as we originally hoped that they might be.

A number of members have referred to several measures that have still to be taken. Of course we need to ensure faster and cheaper arbitration, but more work with consumers will be necessary to ensure that we understand the advantages of low-cost arbitration to everyone. The concern is with ensuring that a modern and accessible arbitration system is in place and that we can take advantage of all that it has to offer.

The Conservatives will fully support the bill's principles and will take the opportunity to contribute as much as possible to its advancement at later stages. Members have mentioned in the debate—and I have been told in private about—the importance of Gavin Brown to the bill's progress. I am very grateful that the impending expansion in his family has not yet happened; otherwise, we would not have had the benefit of his presence today. That would have been sad for many members—and absolutely terrifying for me.

Several members have suggested that a series of advantages might accrue from the bill. Strictly for the opportunity to close in a lighter vein, I mention Iain Smith's suggestion that suppliers to supermarkets might benefit from the arbitration system in the future. I am delighted to hear that that opportunity might come along. It might not be enormously significant, but every little helps.

16:32

John Park (Mid Scotland and Fife) (Lab): I am still laughing at that comment.

The bill is important. As MSPs, we can normally judge a bill's importance by the number of Scottish Government officials who are sitting at the back of the chamber for the debate. A fair few of them are up there this afternoon, which suggests that we are discussing an important bill.

I record my thanks to the Economy, Energy and Tourism Committee's convener, the other committee members and the clerks, who have done a massive job and a huge amount of work to bring us to the current position and allow us to have an informed discussion this afternoon.

I confess that, in a previous life as a trade union official, I was involved in arbitration in a different field—industrial relations. As members know, in the 1980s and 1990s, arbitration provided a way to obtain union recognition agreements in a lot of inward investment projects. I was involved frequently in the use of one type of arbitration—pendulum arbitration. For my own research, I looked on the internet for a definition of that. The definition says:

"Pendulum arbitration, otherwise known as final offer arbitration ... is a type of interest arbitration in which the arbitrator chooses one of the parties' proposals on each"

of the disputed issues.

"For example, in the case of labor collective bargaining, a trade union may demand a wage increase of 7% and the management may offer 3%. The arbitrator ... has to choose between awarding a 3% or a 7% increase."

I probably achieved a 3 per cent increase more often than a 7 per cent increase—to the extent that I would be looking to enrol in a witness protection scheme if I had to return to some parts of England in the near future.

As I have experience of arbitration—albeit in a different field, as I said—I welcome the opportunity to participate in the debate. The committee's report says that Lord Hope has described arbitration as

"the method of procedure by which parties who are in dispute with each other agree to submit their dispute to the decision of one or more persons, described as 'arbiters', rather than resort to the courts of law."

That makes the process sound easy. However, my experience and what Gavin Brown described show that some expertise is needed. It is obvious that the legal framework needs to be more robust and supported, so that we can make more of the opportunity that we have.

I warmly welcome the objectives of the bill. Its clarification of arbitration law through the provision of a statutory framework is absolutely essential. Its underpinning aim of ensuring fairness and

impartiality in the arbitration process is also to be welcomed. As Gavin Brown said, the bill also aims to minimise the expense of arbitration. Again, if arbitration is quick, it will be cheaper and much more attractive for people to go down that route.

The bill contains little with which we would argue. Lewis Macdonald summed up the position when he said that modernising arbitration law is one of those necessary reforms that are not politically contested but offer real benefits to Scotland. Our only concern is that we perhaps need a more vigorous examination of what the arbitration industry could mean for Scotland. In the Parliament, we regularly use as a rule of thumb that we might get from London 10 per cent of what is given to the rest of the United Kingdom. However, we need to look at the levers and support that may be available to ensure that the industry develops here in Scotland. If that area is not considered during the passage of the bill, perhaps the Scottish Government should consider doing work on it separately.

I recognise that some ebb and flow takes place in the amount of spare capacity that can be generated within our courts system, but I am a little concerned that dealing with arbitration might be seen as a desirable option for existing legal practitioners rather than—as has been suggested in today's debate and in evidence to the committee—just retired professionals. We need to ensure that we do not get into the position that has perhaps arisen in the national health service, whereby doctors and other professionals may operate privately in a way that removes capacity from the system. I would like a little bit more clarity from the minister on whether the Scottish Government is considering that issue.

Alex Johnstone said that he would have been absolutely terrified if Gavin Brown had not been here this afternoon, but I think that Gavin Brown would have been even more terrified, because he would have been somewhere else. Having twice been there myself, I know that this afternoon's debate must have a certain attraction for him.

Gavin Brown, whose expertise is acknowledged, highlighted that Scotland could be an attractive place for arbitration. He said that, if we can reform the law to put in place something that people can work with, we have potential for an industry. Anyone watching our debate this morning on the Calman commission's report might have said that we needed someone to come in and separate the different parties—at least, to separate the unionist parties from the Scottish National Party. I do not know how much of an advert that was for arbitration in Scotland, but I certainly agree that the Scottish legal profession is renowned around the world. I think that arbitration has great potential here in Scotland.

Although the industry has potential, the main thing that we are looking for from the minister—he has already given some assurances this afternoon, but perhaps he could say a little more in summing up—is that he must shift the balance away from trying to build an industry and first build a workable piece of legislation. I hope that an arbitration industry will flow from that. We need to get the legislation right. As the bill is not a political issue, the Scottish Government will have a lot of cross-party support in the Parliament to ensure that we get a workable piece of legislation. We look forward to seeing progress as the bill moves forward.

16:38

Jim Mather: In keeping with the bill's progress to date, this debate has been very constructive. Everyone is conscious of the bill's importance for the professions, businesses and citizens, as well as the Scottish economy.

Let me put on record that it has been a real privilege to work with the professional team behind the bill. It has been an eye-opener working with people on the justice side of things, but it has also been very constructive working with practitioners in the profession—as I will mention later—as well as with ex-practitioners who have moved across.

I join other members in saying how grateful I am for Gavin Brown's expertise. His recycling of his skills as an arbitration practitioner has been exceedingly welcome. In line with his colleagues, he has generated a very positive attitude towards the bill.

Equally, it is fair to say that, given our experience in other lives, we have brought a lot of common sense to the proceedings. Economy, Energy and Tourism Committee members have been good at eliciting the evidence that has got us here. I will perhaps talk more about that in a moment. The positivity about the bill's potential for Scotland, and the need for it, is shared by the majority of the consultees.

In making its recommendations, the committee has done comprehensive work. We are determined to press ahead, and we assure members that, even if the model law is repealed, it will still be possible, subject to mandatory rules, for parties to adopt the model law for their arbitration if they so wish. That assurance is built in.

On the commencement date, we are happy to work with members to make it clearer how the bill will apply to existing contracts.

On consolidation and consumer protection measures, we have written to what is now the Department for Business, Innovation and Skills. We have to bear it in mind that provisions in the

UK Arbitration Act 1996 protect consumers from being bound by arbitration clauses in low-value contracts. Rules 45 and 46 are open to discussion. We will pick up that issue in the meeting on 18 August.

The issue of sisting legal proceedings as a delaying tactic is open to discussion, and we will follow it through. Likewise, we will follow through the implications for the Scottish pleading system and we will make minor modifications to address the issue of anonymity and confidentiality. I was taken by Lewis Macdonald's comment on the practice that is unfolding in the Netherlands, which sounds pretty interesting.

We have sound suggestions from practitioners about what we can do to emulate what London is doing to avoid overburdening the courts. We have to revisit the drafting on disciplining arbitrators. We will consider provisional awards in the light of detailed examples being provided by the Law Society of Scotland. All the recommendations that have been made are under close scrutiny and focus.

I have heartfelt sympathy for the convener of the Economy, Energy and Tourism Committee's inability to be convinced instantly that the bill fell within the committee's remit. However, it is commendable that the committee has taken on the bill, recognised its worthy purpose, adopted the primary objective of codifying the law and seen economic benefit built into that.

I am sorry about the false pass that the committee was given regarding the £3 billion in the financial memorandum. That inaccurate figure was given in good faith by the Chartered Institute of Arbitrators, based on figures provided by International Financial Services London. The figure was corrected in written evidence. However, I have to say that £250 million is still a number to salivate over. I believe that we will get our fair share of that, and we might go beyond it with the new proposition in Scotland.

We had a meeting in the Parliament to brainstorm with the practitioners. We have now had the committee report and the debate. We have the prospect of meetings on 6 August and 18 August. That is an interesting and transparent approach that others might wish to emulate. I certainly hope that it will aid stages 2 and 3—I am pretty sure that it will. In essence, we are providing an opportunity to healthily voice concerns and have a more structured debate. When we have the people in the room, we will be able to reconcile some of the issues and proceed at a good rate. The committee's report and this debate give us the scope to add structure and demonstrate a more methodical approach, whereby we can debate, test and balance proposals. The focus on getting

things right, to which Wendy Alexander referred, is a big prize for all of us.

It is down to the industry to make what it can of the economic benefits. The enthusiasm exists, as I see from unsolicited inputs from the profession. A considerable amount of non-chargeable, cerebral work is being done to refine how we go forward.

The bill will complete the repertoire of Scottish legal services. It will make Scotland an even more compelling place in which to do business. It might also bring forward developments in the resolution of differences, such as mediation. William Ury from Harvard's negotiation team was in Scotland this week. He is the author of a couple of interesting books on negotiation and mediation, and his visit helped us to make considerable progress.

The not-fit-for-purpose sobriquet has been applied to the bill, but it is a work in progress. The scepticism is healthy, and I intend it to be useful. We have an opportunity to exceed expectation and reconcile the different viewpoints. In reaching consensus, we will ensure that we wash out any unintended consequences.

I appreciate Stuart McMillan's commonsense approach to the debate. When he spoke about the nature of the process, it took me back to my old tools of trade. The phrase "debugging the computer programme" came to mind. We are in a natural, perfectionist, elusive process—particularly given that this is the first pass—but cohesion is beginning to emerge. We are very close to converting the bill from adequate to Wendy Alexander's goal of thoroughly good. The follow-on events will be helpful in that regard. The considerable flow of suggestions from other sources is nothing short of astounding. There is a determination on the part of arbitration practitioners, the legal profession, members of the Faculty of Advocates and others to play their part in helping us to get to a better place.

The issue that is close to my heart—and which is clearly also close to Gavin Brown's heart—is making the process faster and cheaper. That will be the net effect of the bill. As I keep telling people, for example in the industrial sessions that we ran, it is all about the flow.

Recently, I read a wonderful book in which the opening gambit was:

"It takes less time to build a Lexus than it takes to snag an equivalent BMW."

The key factor is whether we can identify a Lexus approach to arbitration—the slick and fast approach.

Nigel Don (North East Scotland) (SNP): Only one of the witnesses who gave evidence called for a time limit. In the end, they were outvoted by the

rest, the reasons for which I understand. I am aware that the proposal that I am about to make was not tested in evidence—indeed, I think that it was not suggested at any stage. However, there might be merit in devising a banding system. In such a system, the arbitrator's first job would be to work out roughly how much was at stake. If the amount was less than £50,000, a time limit—and perhaps a cost limit—could be applied. If the amount was in the range of up to £1 million—I am making up the numbers as I go along—another band, timetable and costing would apply. If the amount was beyond £1 million, the process would be completely open-ended. That might be a way of getting sanity in terms of small-scale cases and providing an open-ended position for larger ones.

Jim Mather: I am grateful to the member for his suggestion. I think that he has just invited himself—somewhat elegantly—to the event on 18 August.

The position that we are now moving towards was summed up by John Park. Our aim is to form the bill into a workable act. We want to draft legislation that allows us to build the arbitration sector of our economy.

I look forward to running the events over the summer. We have the trade event on 6 August, which we will augment through invitations to business organisations, Consumer Focus Scotland and any other person or organisation that members think should be there. I am keen to hear the nominations for who should attend.

I am also keen to see a committee presence at the session on 18 August. The event that we held on 30 April was terrific. We generated an element of cohesion, collaboration and good will in the room, the result of which was a new focus on many ideas. The session took us beyond the already considerable consultation on the bill. We have a big opportunity, and I would be extremely surprised if we did not emerge from those events with a much greater focus on the speed and cost of the process.

Another positive aspect will be our attempts to motivate practitioners to advertise the greater speed and cost-effectiveness of arbitration. This country's adoption of a frugal and speedy attitude to arbitration will be advertised to people in and furth of Scotland as we proceed with the bill.

Holocaust (Return of Cultural Objects) Bill

16:50

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is consideration of legislative consent motion S3M-4454, in the name of Alex Salmond, on the Holocaust (Return of Cultural Objects) Bill, which is United Kingdom legislation. I invite Michael Russell to move the motion.

Motion moved,

That the Parliament agrees that the relevant provisions of the Holocaust (Return of Cultural Objects) Bill, introduced in the House of Commons on 26 January 2009, relating to the return from public museum and gallery collections of cultural objects stolen during the Nazi era, so far as these matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.—
[Michael Russell.]

The Deputy Presiding Officer: The question on the motion will be put at decision time.

Parliamentary Bureau Motions

16:50

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is consideration of two Parliamentary Bureau motions. I ask Bruce Crawford to move motion S3M-4504, on committee membership, and motion S3M-4505, on substitution on committees.

Motions moved,

That the Parliament agrees that Bill Kidd be appointed to replace Andrew Welsh on the Public Audit Committee.

That the Parliament agrees that Andrew Welsh be appointed to replace Bill Kidd as the Scottish National Party substitute on the Education, Lifelong Learning and Culture Committee.—[*Bruce Crawford.*]

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

I suspend the meeting until decision time at 5 o'clock.

16:51

Meeting suspended.

17:00

On resuming—

Decision Time

The Presiding Officer (Alex Fergusson): Seven questions will be put as a result of today's business. The first question is, that amendment S3M-4490.1, in the name of Michael Russell, which seeks to amend motion S3M-4490, in the name of Michael McMahon, on the Calman commission report, 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)
 Campbell, Aileen (South of Scotland) (SNP)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Kidd, Bill (Glasgow) (SNP)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (SNP)
 McMillan, Stuart (West of Scotland) (SNP)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 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)
 Hume, Jim (South of Scotland) (LD)
 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)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)
 Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Smith, Iain (North East Fife) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)

Tolson, Jim (Dunfermline West) (LD)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

The Presiding Officer: The result of the division is: For 47, Against 72, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S3M-4490, in the name of Michael McMahon, on the Calman commission report, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

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)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Ted (Mid Scotland and Fife) (Con)
 Brown, Gavin (Lothians) (Con)
 Brown, Robert (Glasgow) (LD)
 Brownlee, Derek (South of Scotland) (Con)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Carlaw, Jackson (West of Scotland) (Con)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Margaret (Glasgow Baillieston) (Lab)
 Eadie, Helen (Dunfermline East) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Foulkes, George (Lothians) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 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)
 Henry, Hugh (Paisley South) (Lab)
 Hume, Jim (South of Scotland) (LD)
 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)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Tom (Hamilton South) (Lab)
 McConnell, Jack (Motherwell and Wishaw) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Mulligan, Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Elaine (Dumfries) (Lab)
 O'Donnell, Hugh (Central Scotland) (LD)

Oldfather, Irene (Cunninghame South) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Elizabeth (Mid Scotland and Fife) (Con)
 Smith, Iain (North East Fife) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stewart, David (Highlands and Islands) (Lab)
 Stone, Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tolson, Jim (Dunfermline West) (LD)
 Whitton, David (Strathkelvin and Bearsden) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Allan, Alasdair (Western Isles) (SNP)
 Brown, Keith (Ochil) (SNP)
 Campbell, Aileen (South of Scotland) (SNP)
 Coffey, Willie (Kilmarnock and Loudoun) (SNP)
 Constance, Angela (Livingston) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Don, Nigel (North East Scotland) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 FitzPatrick, Joe (Dundee West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Christopher (Mid Scotland and Fife) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Central Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Adam (South of Scotland) (SNP)
 Kidd, Bill (Glasgow) (SNP)
 Lochhead, Richard (Moray) (SNP)
 MacAskill, Kenny (Edinburgh East and Musselburgh) (SNP)
 Marwick, Tricia (Central Fife) (SNP)
 Mather, Jim (Argyll and Bute) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West of Scotland) (SNP)
 McKee, Ian (Lothians) (SNP)
 McKelvie, Christina (Central Scotland) (SNP)
 McLaughlin, Anne (Glasgow) (SNP)
 McMillan, Stuart (West of Scotland) (SNP)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Gil (West of Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Alex (Gordon) (SNP)
 Somerville, Shirley-Anne (Lothians) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow Govan) (SNP)
 Swinney, John (North Tayside) (SNP)
 Thompson, Dave (Highlands and Islands) (SNP)
 Watt, Maureen (North East Scotland) (SNP)
 Welsh, Andrew (Angus) (SNP)
 White, Sandra (Glasgow) (SNP)
 Wilson, Bill (West of Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)

ABSTENTIONS

Mitchell, Margaret (Central Scotland) (Con)

The Presiding Officer: The result of the division is: For 69, Against 49, Abstentions 1.

Motion agreed to,

That the Parliament warmly welcomes the Calman Commission on Scottish Devolution's report, *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century*, which is based firmly on evidence and engagement with the people of Scotland; thanks the chair and members of the commission for their work on behalf of the Parliament and the UK Government; agrees that the commission's report is a comprehensive response to the remit approved by the Parliament on 6 December 2007; welcomes the establishment of the steering group to take forward the report's recommendations to strengthen devolution and enable the Parliament, through new powers and responsibilities, to serve the people of Scotland better in the United Kingdom; calls on the Scottish Government to make fully available the resources of the Scottish administration to cooperate in this respect, and calls on the Scottish Parliamentary Corporate Body to continue to allocate appropriate resources and funding to enable the Parliament to support the work of the steering group and consider the recommendations that apply to the Parliament.

The Presiding Officer: The third question is, that motion S3M-4432, in the name of Gil Paterson, on hybrid bills, be agreed to.

Motion agreed to,

That the Parliament notes the Standards, Procedures and Public Appointments Committee's 7th Report 2009 (Session 3), *Hybrid Bills* (SP Paper 299), and agrees that changes to Standing Orders set out in Annexe A to the report be made with effect from 26 June 2009.

The Presiding Officer: The next question is, that motion S3M-4465, in the name of Jim Mather, on the Arbitration (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Arbitration (Scotland) Bill.

The Presiding Officer: The next question is, that motion S3M-4454, in the name of Alex Salmond, on the Holocaust (Return of Cultural Objects) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees that the relevant provisions of the Holocaust (Return of Cultural Objects) Bill, introduced in the House of Commons on 26 January 2009, relating to the return from public museum and gallery collections of cultural objects stolen during the Nazi era, so far as these matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.

The Presiding Officer: The next question is, that motion S3M-4504, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees that Bill Kidd be appointed to replace Andrew Welsh on the Public Audit Committee.

The Presiding Officer: The final question is, that motion S3M-4505, in the name of Bruce

Crawford, on substitution on committees, be agreed to.

Motion agreed to,

That the Parliament agrees that Andrew Welsh be appointed to replace Bill Kidd as the Scottish National Party substitute on the Education, Lifelong Learning and Culture Committee.

The Presiding Officer: That concludes decision time. I wish every member a refreshing summer recess.

Meeting closed at 17:03.

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