

MEETING OF THE PARLIAMENT

Thursday 17 December 2009

Session 3

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Scottish Parliament

Thursday 17 December 2009

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

Budget Process 2010-11

The Presiding Officer (Alex Fergusson): Good morning. The first item of business is a debate on motion S3M-5405, in the name of Andrew Welsh, on the Finance Committee's report on the Scottish Government's draft budget 2010-11. I call Andrew Welsh, the convener of the committee, to speak to and move the motion.

09:15

Andrew Welsh (Angus) (SNP): I commend the Finance Committee's "Report on scrutiny of the Draft Budget 2010-11" to the Parliament.

Our report could hardly be debated under worse economic circumstances: a world economic crisis; a fragile United Kingdom economy that has saddled itself with record debt levels; and a banking crisis. We are faced with consequent pressures on our resources. Our Parliament not only faces its tightest UK financial settlement at a time of limited resources and ever-increasing demands on public services but has limited fiscal powers and little room for manoeuvre.

How do we protect and defend the daily local and national public services for the Scottish people? Within our limited resources, we must look to maximise every public pound that is spent and ensure value for money, economy, effectiveness and efficiency if we are to eke out the value of scarce resources, and we must do so by Parliament and people working together.

If fiscal imprudence and financial greed got us into these problems, working together using the more traditional Scottish financial prudence and best use of resources can get us out of them. Indeed, that will be essential if we are to survive this exceptionally difficult world financial crisis. Action that is based on a realistic appraisal of where we are and how we use Scotland's £35 billion budget to organise financial survival and recovery will require the combined effort and wit of all parties in the Parliament, working together with the wider community of Scotland. Such action is needed if we are to sort out our formidable problems. Blaming one another will not help; what will help is honestly seeking practical solutions to practical problems. The Finance Committee's report does not have all the answers, but it has some of them.

I put on record our thanks for the contribution of the Parliament's subject committees. Their reports this year showed an increasing use of financial scrutiny based on knowledge that they have gained through their work on the scrutiny of bills and in their inquiries. Some committees indicated that budgetary information would form a significant element of their forthcoming inquiry work. The Finance Committee welcomes that mainstreaming of financial scrutiny, which we encourage.

Subject committee reports and evidence helped the Finance Committee to identify and illustrate wider trends and general points that can assist more accurate financial decision making. Although the subject committees made no firm alternative spending proposals, our report notes a number of issues that they have asked the Scottish Government to consider as priorities. We expect the Government to assess, consider and respond, saying whether evidence-based change is required and whether that change can be made.

Our report outlines the overall figures in the draft budget for 2010-11 and the various changes that have been made, for example, through Barnett consequential and accelerated capital spending since the Government first set out its plans in spending review 2007. However it is interpreted, it is clear that the draft budget for next year is substantially different from those original plans. Providing additional discretionary spending to stimulate demand is not possible in Scotland because of our fixed budget, but the Scottish Government can reallocate demand to parts of the economy where recovery may be stimulated or areas that have been particularly adversely affected by the recession.

In its 2010-11 draft budget, the Scottish Government stated clearly that its priority is to protect front-line services and support economic recovery and growth. However, there appears to be a pro rata approach to applying reductions on previous spending plans.

Although we recognise the desire to minimise the disturbance to the spending plans that different areas of Government had been expecting since spending review 2007, the committee is concerned that it is not sufficiently clear how the decisions in the draft budget correspond to the objectives that the Scottish Government has stated. Subject committees also emphasised that point. We look to the Government to provide a clearer explanation of how it approaches prioritisation.

The draft budget assumes an inflation rate of 1.5 per cent, as opposed to the 2.75 per cent that was originally predicted for this year. The real value of the 2010-11 budget will in theory be greater than initially anticipated and will go some way towards offsetting other pressures. However, we know that

pressures are not the same in all sectors, so we have asked the Government to provide an analysis of the inflationary pressures and how they have influenced spending allocations.

The issue of efficiency savings has always exercised Finance Committees. This year we have asked the Government to consider anew the transparency and independent verification of efficiency savings so that their genuine impact on the funds that are available for service delivery is clearer.

For Scotland's public services, one of the immediate implications of recession is that the levels of demand for different public services might shift and previous assumptions about income might not be sustainable. We have asked the Government for its analysis of those effects and how they have influenced its budgeting.

The Finance Committee and a number of subject committees considered the possibility of the UK Government's recent pre-budget report permitting further capital acceleration from future years to bolster the capital budget next year. Regardless of whether capital is accelerated, the committee has sought analysis from the Government of how it will prioritise the profile of capital projects over the next 10 years and how it relates different priorities in the capital budget to its outcome targets.

The committee specifically asked subject committees to examine the budget in the light of a medium-term public spending context that has changed dramatically since spending review 2007. We know that a challenging budget process is not going to be a one-off for 2010-11; the committee has thoroughly examined the reasons for that previously. That means that significant challenges and strategic choices must be addressed for the 2010-11 budget with the explicit recognition, where at all possible, of the effect that they will have in future years.

However, the draft budget 2010-11 gives very little clue as to future spending choices and priorities. Subject committees were not able to bring forward any evidence that spending departments are demonstrating long-term thinking. Of course, from the Government's perspective, a lack of clues as to the future is perhaps understandable as it does not yet have even indicative figures for the years beyond 2010-11. Nonetheless, the direction of travel beyond next year is clear. The committee set that out in our "Strategic Budget Scrutiny" report in June, and the picture has been confirmed by subsequent announcements and analysis.

Uncertainty over future budgets stems from the electoral cycle and from the projections for public spending, which are overall totals and do not show

how they will translate to the Scottish budget in due course. We are now at the stage where action is required—the pain will only be worse the longer action is delayed.

The Auditor General for Scotland's recent report on the public finances re-emphasised our conclusion in June that across-the-board efficiency savings will not be sufficient to meet future challenges.

We highlighted a number of broad potential areas through which a more targeted approach to achieving savings might be pursued. An honest and substantial debate on how maximum value can be achieved in public services is urgently required, and we see the seeds of that emerging from different sources. The committee will consider how it can pursue that in its future inquiry work. We urge the Scottish Government to explain how it plans to lead that process.

The key lessons to be drawn from considering the medium-term context are perhaps about the need for developments in the information that is available to support budget scrutiny. Concern to improve budgetary information has been a perennial issue in parliamentary budget scrutiny and we acknowledge the improvements that the Scottish Government has made. We welcome the equality statement and the groundbreaking carbon assessment that were published alongside the draft budget and we look forward to their developing into being clearly integrated with budget decision making.

The importance of budgetary information has been heightened by spending constraints. It must be possible to back difficult decisions by evaluation of what has worked and of what spending is likely to contribute most to achieving priority outcomes. This year, subject committees' reports have increased the spotlight on budgetary information. I have outlined some of the frustration that was expressed about whether prioritisation is sufficiently clear in budget decisions.

We have recommended progress on several fronts. The linking of expenditure to outcomes has exercised the Finance Committee and its predecessors in the first two parliamentary sessions. In a budget of £35 billion, that task is—undoubtedly—highly complex and difficult. However, it is essential for us to be able to consider how effectively accelerated capital spending has got into the real economy and achieved its aims, for example. We have asked the Scottish Government to report on how the link between spending and outcomes will develop further and how it will be formally reported to the Parliament.

Looking back to scrutinise what was spent in the past and to assess previous performance is an

essential starting point for the scrutiny of future spending plans. We acknowledge the live information that is provided through the Scotland performs website, but that is not the same as formal reporting by the Government to the Parliament, so we have asked the Government to consider urgently how it will provide performance information to the Parliament to support the budget process.

We have highlighted how no one budget line or group of budget lines can be linked clearly to particular outcome targets. That means that no link is obvious between performance against those targets and decisions on allocating spending.

Committees have continued to express concerns about their inability to scrutinise effectively the large portion of the Scottish budget that is allocated to health boards and local authorities. We acknowledge the desire to scrutinise that spending effectively and appropriately and we have asked the Government to consider how it can improve information.

Equally, the Finance Committee understands fully the Government's desire to focus on outcomes rather than inputs and we acknowledge the aim of reducing ring fencing in order to maximise the flexibility for public bodies to use resources to meet their objectives. Nonetheless, concerns are felt about the principle of parliamentary scrutiny of budgets. It is in everyone's interest to address those concerns and ensure that our budgeting is as focused as possible in the current climate.

It is essential that the whole Parliament has the information to allow it to examine future priorities strategically when it begins scrutiny of the 2011-12 budget with the strategy phase in spring 2010. Given the need to link past performance properly with decision making for the future, we urge the Government to respond positively on such issues and we invite subject committees to think carefully about how to approach that strategic scrutiny.

The Finance Committee has produced a sound, balanced and noteworthy report. Our recommendations were agreed unanimously. Throughout the process, we tried to keep the economic situation and the medium-term context at the forefront of our minds. I hope that the report offers positive and sensible suggestions that the Government can take on board in the constructive manner in which they were produced.

I thank ministers and their officials, organisations and witnesses for the quality and expertise of the evidence on which the report was built. I thank everyone who participated in the draft budget scrutiny. In particular, I thank the committee's adviser, Professor David Bell, for setting our work in the wider context. I also thank the research staff

in the Scottish Parliament information centre and the committee clerks for all their hard work in producing the report, which I commend to Parliament.

I move,

That the Parliament notes the 7th Report 2009 (Session 3) of the Finance Committee on the scrutiny of the Draft Budget 2010-11 (SP Paper 349) and refers the report and its recommendations to the Scottish Government for consideration.

09:29

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I welcome the opportunity to debate further the Scottish Government's draft budget for 2010-11, which sets out portfolio by portfolio our spending plans for the public services on which people rely. I welcome the Finance Committee's thoughtful report on the draft budget. We will respond formally in the normal way, ahead of the introduction of the budget bill, in the new year; I look forward to doing so.

We devoted time to our economic and financial position in yesterday's debate in the Parliament on the Chancellor of the Exchequer's pre-budget report. Like the PBR, the committee's report offers comments on next year's budget and on the medium-term perspective for the UK as a whole. That is the right approach, given the scale of the financial challenge that we face.

As challenging as the budget next year will be, it will be only a prelude to the sustained contraction in spending that we can expect in future years. The Institute for Fiscal Studies projects an annual average reduction in total departmental expenditure limit spending at UK level, in real terms, in the range of 3.2 per cent between 2011-12 and 2013-14. That represents a major and unprecedented challenge to the Government and to Parliament. The Finance Committee has—unanimously—done Parliament a great service by setting out the scale of the challenge that we face. The Government takes seriously the questions that the committee raised about the impact of the future spending profile, and I hope that that seriousness is reflected in Parliament, because we cannot avoid the real situation that we will face in the very near future. Public expenditure will be deeply constrained. In such a context, regardless of the outcome of the UK general election, the Scottish Parliament and the Scottish Government will be forced to take a series of difficult decisions.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): On that point, I can see nothing in the draft budget about the most important infrastructure building project in the north-east: the Aberdeen western peripheral route. The Scottish ministers said that they would make an

announcement about the matter before Christmas, but today is the final day before Christmas on which such an announcement can be made to the Parliament. Does the cabinet secretary have news on the Aberdeen western peripheral route for people in the north-east?

John Swinney: The Government said that its decision would be announced before Christmas, and I confirm to Mr Rumbles that that will be the case.

Our spending plans for next year are framed by the current economic climate. At a time when many businesses and families are facing challenges that the recession has brought, it is imperative that the Government responds effectively and decisively to support them. However, as all members know, the Scottish Government's budget for 2010-11 will reduce in real terms, compared with this year. That will be the first real-terms cut in the Scottish budget since devolution.

At a time of weak private sector demand, it is vital that the public sector maintains its support for the economy. That is why the Government chose to accelerate £347 million in capital spending and why we made a case to the chancellor to continue that practice in 2010-11. It is essential that we create the economic conditions in which we can encourage and motivate a recovery in private sector activity. That is important if we are to have any chance of achieving the growth expectations that the chancellor has set for 2010-11, on which many judgments about public spending in future will be based. Much will depend on that economic performance.

In that context, the argument about the acceleration of capital expenditure is significant. The issue has a direct impact on our budget for 2010-11, because a number of our capital budgets are proposed to be diminished in 2010-11, given the need to repay capital that was brought forward. For example, concern has been expressed about the social housing budget. I accept that the social housing budget is lower in 2010-11 than in 2009-10, but the Government committed itself to spending £1.6 billion on social housing over the course of the spending review, and that is precisely what we have done. We have done it in a different shape, I admit; we have done it earlier in the programme than we expected, but £1.6 billion is proposed to be spent on social housing over that period. I hope that members will acknowledge that the Government has maintained its commitment in that respect, despite the numbers for 2010-11 being lower than was first proposed at the time of the spending review.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I am interested in the cabinet secretary's argument about social housing. In

effect, he said that there is no cut in the social housing budget, because it is the same over three years. Surely if he uses that argument for social housing he must use exactly the same argument for the totality of the budget. He cannot then get away with talking about a real-terms cut.

John Swinney: There are other decisions that have restricted expenditure, some of which relate to issues that concern members of the Labour Party. I will set out exactly where we have constrained expenditure to meet the constraints of the real-terms cut in public spending that we have described. The argument that I have made on social housing is absolutely valid.

Essentially, the committee's report focuses on whether sufficient priority has been given to economic recovery and whether we have done what is necessary to promote front-line services. I now turn my attention to those questions. The recent update to our economic recovery plan sets out how we are supporting the Scottish economy through three broad themes: supporting jobs in our communities; strengthening education and skills; and investing in innovation and the industries of the future.

As I made clear in yesterday's debate, economic recovery sits at the heart of our draft budget. We are maintaining substantial investment of £2 billion in skills and higher and further education and are investing more than £1 billion in Scotland's transport infrastructure. We are backing Scotland's businesses by continuing the small business bonus scheme, which has helped the owners of more than 64,000 business properties. In 2008-09, the scheme benefited small businesses across Scotland by £73 million. That is a direct investment in supporting and prioritising economic recovery in Scotland.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The Government has made assertions about the number of jobs that it has created. I invite the cabinet secretary to respond to the briefing that the Parliament's independent financial scrutiny unit published on Tuesday, which states:

"Without full details on the profile of capital spending, it is difficult to examine whether the Government's estimates relating to the impact on employment are reasonable."

Will the Government provide more details, as the Parliament's financial scrutiny unit requests?

John Swinney: The Government has already published details of the impact of capital expenditure across sectors. If those need to be published again so that people notice that they have been published, I will do that.

Mr Purvis rehearsed some of the same arguments at Tuesday's meeting of the Finance Committee. We assess these factors using a

much-respected input-output model that is available through the Government's information channels and is used by most academic sources in Scotland as a reliable means of calculating economic impact. If it were not for the Government's input-output model, the Fraser of Allander institute would not be able to make some of the calculations that it makes about impact on the Scottish economy. That strikes me as a pretty robust and reliable method of calculating the information on which our judgment depends.

We are protecting front-line services by including in the budget an average 2.7 per cent uplift for national health service boards, compared with 2009-10. That will allow us to maintain the fight against hospital-acquired infection, to make effective preparations for the flu pandemic and to deliver major public health programmes, including on alcohol abuse. The budget provides a fair settlement for local government. An increase of approximately 2.8 per cent in the local government settlement will enable local government to deliver many of the front-line services for which we depend on it. As part of the Government's programme, we are delivering extra police numbers and putting in place the resources to fund fully the council tax freeze. As the convener of the Finance Committee said, the Government has set out the implications of the carbon assessment, which has been important in enabling us to make a judgment on the budget's impact on carbon emissions.

Mr Chisholm asked me about spending constraint. The Government has set out in the draft budget a number of areas in which we are constraining spending. We are pursuing our efficient government programme, have reduced significantly the Government's administration budget and are reducing spending on communications and marketing by 50 per cent. We have deployed a variety of measures in the budget to support that approach.

Another major area of spending constraint is the Glasgow airport rail link project. The Finance Committee has asked the Government to establish how we can address the constraints on capital spending that will come in the future. I cite the difficult decision at which we have arrived in relation to the Glasgow airport rail link as evidence of the fact that the Government has taken difficult decisions. That is in the context of a substantial programme of expenditure on infrastructure and transport improvements in the west of Scotland, with £1 billion being spent on the M74 and the M80, £842 million on—

Robert Brown (Glasgow) (LD): Will the cabinet secretary give way on that point?

John Swinney: I am afraid that I am in the last moments of my speech. I will give way to Mr Brown in my closing speech, if that helps.

We are also spending £300 million on the new Glasgow city centre colleges building. There are a number of investments in the west of Scotland.

There are tough decisions in the budget, but they are necessary, as the Finance Committee convener set out, because of the financial circumstances that we face. If the Government faces up to those decisions, it is incumbent on all parties in the Parliament to face up to them into the bargain.

09:40

David Whitton (Strathkelvin and Bearsden) (Lab): I thank the clerks to the Finance Committee for their patience and endurance in putting together this year's report on the Scottish Government's draft budget. I thank all those who gave evidence, written and oral, and our committee adviser, Professor David Bell.

This is something of a groundhog day—*déjà vu* is associated with this morning's deliberations as, only yesterday, most of the same participants were in the chamber to go over the Chancellor of the Exchequer's pre-budget report. In his closing comments yesterday, Mr Swinney seemed to suggest that he was actually looking forward to my speech this morning; I am not sure how long that will last.

Given the thorough preparation that Mr Swinney does for these events, I know that he will have read the committee report from cover to cover, as well as all the witnesses' evidence. He will therefore know that his draft budget does not pass muster this year—not that it did at the first time of asking last year, either, but that is another story. We in the Labour Party will keep repeating that Mr Swinney has more money at his disposal in 2010-11 than has been available at any time over the past 10 years. Over the past two years, he has spent £1.5 billion of end-year flexibility moneys—money put by for a rainy day by prudent Labour finance ministers. As a result of the PBR, a further £23 million is heading his way.

Like finance ministers around the world, Mr Swinney is being tested to use what he has to maximum economic impact. The clear view of the big six business organisations, and of other witnesses appearing before the Finance Committee and the subject committees that contributed to the report, is that, in his draft proposals so far, Mr Swinney has failed that test.

The main purpose of the Scottish National Party Government is:

"creating a more successful country ... through increasing sustainable economic growth."

I doubt if anyone in the chamber takes issue with that. However, we differ on how to achieve that purpose using the finance that is available. Different parties have different priorities, but it is the SNP that is in government here in Scotland; it is the SNP's draft budget; and it is the SNP that is failing.

Yesterday, the cabinet secretary told us that he is attempting to support economic recovery and protect core front-line services. I may even have described the Labour Government's pre-budget report as having the same aims. Where Labour and the SNP differ is on how we would spend Scotland's budget. The debate is not helped by the First Minister, his Cabinet colleagues and SNP MSPs constantly misrepresenting what is happening with their budget. First, there was a £500 million cut; now it is £800 million. Neither figure actually takes account of the accelerated capital that the SNP asked for and which now has to be repaid.

Joe FitzPatrick (Dundee West) (SNP): The member says that our two parties differ in how they would spend Scotland's budget. However, having read all the committees' reports, I have not seen a single suggestion from the Labour Party about how it would change the priorities in the budget proposed by John Swinney.

David Whitton: I am pretty sure that Mr FitzPatrick was present at the vote on the GARL project, which I will come on to discuss in a minute. That is one area where we clearly disagree.

It cannot be denied that the economic situation that we are now living through was not envisaged back in 2007, when the budget lines for this year were being set. To take account of that, the Finance Committee, in its guidance, invited the subject committees to consider how the changes to the original plans for 2010-11 were being managed and to consider carefully whether the plans that were set out in the draft budget take appropriate account of the strategic context.

Although SNP members disagreed—not surprisingly—a majority of Economy, Energy and Tourism Committee members were critical in their submission. I was one such member, as I attended the committee as a substitute member on the day in question.

John Swinney: Well, that was real objectivity.

David Whitton: Of course. From a sedentary position, Mr Swinney is again praying in aid my abilities.

Paragraphs 181 to 183 of the report—perhaps Mr Swinney should listen carefully to this very apposite point—state:

“based on the near universal evidence we received from business organisations, trade associations, economic commentators and the trades unions, we do not believe that the budget proposed is the right one for the economic challenges ahead ... Even after accounting for the re-profiling of spend, almost all the relevant budget lines relating to the economy have been reduced ... we do not consider that the budget proposed is fit for the Scottish Government's economic ‘Purpose’.”

That view was endorsed by five members of the Economy, Energy and Tourism Committee, including the Conservative member Gavin Brown and the Liberal Democrat member Iain Smith.

Of course, Mr Swinney can speak for himself—whether from a sedentary position or otherwise—but he told the committee that

“the Government has actively taken steps to adjust its plans and priorities to deal with the economic situation; those steps have concentrated on the economic recovery plan.”—*[Official Report, Economy, Energy and Tourism Committee, 28 October 2009; c 2561.]*

Those steps, it should be noted, include major reductions in the budget lines for enterprise, energy, European structural funds and tourism.

John Swinney: If Mr Whitton is to give a complete picture of the situation, he should also mention that all the budgets to which he has referred were significantly enhanced in 2009-10 to ensure that we provided for economic recovery.

David Whitton: I will give that point due consideration in my closing speech.

Regarding those reductions, the Federation of Small Businesses said—*[Interruption.]*

The Presiding Officer: Order. I am sorry, Mr Whitton, but we cannot have front-bench conversations taking place during speeches.

David Whitton: Thank you, Presiding Officer.

The FSB said:

“any reduction in spending on a range of policy areas associated with supporting economic growth is disappointing.”

However, the word “disappointing” does not adequately describe the reaction to Mr Swinney's decision to axe the Glasgow airport rail link project. For the benefit of SNP back benchers—who believe that, somehow, it is all London's fault—I should emphasise that Mr Swinney made it clear that the decision was his and that, while he believed that GARL was desirable, the airport rail link was not essential to the Scottish economy. Clearly, I disagree with him on that point, as do the Confederation of British Industry, the Scottish Trades Union Congress, the Federation of Small Businesses, the Scottish Chambers of Commerce, the Institute of Directors and the Scottish Council for Development and Industry. During the Finance Committee's consideration of the report on the draft budget, I had hoped to persuade colleagues

to include an amendment to restore the GARL project—as Mr FitzPatrick well knows.

Andrew Welsh: Will the member give way?

David Whitton: I am in the last moments of my speech.

However, as in the past two years, the Tories rode to the Government's rescue by voting with the SNP while the Liberals, strangely, sat on the fence. Clearly, either Mr Brownlee and Mr Purvis have different views from their colleagues on the Economy, Energy and Tourism Committee, or deals have been done somewhere—no doubt we will find out. I am sure that the actions of those parties will have been noted in the great city of Glasgow and the surrounding areas, where both those parties seem to think that they might win seats whenever the general election is called.

In conclusion, it is not too late for Mr Swinney to change his mind. Labour will continue to argue for GARL to be reinstated. Some £60 million was found at the last minute last year for a town centre regeneration fund by reprioritising. Mr Swinney also still needs to find £9 million for a referendum, which is money that could be used better elsewhere. If Mr Swinney's budget is to meet the intentions of the Government's purpose of sustained economic growth, he can still change his mind.

09:48

Derek Brownlee (South of Scotland) (Con): I never thought that I would say this: bring back Andy Kerr.

Let me also start by thanking the Finance Committee's clerks, its adviser and everyone who gave evidence during the budget process this year. I am also grateful for the new financial scrutiny unit—the embryonic parliamentary budget office—which has wide support across Parliament and which I hope will in time develop into an even more useful resource for Parliament in scrutiny of the budgets of whichever party is in power. As members so far have all identified, there is a need to level the playing field by giving greater resources to Parliament for it to scrutinise the budget of the Government.

As in previous years, the Finance Committee's membership has seen some turnover during the year, so I am delighted to see that two now former committee members from the Labour Party have joined us for this morning's debate. I hope that Jackie Baillie is, in her speech, on form as fine as I hear she was on last night. News of the Labour Party festivities spread to the Conservative floor very quickly this morning. I look forward with interest to her speech as, I am sure, does

everyone else. Mr Swinney is clearly very excited about Jackie Baillie's contribution.

John Swinney: That has brightened my day.

Derek Brownlee: John Swinney may wish to invite Jackie Baillie to the SNP shindig, which is this evening I believe, in which case she will need to miss the Conservatives' one.

Today's report considers only 2010-11, but we are missing the point if we consider the issue only in the context of 2010-11. The Finance Committee convener mentioned the strategic budget inquiry that we conducted earlier in the year. Yesterday's debate on the pre-budget report touched on many of the broader issues that shape the budget. In effect, if we do not consider this year's budget in the context of the years ahead, we will fail to do justice to the subject at hand.

I can summarise the Government's view as being the supertanker argument. The Government is beginning to turn around the profile of public spending in Scotland and, having slowed the rate of growth, it will be prepared for reductions in the future. Whether or not we take that at face value, it requires us to take on trust that the Government is preparing to take the tough choices that will be required in the years ahead.

The point that I made yesterday—that just because this is not a spending review year does not mean that we should avoid the need for strategic decisions—is still apt. We are talking about a possible £3.6 billion in real terms coming out of the Scottish Government's budget by the end of the next parliamentary session. That will require significant restraint and it will require that difficult decisions be taken.

The cost pressures that have been raised by the subject committees range from concessionary fares, which were debated last week in Parliament, to equal pay in the NHS, which was raised by the Equal Opportunities Committee. That committee talked about the need to quantify the exposure on equal pay. That is a good example of a cost pressure. Additional resources that will go towards meeting liabilities that have been incurred will not lead to better health outcomes, but will just redress inequalities that arose in the past. That is an example of a cost pressure that does not do anything to improve a service, although it performs a necessary correction.

The Health and Sport Committee raised the issue of inflation in the NHS. That committee quoted the British Medical Association, which takes the view that 1.5 per cent increases are required simply for the NHS to stand still. That coincides with the deflator that is being used in this year's budget. It strikes me that we need to stand back and take a more active view of how we manage cost pressures within the NHS, as within

other parts of Government. A significant part of the cost pressures arise through the wages bill. There are also technological advancement and rising public expectations. However, simply to accept that it is inevitable that inflation in the NHS must run ahead of general inflation is to abdicate responsibility for trying to maintain costs and deliver best value within the health service.

The Economy, Energy and Tourism Committee raised a point that was evident in the Auditor General's report, which is that the scale of the likely reductions in spending is so great that it will simply not be possible to address them by efficiency savings alone. It is worth commending that committee for a thorough report, although I cannot tell whether that was due to Mr Whitton's last-minute appearance at committee. It was a good report that helpfully considered in detail the longer-term pressures on spending.

On the broader issue of efficiency, the latest determination for Scottish Water, which is one of the few areas in the budget that is reducing in 2010-11, shows an expectation of a 14 per cent efficiency on capital. The expectation on capital spending that the Scottish Futures Trust has been given is to deliver 3 per cent efficiency. That recalls evidence from Joe Armstrong in the strategic budget inquiry, about the possibility of extending the regulatory regime, or for some form of the regulatory regime in the water industry to be extended more broadly throughout the public sector in order to manage costs. That idea is worth serious consideration as we try to manage costs downwards.

Mr Swinney mentioned the Glasgow airport rail link as an example of the difficult capital budget decisions that the Government has taken. However, in paragraph 124 of the Finance Committee report, the committee unanimously agreed that that was a "comparatively small example" of dealing with the challenge. The recommendation in paragraph 126 for setting out in detail the indicative capital budget for the next 10 years to show where the pressures are and, as far as possible, the expectations of Government for the size of the capital budget, would greatly help people in assessing impacts. It would also, perhaps, go some way towards reassuring Mr Rumbles about the Aberdeen western peripheral route, which is a project that the Conservatives very much value.

It is disappointing that the Economy, Energy and Tourism Committee did not appear to get the level 4 information that had routinely been provided to it in previous years. The Finance Committee was right to ask for level 4 information to be routinely published. I know that the Government is not necessarily keen on revisiting that subject, but that would aid scrutiny in the years ahead.

I am not convinced that the budget as it stands does enough to deal with the economic situation. We all accept that the Scottish Government's budget cannot deal with the recession in its entirety, but there is a need to demonstrate how the budget's economic impact will be maximised. It is not simply about saying that we should give more money to the enterprise agencies because that is not the only way of boosting economic growth—if indeed it does that.

I hope that the cabinet secretary will consider the points that I have made and respond to them in due course.

09:56

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Over the past few weeks, the Government's refrain has been that £814 million has been cut from the 2010-11 budget by Westminster. Specifically, that was the First Minister's refrain last week. We know that approximately half that amount is the result of reprofiling of expenditure; the Scottish Parliament information centre report clearly indicated that, as the Finance Committee has done in its work. We also know that part of the reduction has been the result of decisions that the Treasury has taken.

However, there is something unacceptable in how the Government has handled the budget, as was clearly shown in what the cabinet secretary said. I apologise for having made points to him from a sedentary position; I will make those points on my feet. He claimed that there had been an £800 million cut by Westminster, but when he was asked to explain why the enterprise budget was being cut next year, he said that that was the result of the Scottish Government's largesse last year and that it should take credit for the increase in the budget at a time of difficulties in the economy. The Government simply cannot have it both ways. Most people outside Parliament know that money cannot be spent twice. As much as the Government claims that that money should be spent twice, it knows that it cannot have it.

There is a genuine argument about the right time and the right way to bring forward expenditure from planned programmes to have an impact on the economy. We support having that argument, but we divide from the Government when it misrepresents the reality. Perhaps the cabinet secretary wants to make a point about that. It does not take much to have a genuine debate about the right time and the right way to spend capital.

John Swinney: I want to make a point about the enterprise budget. Full and proper assessment of that budget demonstrates that a number of programmes have been transferred from it to other

organisations, which has resulted in some of the decline in that budget. In addition, capital expenditure has been brought forward and is now being paid back. Finally, at the Government's request, and in response to the enterprise network reform, Scottish Enterprise and Highlands and Islands Enterprise have reduced their operating costs. I thought that the Scottish Liberal Democrats' objective was to deliver greater operational efficiency in the public sector.

Jeremy Purvis: It is curious that Skills Development Scotland has more staff now than it had when it was established as a breakaway organisation from Scottish Enterprise. The Government has never explained that.

The cabinet secretary cannot simply get away with saying that it is just about reprofiled capital expenditure going back, because the enterprise policy and delivery line has gone down by £77 million, £35 million of which represents the capital acceleration decrease as a result of reprofiling. There is no explanation about why money for enterprise support for businesses has been reduced by £40 million while the country continues to be in a recession. It is no surprise that the business community in Scotland has expressed significant—indeed, unprecedented—concerns about the scope of the Government's budget.

The totality of the reprofiled expenditure in the economic recovery plan is approximately £200 million of an overall Scottish budget of £30 billion, as the convener of the Finance Committee said. That is not a proportionate response to the "economic storm" that has hit Scotland, to use the cabinet secretary's description of the situation.

The pre-budget report of last week, which we debated yesterday, does not necessarily help us to see a clearer picture. The Government has put off decisions into the medium term, like a sadistic dentist who promises a little bit of pain now but significantly more pain in the future. The Scottish Parliament is not able to sniff more gas to offset that, but regardless of what is said at the Christmas parties of the respective parliamentary groups this week, we must make decisions now about how we establish the Scottish budget going forward. That is why we have been arguing that more needs to be done to address one of the critical aspects of the recession in Scotland—the impact of unemployment among young people.

The Government announced yesterday—in a regrettably complacent press release that said that "there is absolutely no scope for ... the slightest complacency"—

that we are doing better than any other part of the United Kingdom. However, the Government has

not expressed concern about the fact that the claimant count in Scotland of people claiming jobseekers allowance is 45 per cent higher than it was a year ago and that the biggest element of that is young people. Colleges throughout Scotland are turning away as many as six times the number of young applicants that they turned away last year. There has been no adequate response to that. Neither has there been an adequate response to the fact that many businesses are still having real difficulty in accessing finance. It is simply not acceptable that, two years on, there is still no agreement between the Treasury and the Scottish Government. It is not a matter of apportioning blame between the two; it is a matter of finding ways of providing the kind of support that is required now.

We know that longer-term decisions must be taken in the budget, but in the 2010 budget, the decisions have been put off with regard to the highest-paid people in Scotland. Liberal Democrat research shows that, in the health service alone, 2,250 people are paid more than £100,000. Under the Government's approach, some of them are due annual bonuses of £75,000 in the spring. That is not sustainable expenditure, nor is it fair expenditure. The Government's response is, unfortunately, insufficient to address the pressures that have arisen as a result of the state of the economy and to support our business community.

It is also not taking an approach to the budget that would examine the right areas of expenditure into the medium term. As much as the PBR put off decisions, it is regrettable that there is no strategic long-term view in the Scottish budget. The Government is simply looking to the 2011 election rather than the 2010 election.

The Deputy Presiding Officer (Alasdair Morgan): We now move to the open debate. Time is fairly tight, so I will not allow members to go more than a few seconds over their six minutes.

10:03

Stuart McMillan (West of Scotland) (SNP): As this is the season of goodwill, I wish every member, their staff and everyone who works in the parliamentary estate a very merry Christmas and a happy new year. As I was unable to attend the debate on the pre-budget report yesterday afternoon, some of the issues in my speech may cross over into that debate. However, I am sure that the Deputy Presiding Officer will keep me in check in his customary fashion.

The Deputy Presiding Officer: The Christmas spirit stops here, I am afraid.

Stuart McMillan: Bah! Humbug!

The Finance Committee's report was an interesting read. I commend all members of the committee, as well as the clerks, for their efforts in producing the report. I am sure that there were some lively debates in the committee, particularly around the Glasgow airport rail link, which has been touched on already this morning. The three options that were proposed by the committee highlight the fact that there was no consensus on that project continuing.

David Whitton: If there is no consensus, why does Stuart McMillan think the big six business organisations have all condemned the SNP's decision?

Stuart McMillan: As I said, there was no consensus. On page 21 of the report, we are told that three different proposals were made by three different members of the committee, none of which was accepted by the committee. So, there was no consensus in the Finance Committee. Much has been said in Parliament and outwith Parliament about GARL, and I am sure that much more will be said about it in the future. However, the bottom line is this: the Scottish Parliament operates within a fixed budget from Westminster, and the Scottish Government of the day must put forward its budget as it sees fit and allow Parliament to decide on it accordingly.

With that in mind, the Finance Committee highlighted a few things. It noted that the Transport, Infrastructure and Climate Change Committee did not back the reinstatement of GARL; that not one subject committee proposed alternative spending proposals, despite politicians bleating to anyone who would listen that the budget is not the best for Scotland; and that all the subject committees acknowledge that the Scottish budget is being cut by the Westminster Government. That last is a key point, especially after last week's pre-budget report. The Economy, Energy and Tourism Committee's report states that members of that committee agree that there has been a 0.9 per cent reduction in the Scottish Government's budget from the Westminster Government.

David Whitton: I am not sure which budget Stuart McMillan is reading, but if he goes back to the figures, he will find that this year—2010-11—the Government has more money than it has ever had. That is a fact.

Stuart McMillan: I direct David Whitton to the Economy, Energy and Tourism Committee's report to the Finance Committee, which says that there has been a 0.9 per cent reduction in the budget.

As the First Minister revealed at question time last week, Scotland's budget is to be cut by £814 million instead of the previously announced cut of £512 million. That figure comes from SPICe.

Jeremy Purvis: Will the member give way?

Stuart McMillan: I have already given way twice. I need to make some progress.

Now that there is consensus in the Parliament that the Scottish budget is being cut by Westminster and is expected, whether Labour or the Tories win the Westminster election, to be cut for many years to come, one thing is abundantly clear: Scotland can no longer afford to be part of this bankrupt union. I am sure that the next knock on the Chancellor of the Exchequer's door will be not carol singers singing festive songs and looking for donations but the International Monetary Fund offering a handout. It is obvious that Gordon Brown and Alistair Darling are bankrupt of ideas on how to fix the mess that they have created. Well done, Mr Brown and Mr Darling. I actually have a tinge of sympathy for the chancellor, because he inherited an almighty mess. However, although he was left to deal with the financial disaster that was created by Gordon Brown, he added to it during his tenure.

I know that politicians are not known for their prophetic skills, but I have to query how Gordon Brown got it so wrong. In his last Mansion house speech, in June 2007, he came out with the following fantastic words:

"I believe it will be said of this age, the first decades of the 21st century, that out of the greatest restructuring of the global economy, perhaps even greater than the industrial revolution, a new world order was created."

He also said:

"I congratulate you Lord Mayor and the City of London on these remarkable achievements, an era that history will record as the beginning of a new golden age for the City of London."

This is a good one, as well:

"By your efforts Britain is already second to none ... we are flexible, and in being vigilant against complacency, we must be, as I believe we are ready to become even more flexible."

Those words must stick in the craw of any traditional old Labour types on the benches—if there are still any there.

With the failure to accelerate capital spending, the Scottish budget will suffer. More importantly, so will jobs. Putting in jeopardy 5,000 Scottish jobs is not a good legacy to take to the Scottish people in an election. A host of projects have been identified, but time is running short, so I will have to stop.

In the election in 2010, new Labour will have a terrible legacy to take to the Scottish people.

10:09

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I have great respect for the Cabinet Secretary for Finance and Sustainable Growth, but he was talking illogical nonsense in his speech. He said that there had been no real-terms cut in the housing budget because the amount of money was the same over two years, only it was accelerated. However, he went on to stand that argument on its head by saying that there had been a real-terms cut in the overall budget because of that same capital acceleration. The fact is that without reprofiling, there is a 1.3 per cent real-terms increase in the budget for next year. That is not as much as we have been used to, but it is still significant and—unfortunately—better than what we will get in subsequent years.

There are two additional factors that make the budget slightly better, other than that 1.3 per cent increase. First, as the Finance Committee points out on page 8 of its report, end-year flexibility to cover the £128 million reduction in the health capital budget will be added to the budget later on. Secondly, the inflation level is, at 1.5 per cent, less than was anticipated at the start of the spending review, when it was predicted that it would be 2.7 per cent. I accept that that 1.5 per cent does not cover all areas, but it is still better and—as the Finance Committee's convener reminded members—the committee has asked for the Scottish Government to analyse the inflationary pressures that are anticipated in different areas of the budget.

Additional capital acceleration also featured in the cabinet secretary's speech. I will not repeat all the arguments that I and others used in yesterday's debate, although I remind members that I pointed out the rather large list of projects that the anticipated £300 million is going to pay for. I also pointed out that Alex Salmond had a rather different list from John Swinney's.

The more important point in relation to today's debate, however, is that a great deal can be done to support the economy within the budget over which the cabinet secretary has control. At the Finance Committee on Tuesday, the cabinet secretary said that the £300 million that he wanted from capital acceleration would make the difference between growth and recession. If he really believes that, it is quite astonishing that he has not done more in his own budget to support areas that would boost economic recovery. The cabinet secretary says that that is one of the two main objectives of his budget, but it does not seem to be borne out by the evidence in the budget document.

The Finance Committee, on page 12 of its report, states:

"the Centre for Public Policy for Regions stated that the main areas cut in this budget are the capital and revenue areas most usually linked to economic development. While many budget lines contribute to economic activity, none of the budget lines directly related to economic development initiatives have risen compared to the 2010-11 plans set out in *Draft Budget 2009-10*."

I will make two points about that. First, it is amazing that after this year of economic turmoil, there have been no changes to the economic budget lines. Secondly, the point is made that the cuts are significant. The Finance Committee goes on to point out that, even after accelerated capital is stripped out, there is a real-terms reduction of £16.7 million in the enterprise agencies' budget line. The Scottish Council for Development and Industry's useful submission to the Economy, Energy and Tourism Committee states:

"Every £1 million invested by Scottish Enterprise generates £5 million for the Scottish economy".

The Skills Development Scotland budget is being cut by 4 per cent in real terms, which is a real concern. Labour emphasised modern apprenticeships in the budget last year, and we will do so again this year. There is no budget line for the 7,800 apprenticeship places that we secured last year, and that issue must be addressed before the budget bill reaches its final stages.

I will not talk about GARL, as my colleagues have already done so. I will, however, mention in passing that the tourism budget has been cut by 11.5 per cent. I also remind members of the section that David Whitton quoted from page 44 of the Economy, Energy and Tourism Committee's report, which is in volume 2 of the Finance Committee's report. The EETC says that, based on universal evidence, it does not believe that the proposed budget is the right one for the economic challenges ahead.

The other main objective of the cabinet secretary's budget is protection of front-line services. When the cabinet secretary was asked about that at the Finance Committee's meeting in Glasgow, he said that

"a front-line service is a service that has an impact on the lives of individuals".—[*Official Report, Finance Committee*, 9 November 2009; c 1661.]

That is a very broad definition, and, even more significantly, it is difficult to ensure that that happens, because of the massive budgets that are handed out to health and education authorities. Such an objective is very difficult to track: the Education, Lifelong Learning and Culture Committee was particularly concerned about that in relation to schools—a good example of an area in which the Scottish Government has no mechanism for protecting budgets. As I said to the Cabinet Secretary for Education and Lifelong

Learning, it needs to try to develop such a mechanism very quickly.

Of course, schools are part of local government budgets, and the committee makes several observations about that, mainly pointing out that the headline 3.1 per cent real-terms increase in revenue for local authorities is not all that it seems because of budget transfers. It would be good if that was made more explicit in the budget documents.

I am running out of time, but I want to comment on two other sections. On strategic budget issues, the committee makes many recommendations, including that the Government should prioritise its capital budgets. I support that. Finally, in the section on development of budgetary information, the committee says, among other things, that there should be a greater connection between outcomes and budgetary choices. That is true across a range of areas, but I highlight my particular concern about the 2012 homelessness target. The budget must be focused on delivering that outcome. Let us look at the housing budget and its distribution, particularly because Edinburgh has the greatest shortage of social rented housing.

10:15

Joe FitzPatrick (Dundee West) (SNP): I add my thanks to the Finance Committee's clerks and adviser for helping to see us through the production of our report on our examination of the draft budget.

The Scottish Government's draft budget for 2010-11 is welcome news for Scotland after the disaster that was the UK chancellor's recent pre-budget report, which has failed families and businesses throughout Scotland. Alistair Darling has damaged our economy by refusing to continue capital acceleration and by failing to introduce measures to support our industries, such as tax relief for research and development of computer games. In stark contrast, the Scottish Government's draft budget for 2010-11 delivers the best deal for the people of Scotland in the face of the largest-ever reduction to the Scottish block grant.

Despite all the times when the Labour Party has argued to the contrary, it is clear—the fact has been published in SPICe—that next year's Scottish budget has been reduced by more than £800 million.

David Whitton: I am grateful to Mr FitzPatrick for giving way. I am not so grateful to him for continuing to repeat the nonsense about an £800 million reduction. Surely he accepts that it is because the Government is having to repay accelerated capital that it has already spent.

Joe FitzPatrick: Had Mr Whitton waited for the next paragraph of my speech, he would have heard me address that, but I let him intervene because he was eager to do so. I will carry on and answer his question in my next paragraph.

The reduction is a direct result of the cut by the Westminster Government of nearly £500 million from Scotland's expected budget and the chancellor's refusal to allow continued capital acceleration of £350 million, which puts thousands of jobs in Scotland at risk. Those two decisions by the chancellor and his Westminster Government have resulted in an £800 million cut to Scotland's budget just when we do not need it. It comes at exactly the wrong time—when we are trying to get out of recession.

John Swinney has without doubt brought the best possible budget to Parliament, given the reduced funds that are available and the limited fiscal powers that we have at our disposal here in the Scottish Parliament.

Jeremy Purvis: As a point of fact, is the 2010-11 budget bigger than the 2009-10 budget?

Joe FitzPatrick: The budget that we have is a draft budget. It is more than £800 million less than the budget that would have been had the chancellor made the correct decisions not to cut Scotland's budget by nearly £500 million and not to refuse to allow us to accelerate £350 million of capital.

SNP initiatives such as the council tax freeze, the small business bonus and removal of tolls from the Tay and Forth bridges will continue to support families and businesses through Labour's recession. The fact that not one alternative spending proposal was made by any of the committees is testament to the fact that John Swinney has wrung every last penny from our Westminster block grant. Even Mr Kerr could not bring himself to lodge any amendments at the committee stage. His tacit consent to the draft budget is most welcome.

In the early days, there was a modicum of disagreement on how to deal with the budget reduction, and there was an awful lot of huffing and puffing from the Labour Party on GARL. The decision to cancel GARL was regrettable, but we are in difficult times and it was the right decision, given that no serious alternative cuts have been proposed that would allow that project to go ahead. I say that there were no serious alternatives because the proposal to reinstate tolls on the Forth and Tay bridges to pay for GARL was met with disbelief by my constituents and those of my colleagues Shona Robison and Tricia Marwick.

The silence from the Labour list members of North East Scotland and Mid Scotland and Fife spoke volumes; unfortunately none of them is here

to confirm whether they would have been prepared to sell out their constituents on this issue in the same way that Glasgow's Labour MSPs were prepared to sell out Glasgow by voting to push through the unwanted Edinburgh trams project at a cost of £500 million.

There has also been some confusion on the Labour benches about accelerated capital. Of course, the whole issue is now somewhat academic after the chancellor snubbed Iain Gray in last week's PBR; however, the fact remains that brought-forward capital means that schemes that are earmarked for future budgets can start early. Schemes such as GARL that are not in the budget cannot be brought forward without our cutting something else. No matter whether it happened in this year's budget or in future budgets, a large cut would have to be made somewhere to reinstate GARL and, as we have seen, the Labour Party has failed to put any viable alternative on the table.

Robert Brown: Just for clarity, is Joe FitzPatrick saying that if the accelerated capital had been obtained from Westminster he would have supported GARL's reinstatement? That is what he seems to be suggesting.

Joe FitzPatrick: My point is that that could not have happened. Because GARL has not been included in the budget, it cannot be brought forward. Something cannot be brought forward without something else being cut. It does not matter whether the cut is made in this year's budget or future budgets; we have to be able to say what we are prepared to cut, and the Labour Party has singularly failed to say what it wants to cut either this or next year to allow GARL to proceed. Brought-forward capital is not new capital; because it comes from future budgets, we have to say what has to be cut in those budgets. As I have said, the Labour Party has failed to do so.

We are making progress. All the subject committees have recognised that the Scottish Government's budget is being reduced and have supported the draft budget without proposing any amendments. Given the difficult circumstances, the Scottish Government and John Swinney have done the best possible job. They have taken the difficult decisions to protect front-line services and sustain jobs, and I look forward to the whole Parliament's support for the budget in the new year.

10:21

Jackie Baillie (Dumbarton) (Lab): It will come as no surprise to members that this morning I will concentrate on health spending; however, I do so as a former member of the Finance Committee,

where, I am pleased to note, consensus appears to have broken out in my absence.

First, though, I must correct certain scurrilous remarks that Derek Brownlee made. My contribution to the Labour group's night out was indeed very minor when compared with the guest appearances of John Swinney and Nicola Sturgeon and, of course, our very own James Kelly, who—with physical enhancements—appeared as Big Eck.

Let me be serious for a minute. Before I turn to the 2010-11 budget, I will briefly consider the budget for this financial year. Many members will be familiar with Audit Scotland's report "Overview of the NHS in Scotland's performance 2008/09", which makes it clear that NHS boards are having to make more than £175 million in recurring savings and £25 million in non-recurring savings. In other words, they will have to make £200 million of savings simply to break even this year. By any stretch of the imagination, that is a substantial amount of money. The report goes on to say:

"This presents a significant challenge for many NHS bodies, and their auditors have stated that it will be difficult for some to achieve the required level of savings without any negative impact on the services they provide."

So front-line services will be affected.

Although I welcome the Scottish Government's commitment to protect front-line services next year, any such commitment needs to be real. Frankly, if it is unable to protect such services this financial year, one is left to question whether its prospects of doing so next year are realistic. The Government also has to spell out what it means by "front-line services". Do they include clinical staff such as nurses and doctors? What about cleaners and porters, who also do vital jobs? Does the Government accept that reducing staff has a direct impact on services?

The Finance Committee concluded worryingly that there is little evidence that front-line services are being protected and said that the budget document contains no analysis of the definition that was provided by Mr Swinney, and no indication of how it had been applied and services prioritised. That view was supported by other subject committees, which emphasised the difficulty of ensuring that—and tracking whether—this prioritisation of front-line services happens at all.

Let me illustrate that with what we know is going on in NHS Greater Glasgow and Clyde, which has still to produce its cost savings plan for 2010-11. However, its 2009-10 plan describes the cost savings challenge that it faces in order to secure a balanced financial outturn and identifies £55 million of savings that it will have to make simply to break even. Its list of cost savings includes

several service redesigns that have no supporting data that demonstrate that they are real efficiency gains. It includes traditional mechanisms such as vacancy management, which is short term and not a recurring efficiency, and cuts in discretionary spending. Again, none of those provides analysis of the impact on front-line services. When we take a closer look, no less than 15 of the 20 proposed savings are identified as having staffing implications. In a labour-intensive service, it is difficult to see how such savings will not impact on front-line services.

We in the Labour Party highlighted the lack of transparency over NHS savings last year. It is disturbing to see that that lack of rigour continues. Little output information has been provided to validate efficiency gains. Service reductions are referred to as “efficiency savings”, and savings are being used to balance the books, not for reinvestment. I have to say that 2010-11 looks like being a very tough year for health boards, too.

I have listened to some of the contributions and, despite best wishes for Christmas and the new year, the SNP still has its single transferable excuse, which is to blame someone else—in this case, it is Westminster. Unfortunately, the facts in respect of health services do not bear that out. The SNP is responsible for giving health its worst budget since devolution, as is clear whether we look at it in cash terms or in real terms. We need to go back to the days of Michael Forsyth to match how bad the current allocation is. This year, the real-terms increase has been 0.9 per cent in the health line alone, if capital acceleration is included. However, if that is taken out of the health line, the increase reaches an all-time low of 0.1 per cent. Last year, the NHS got 2.5 per cent, and we can see evidence that it struggled.

We need to compare that with the NHS in England receiving a 6.7 per cent increase year on year for the same period.

Derek Brownlee: I am not challenging the figures that Jackie Baillie has used, but is one of the issues not that the per capita spend on health in England is still lower than it is in Scotland, so Barnett consequentials will always be lower until we reach parity on the per capita spending?

Jackie Baillie: It is true that the per capita spend in Scotland continues to be higher, although the gap is narrowing, but we have not delivered the outcomes that we would expect from that increased health spending, and there is a lack of the transparency that would enable us to understand why that is the case.

Of course, Mr Swinney might seek to contradict me, but he might be less willing to contradict the British Medical Association, the Royal College of Nursing or Unison. The BMA said recently that

there has been a reduction in front-line staff. The head-count increase that has been so lauded by the Cabinet Secretary for Health and Wellbeing actually masks a cut in the number of medical posts. Figures show that the number of nurses dropped by 2.1 per cent and the number of consultants by 0.2 per cent, and that there was a staggering 13 per cent drop in accident and emergency specialists.

The Deputy Presiding Officer: The member will have to conclude, I am afraid.

Jackie Baillie: That is not a record to be proud of. I ask the cabinet secretary to reflect further on the needs of the NHS.

10:28

Robert Brown (Glasgow) (LD): This is the third year of the SNP Government's administration, and there can be no doubt that the budget bears its stamp. It is no longer based on choices inherited from the previous Government or ministers, or hangovers from earlier decisions. The budget represents the SNP's choices, priorities and philosophy.

Major policy failures mark and mar the record of the SNP Government. Whether it is the dismal failure on teacher numbers and school buildings, the struggle to keep up the pledge on the 1,000 extra police officers, the broken manifesto promises on student debt, or the resources that have been wasted on the Scottish Futures Trust and the national blether, we and the Government know that those monumental failures are SNP failures of conception, delivery and promises made to the public at the last election.

Of course, the SNP says that it is all the fault of Westminster and the Labour Government cuts. I believe that the Prime Minister and the Labour Government bear a major responsibility for the financial crash, the inadequate regulation that contributed to it, and the inaction while house prices and debt soared to unsustainable levels. Liberal Democrats warned repeatedly about those things, but for all the parallel universe that is occupied by Stuart McMillan and his colleagues, we and others in the chamber recall Jim Mather going round the rubber-chicken circuit of the business community calling for lighter-touch regulation. He seems to have forgotten something about that.

Alex Salmond and John Swinney want to have it both ways. If they had formed an independent Government, they would currently be imposing the swingeing, painful and, dare I say, deflationary public spending cuts that we see in Ireland. There would be no question of their demanding, in outraged terms, that Westminster bring forward investment from next year. The SNP Government

must try to take responsibility for the fact that it is a Government, because accountability goes with that position.

I want to talk, in particular, about the Glasgow airport rail link. I note the absence from this debate of the Minister for Transport, Infrastructure and Climate Change; it is not the first time that he has been absent from a debate on GARL. Since the debate on GARL a few weeks ago, it has become clear that, far from a reluctant John Swinney being forced to cut GARL from the programme, he in fact welcomed the cancellation of GARL.

James Kelly (Glasgow Rutherglen) (Lab): Will the member take an intervention?

Robert Brown: May I make a bit of progress? I will come back to the member, if I may.

It is true, of course, that the Minister for Transport, Infrastructure and Climate Change, Stewart Stevenson, was misguided enough to claim that Glasgow “luxuriates” in Government spending. However, it was John Swinney, rather than Stewart Stevenson, who made the decision on GARL and who refuses to discuss or reappraise the decision with anyone. He would not do so with me when I wrote to him asking him to look at alternative funding models, nor would he do so with Glasgow City Council, Strathclyde partnership for transport or the chamber of commerce, which pleaded with him to rethink the cancellation of that vital project. There is no lateral thinking, no imagination and no engagement. John Swinney, with his “Niet”, has become the Nikita Khrushchev of the SNP Government.

James Kelly: Does Mr Brown support Iain Smith’s move at the Economy, Energy and Tourism Committee to reinstate GARL, or does he agree with Mr Purvis, who abstained when the issue was moved at the Finance Committee?

Robert Brown: Mr Kelly and Mr Whitton are well aware that, when those matters were discussed at the Finance Committee, the Liberal Democrats adopted a position—it is recorded in the *Official Report*—that was in support of GARL and critical of what had happened in that regard.

We must talk about the way forward on the issue. In that regard, I repeat my invitation to the Cabinet Secretary for Finance and Sustainable Growth to call a public or private round-table conference, under Chatham house rules or otherwise, to re-examine the future of GARL and associated issues, without preconditions. Let such a conference look at timescale and phasing, different funding models, such as that used for the Waverley line, and the potential for sharing.

Stuart McMillan rose—

Robert Brown: Let it examine the benefits of associating GARL with crossrail, or a reduced

crossrail, to circumvent and relieve the capacity problems at the two Glasgow stations and maximise the revenue stream from GARL.

Joe FitzPatrick: Will the member take an intervention?

Robert Brown: No. I will continue, if I may, because I have taken an intervention already.

Instead of a minority Government making an inexplicable, or at least unconvincing, decision on GARL, Parliament should and must achieve consensus on the matter and try to find a sustainable and better way forward. I return to the wise comments of the convener of the Finance Committee, who indicated at the beginning of the debate that there must be wider consensus on such matters looking forward to a budget for Scotland.

Let me turn to the justice budget. As members are aware, the Justice Committee is considering the Criminal Justice and Licensing (Scotland) Bill, one of the key proposals of which is to reduce the number of short-term prison sentences and replace them with effective community payback orders. The Government, to its credit, has provided worthwhile resources to improve and speed up the current community service orders. However, if the new policy is to work and command public confidence—though it is probably a matter more for future budgets than for the current one—it will require proper resources. It is regrettable that the 2010 budget appears to show a real-terms decrease of 3.2 per cent in the budget head for community justice spending and a decrease in the level of criminal justice social work grant. It is true that £6 million is promised to continue strengthening the community service system, but it is a peculiar way to budget to say in advance, before the budget has commenced, that that will have to be found from underspend in other areas. In fact, I have never before seen such a proposal in budgeting.

A wind of change is sweeping over many areas of our society, which has changed forever the privileges and standing of parliamentarians, bankers, public service broadcasters and many others. Jeremy Purvis talked about the issue of top public servants, who are not immune from that change; their roles, functions, accountability and salaries are increasingly under the same scrutiny as those of others.

The Government must reflect on all those matters and try to progress and adapt the budget so that it becomes a budget for Scotland that can command support across the chamber.

10:34

Linda Fabiani (Central Scotland) (SNP): I echo the thanks to all who took part in the compilation of the report.

This is the first time that I have seen through a budget process as a member of the Finance Committee. It was an interesting time at which to join the committee. As the report says:

“a number of factors have meant that the *Draft Budget 2010-11* is significantly different from the original plans.”

Under the good stewardship of the committee's convener, Andrew Welsh, our budget scrutiny was an interesting operation.

In the main, the Finance Committee and subject committees' recommendations are requests for further information and not recommendations that seek to point the Government in different directions from its aim in drafting the budget. The information that committees seek will become increasingly important as we move forward. As the cabinet secretary said, our budgeting in the years to come

“presents a major and unprecedented challenge”.

Audit Scotland made it clear in its analysis that

“by 2013-14, the gap between planned Scottish Government spending and the budget available could be between £1.2 and £2.9 billion.”

We are entering a time when public expenditure will prove increasingly difficult. As John Swinney said, that will probably be for

“the best part of 20 years”.

Paragraphs 131 to 138 of the report indicate in no small measure the budget pressures that arise from the massive, and rising, costs of PFI and PPP. The report highlights

“PPP contracts for 2010-11 to be £820 million”.

The Scottish Government will have much less room for manoeuvre in future years.

Stuart McMillan: Does the member agree with the comments that Sir George Mathewson made at yesterday's meeting of the Economy, Energy and Tourism Committee, that PPP schemes have been labelled as expensive and dishonest?

Linda Fabiani: I agree absolutely with that. I have said that many times in the Parliament.

I turn to subject committee reports to the Finance Committee. Interestingly, there were no calls for alternative spending proposals; the general view is that the Government is on the right track. For example, the Local Government and Communities Committee said that the Government

“should continue to consider ways of maximising its expenditure on tackling fuel poverty in ways that help those most in need.”

That is not a proposal to alter spending plans; it is more of a plea to keep on doing good work.

In considering prison running costs, the Justice Committee sought an assurance from the Government that it keeps costs under review. Again, that is not a proposal but a plea to keep an eye on things. Surely any Government would seek to respond positively to such a scenario.

We have heard a lot about economic growth—of course, that is the objective of Mr Swinney's work. The Economy, Energy and Tourism Committee noted that the freezing of the budget for internationalisation activities in the enterprise agencies was a cut in real terms; we heard a lot about that in the Finance Committee and in this morning's debate. The Economy, Energy and Tourism Committee questioned, as is its right, whether the correct decisions had been taken and asked for a review of the budget line. If borrowing powers and the normal levers of economic and fiscal management were available to us, we could inject funds into that area and many others, which would help to drag Scotland out of recession. As the convener said, we are dealing with a fixed pot of money; decisions have to be made about where best to spend the money.

I think that it was Malcolm Chisholm who talked about a reduction in the budget for VisitScotland and noted that the Economy, Energy and Tourism Committee had asked for that budget line to be reviewed. As I said, there is a fixed pot of cash.

Homecoming brought record numbers of visitors to Scotland. It would be good if we could build on that and see additional results, but it is simply not possible to create money that does not exist.

Robert Brown: Will the member give way?

Linda Fabiani: No, thank you.

I turn to the Economy, Energy and Tourism Committee's recommendation that the Scottish Government consider using the additional £10 million for renewable energy projects for a successor to the wave and tidal energy support scheme. In addition, the committee is looking for a commitment from the Government that moneys will continue to be provided on a year-to-year basis. The Government has already shown leadership in the promotion of renewables with the saltire prize. The UK Government seems only now to be catching up on that.

James Kelly: Will the member take an intervention?

Linda Fabiani: No, thank you.

Flexibility is important in ensuring that things keep moving forward. Locking the country into fixed spending in future years does not provide the flexibility for us to deal with the very big issues that

are coming up. I only wish that Westminster would be a bit more flexible. I hope that the cabinet secretary and Iain Gray, leader of the Labour group, will keep lobbying Westminster for further acceleration of cash. Such fiscal stimulus is absolutely required. As we heard yesterday, we seem to be the only country in the G8 that is not looking for any kind of fiscal stimulus.

I know that I have to finish, Presiding Officer. The absolute fact of this budget process, which was reflected by the Finance Committee, is that no other committee proposed an amendment to the budget. No one brought forward an amendment on GARL, either—we are hearing a lot of empty rhetoric about GARL. There is no seriousness there. No alternative to the cabinet secretary's proposal has been suggested.

10:40

James Kelly (Glasgow Rutherglen) (Lab): I welcome the opportunity to take part in the debate. As others have done, I thank the clerks and committee members for the work that they put into producing such a comprehensive report on a very important subject for the Parliament.

There are many great traditions in this Parliament, such as First Minister's question time and time for reflection. The pre-Christmas debate on the Finance Committee's report on the draft budget is another. Given that I am a former member of the committee, I could not resist coming back to take part in the debate before we break up for Christmas.

The other reason why I wanted to take part in the debate was to explode the myth that we heard from Alex Salmond last week at First Minister's question time, which has been repeated by SNP members this morning—that the budget has been cut by more than £800 million. The fact is that, in cash terms, the budget has increased by £943 million to £35.5 billion. That is a record budget under devolution. The Government has also had at its disposal over the spending review period £1.5 billion. In addition, as Malcolm Chisholm said, the gross domestic product deflator figure is less—at 1.5 per cent—which potentially provides an additional value of £880 million. With all those assets at its disposal, the Government should focus on how to get the best out of the budget, rather than bleat and complain to Westminster.

It belittles the position of the First Minister for him simply to say that the capital acceleration that was spent in a previous year is now a budget cut. He is a bit like a kid who eats his ice cream before dinner and then, when it comes to the ice cream course, wants to eat somebody else's. He cannot have it both ways—that is just not good enough.

There are clearly some black holes and gaps in the budget. At the Finance Committee's meeting in Glasgow, when the cabinet secretary was questioned about the referendum bill, it was clear that there are no lines in the budget to cover the £9 million for the referendum.

In the justice arena, there are flaws in the budget process, to which Robert Brown has alluded. The Labour Party is opposed to the SNP's policy of introducing a presumption against short-term sentences, although I do not want to dwell on that today.

On the Government's attitude to the Criminal Justice and Licensing (Scotland) Bill, I believe that there are flaws in the financial memorandum and the budgeting. The financial memorandum stated that take-up of community service orders would be between 10 and 20 per cent, but it gave no evidence to back that up. Just short of 7,300 prisoners are received on sentences of six months or less. If the bulk of them were not to go to prison to serve their short-term sentences, the cost would be in the region of £22 million a year, which has not been budgeted for. As Mr Brown said, in next year's budget, the money will be found from underspends, but we hear continually how much pressure the budget is under. It is bizarre at least to say that the money will come from underspends. That is a black hole and that does not represent a good approach to budgeting.

We heard from the cabinet secretary about increased police numbers. In recent weeks, he has spoken about what he regards as an excellent local government settlement. However, Strathclyde police authority reckons that its budget for next year will have a £16 million shortfall as a consequence of pressures on local government budgets, whose effect we have seen in recent weeks in the collapse of some SNP education policy commitments. Police boards will experience more pressure to deliver police numbers at the front line and to police effectively overall, because backroom services will also be under pressure.

Robert Brown: Will the member take an intervention?

James Kelly: Yes.

The Deputy Presiding Officer: Briefly, Mr Brown.

Robert Brown: Does James Kelly accept that the police budget has a structural deficit because of continuing effects of the existing pay settlement?

James Kelly: Such problems in the budget must be addressed, but the cabinet secretary must take forward overall justice issues as the debate develops.

I realise that I am pressed for time. Labour's priorities in the budget debate—GARL, apprentices and increasing concessionary travel for people who receive the disability living allowance—are important and show that Labour has appropriate values. Budgets are about not just numbers, but values. The process has shown that the SNP's budget has gaps. As we move into 2011, those gaps will become more focused.

The Deputy Presiding Officer: The member must finish now.

James Kelly: I look forward to exploring those issues as we move through the process.

10:47

Ian McKee (Lothians) (SNP): I will concentrate on the proposal by the Health and Sport Committee, of which I am a member, that spending on hospital consultants' distinction awards should not increase by £2 million as planned but should be capped at £28 million, which is itself a fairly massive expenditure. The recommendation is on page 22 of the Finance Committee's report. This is perhaps the first time that a subject committee has recommended a decrease in the budget that covers its remit.

When Jon Ford of the British Medical Association gave evidence to the Health and Sport Committee, he described how the distinction award system came about. He said:

"When the NHS came into being, those who were charged with paying consultants had to address the fact that, at that time, the very top consultants earned huge amounts of money in private practice. When they were subsequently translated into the NHS, a question arose as to how to replicate the range of professional incomes and give a small number of doctors very high levels of reward when there was no market to determine who should get them. The distinction award system therefore had clinical excellence as its main criterion. A few consultants were permitted to earn large sums in the NHS and they were peer reviewed as to clinical excellence."—[*Official Report, Health and Sport Committee*, 7 October 2009; c 2280-1.]

The then Minister of Health, Aneurin Bevan, more prosaically described the exercise as stuffing the consultants' mouths with gold to attract their support for the fledgling state service.

However, things change. The consultants who retire today were scarcely infants when the scheme was introduced more than 60 years ago. The BMA says—rightly—that today's awards are bestowed for virtues such as leadership and service contribution, as well as clinical excellence, and that the selection methods have been refined and made fairer. However, other things have also changed. In particular, other groups of health workers—especially nurses—exhibit leadership and clinical excellence and make an enormous service contribution. Is it fair that their contribution

goes financially unrewarded? Do we still need to stuff consultants' mouths with gold?

Something else has changed, too. Back in the 1940s, only the very top consultants' pay was augmented by a distinction award. Today, even though the proportion of all consultants who receive an award is quite small, 50 per cent of all consultants who are retiring receive one. That is because awards are usually given in the last few years of working life. As a consultant's pension is based on final salary, the benefit of an award goes on for the rest of his or her life, although the original award money is recycled on retirement for the next consultant coming along. That means that the overall cost to the taxpayer is much more than the £28 million or £30 million indicated in the draft budget, but by how much no one is able to say.

Some argue that a scheme that distributes £28 million to about 500 health workers, all of whom earn around six-figure salaries or more, is offensive and unfair; I tend to agree. Indeed, Dr Linda de Caestecker, director of public health for NHS Greater Glasgow and Clyde, has gone further and suggested that all high earners in public service should accept a pay cut of 5 per cent, a proposal that has my support and which I would willingly accept for myself as an MSP provided that it was part of a general settlement and not a meaningless, individual gesture. It would help to preserve front-line services.

Apologists for the continuation of distinction awards say that they are necessary to prevent a mass emigration of top talent, but it is unrealistic to suppose that many 50-something consultants would up sticks and leave the country in which they have so many roots, or indeed that many better-paid jobs would be available to people of that age in other countries. I do not suggest, however, that the scheme should be scrapped immediately. Academic general practitioners, for example, come under it and the difference between an ordinary GP's pay and that of a university lecturer is so great that it would be impossible to attract talented GPs into university departments without some sort of subsidy. There may be other similar situations in which an award is justified. It is possible that other health workers should come under the aegis of the scheme.

Of more importance is the relationship between the scheme in Scotland and what happens south of the border. If hospital consultants in England continue to be eligible for pay enhancements that can add more than £75,000 to their basic salaries, and those in Scotland do not, it is easy to see that young consultants might seek their first jobs in England, knowing that there they have at least a chance of receiving such largesse later in their professional lives.

I support the Health and Sport Committee's recommendation to cap the money going into the scheme.

Jackie Baillie: I support Ian McKee's general thrust, although I believed that he wanted to remove distinction awards completely. Does he believe that spending £30 million on bonuses for consultants is the right priority for the NHS in Scotland, when only £21 million is being spent on tackling HAIs?

Ian McKee: No, indeed. Before Jackie Baillie's wise intervention, I was about to say that after capping the scheme this year, our Government should open negotiations with the English Department of Health with a view to parallel reform in a big way, because such payments must be a drain on its finances, too.

The bottom line is that a scheme that rewards some of the highest paid workers in the public service, let alone in the NHS, with awards ranging from around £32,000 to £76,000 a year, which are not taken away even if the award criteria are no longer met, has no place in 21st century Scotland and is an anomaly that should no longer be tolerated.

10:53

Des McNulty (Clydebank and Milngavie) (Lab): The Transport, Infrastructure and Climate Change Committee was opposed to the cancellation of the Glasgow airport rail link without a parliamentary debate being held, given that the project had been the subject of an act of the Scottish Parliament. It was said that GARL is not in the budget, but it is in the budget. The Government has not lodged an amendment to remove the project from the budget in this financial year; GARL is not in the draft budget for the next financial year.

The Transport, Infrastructure and Climate Change Committee believes that without further specific details about the information and advice on which the decision was made to cancel GARL, the project should not be cancelled. The committee was clear that it was in opposition to the removal of GARL. The time at which that will come forward for consideration by the Finance Committee is at stage 2 of the budget bill. I say to Robert Brown that abstention is not normally the method that is chosen to indicate support for a capital project. I hope that the Liberal Democrats will support the reinclusion of GARL when the time comes.

Robert Brown: Des McNulty will be aware that, in his comments on the Transport, Infrastructure and Climate Change Committee, he set out in almost precise terms the position that was taken by the Liberal Democrats in the Finance

Committee. Does he accept that and will he clarify the record in that regard?

Des McNulty: The Liberal Democrats can clarify the record by the way in which they cast their vote at stage 2 of the budget process.

In the Finance Committee's report, the cabinet secretary is quoted as saying that

"the local government budget shows an increase in the budget that allows local authorities to invest in their services."

He also stated that the Scottish Government agreed

"with the Convention of Scottish Local Authorities that the shared priorities that we are delivering through the concordat and single outcome agreements should remain at the heart of our delivery programme."—[*Official Report, Finance Committee*, 9 November 2009; c 1642, 1638.]

If the money to sustain and to invest in improving services is being provided and the concordat ensures that national priorities will be delivered, why have post-probationary teachers been abandoned? Why is the number of teachers 2,000 lower in 2009 than it was in 2007? Why has the pipeline of new school buildings been emptied? We must wait at least two years before any new proposals begin to be brought forward. Why is teacher training to be decimated, even though the Government cannot explain to universities and colleges how the measure will be put into effect and what financial consequences it should have for them?

Why has the Government's free school meals pledge been watered down, as it undoubtedly has? Why has the extension of care for the pre-fives been withdrawn? Why have kinship carers been let down? Why has Mr Russell, who apparently thinks that everything in education is hunky-dory, set himself a new pass mark of 20 per cent for reducing primary 1 to primary 3 class sizes and indicated to the Convention of Scottish Local Authorities that he is willing to abandon almost every other SNP pledge in return for a fifth of what was originally promised on class sizes? If everything is okay and the Government has provided all the money that is needed for local authorities to do what the SNP says they should do, why are things going wrong on the ground?

We did not get much from Mr Russell's pantomime performance yesterday, but the situation is serious. The administration in Edinburgh, which is a Lib Dem-SNP coalition, is proposing reductions in school staffing and cuts in school budgets of 2.5 per cent—not just next year, but each year for the next three years. Rightly, Mr Swinney points to financial pressures on budgets arising from the recession and the consequences of the rescue of the banks, from which Scottish institutions benefited more than most. However, in

England, which is faced with exactly the same financial pressures, every school will benefit from a real-terms increase in funding of 0.7 per cent. Again, that has been promised not just for one year, but for three years.

In reality, the SNP is in denial about what is happening in Scottish education. Not just in Edinburgh, but throughout Scotland, money has been stripped out of schools and services that provide support for children and young people. The point applies not only to school budgets. Youth work budgets, pre-fives budgets, social work budgets linked to children and child protection budgets are all under greater pressure than other local authority budgets and, even more important, other budgets over which the Government has direct control.

Mr Swinney says that he has provided the money for services to be maintained and invested in and that the concordat is delivering services. What measure of truth will people find in those statements when they see schools in their areas losing teachers, not able to afford jotters and suffering because of decisions that Mr Swinney made when he put in place the concordat and decided that national educational priorities should be delivered by local authorities, without any levers to ensure that that happened? It did not happen, because Mr Swinney made the arrangements that ensured that it would not. The fault lies fairly and squarely with him.

10:59

Jeremy Purvis: Stuart McMillan generously offered us all a merry Christmas and a happy new year. We reciprocate that positive message. Your immediate predecessor in the chair, Presiding Officer—the Presiding Officer of Christmas past—was less cheery: there was admonition from the chair about that cheer.

Mr McMillan's contribution went downhill quite considerably after those goodwill messages. He inhabits the sort of Walter Mitty world of economics that we heard about in yesterday's debate. He has a rather odd view of the world. For example, he believes that the £282 billion of cover for the Royal Bank of Scotland's assets could easily have been provided by an independent Scotland. That £282 billion is three times Scotland's entire GDP and, if it had been provided, would in effect mean that Scotland had defaulted. In that case, there would not have been the kind of comments that we have heard from every SNP speaker this morning.

The same argument was rehearsed yesterday in the Parliament. Mr McMillan's colleague, Jamie Hepburn, intervened on me yesterday with a question that was slightly at odds with what Mr

McMillan said about an independent Scotland being able to provide all that cover. Jamie Hepburn asked:

"Is it not the case that the major domestic market of both RBS and HBOS is south of the border and that the UK Government would have had a role to play even if Scotland had been independent?"—[*Official Report*, 16 December 2009; c 22229.]

So the SNP's big idea for the Scottish economy is independence but, for Scottish businesses with any customers outside Scotland, responsibility lies with the other country. It is like saying, "Stop the world, we want to get off."

I described that as Walter Mitty economics yesterday, and we have had Walter Mitty finance today. Malcolm Chisholm exposed that this morning. He was clear about housing expenditure. Speaking about the level of that expenditure, the cabinet secretary said that there was no cut, because it was spread over two years. If it is spread over two years, it can be demonstrated, we heard, that there is no cut to the budget, ipso facto.

On the Scottish budget overall, the cabinet secretary, and every other SNP speaker, has read loyally from the special adviser brief that there is an £800 million budget cut. Joe FitzPatrick came close to a fair representation of reality, but only because he was being pressed by Robert Brown.

We must take issue with the financial scrutiny unit. In its briefing, table 2 indicates the £814 million of changes to the budget. The problem is that the table is on a different page from the explanation of it, which has obviously foxed all the SNP MSPs. The explanation says:

"Changes to the Scottish Government Budget as a result of the UK and Scottish Government decisions are presented in table 2."

Because that is on a different page, the only fair assessment that I can give of SNP members is that they probably did not notice it.

Next year's budget is bigger than last year's, as we know. As Robert Brown accurately said, the decisions that the Scottish Government takes are its decisions alone. Whether or not the aim is to deliver economic development, we hold the Scottish Government to account for its choices. In many regards, those decisions are unravelling.

Let us take education, for example—a purely accidental example of the policy areas that have been royally ditched by the Scottish Government. It was not long ago that the Finance Committee was told by John Swinney that the policy of free school meals was a central part of the Government's economic recovery programme. John Swinney told the Finance Committee:

"All of those measures will help families to wrestle with the difficult financial times that the country faces."—[*Official Report, Finance Committee*, 9 November 2009; c 1650.]

Supposedly, if we believe the cabinet secretary, it is quite possible to ditch that financial measure, a part of the economic recovery programme, to try to provide cover for a policy on teacher numbers and classrooms. I suspect that briefings are already being written in which that is a central part of the Government's economic recovery programme.

At the heart of the Finance Committee's findings—I think that there was broad agreement in the committee on this point—was that we need more information from the Government on the actual delivery of policies as set against what the Government intends to do. There is much common ground among all parties on the need to look at outcomes rather than inputs but, unless the Government states which budget areas match its priorities for the economy, we will not be able to make a proper judgment on that. Perhaps that actually suits the Government.

I will make a final point about GARL for the benefit of Des McNulty. He said that he regretted that no alternative funding mechanism was put forward and that the case was, therefore, not made for GARL's cancellation. That was, in effect, his message, but that very proposal was made to, and voted on by, the Finance Committee. The result of the vote was:

"For: 4 (Malcolm Chisholm, Tom McCabe, Jeremy Purvis, David Whitton); Against: 4 (Derek Brownlee, Linda Fabiani, Joe FitzPatrick, Andrew Welsh); Abstentions: 0. Proposition disagreed to on the casting vote of the Convener."

That proposition was my proposition, Mr McNulty. If there is to be a debate—

Joe FitzPatrick: Will the member give way?

Jeremy Purvis: I am afraid that I am out of time.

If there is to be a debate about GARL, let us have a debate about how we can ensure its continuation by considering alternative funding mechanisms and ensuring that measures are not put in place that would prevent the project from continuing in future. We need a rounded view of Scotland's transport infrastructure requirements, of which we believe GARL is a central part. Mr McNulty should not misrepresent the view of the Liberal Democrats. By doing so, he misrepresents the view of the Finance Committee and the views of David Whitton, Malcolm Chisholm and Tom McCabe, who all voted for my proposition on the continuation of GARL.

11:06

Gavin Brown (Lothians) (Con): My speech will focus on two main points. First, I will examine whether the draft budget meets one of its stated key objectives of supporting economic recovery. Secondly, I will take a look at some of the medium

and long-term implications of the Government's current and proposed policies.

As stated in the draft budget document, the budget has the

"key objectives of investing in frontline services and supporting economic recovery."

The Economy, Energy and Tourism Committee, on which I sit, looked mainly at the latter objective. That committee raised some serious questions about whether the economy is treated as a priority in the draft budget. Our numerous evidence sessions all suggested that that was not the case.

One need only look at the SPICe briefing "Draft Budget 2010-11" to see the cuts that the draft budget proposes to the various portfolios. While the finance and sustainable growth portfolio will undergo a 7 per cent real-terms cut and administration will take a 4 per cent real-terms cut, all the other portfolios will experience either a small increase or a small decrease. Finance and sustainable growth stands out on its own as the portfolio with the largest real-terms cut.

Simply looking at the finance and sustainable growth portfolio as a whole does not give the entire picture, so it is right that we should drill down to look at the various parts of that portfolio. However, the question for the Government is whether the draft budget will provide an increase for any budgets that relate to economic activity. To use the Government's words, have any of those budgets been "prioritised"? Those are the key questions in considering whether the draft budget's purported objective stands up to scrutiny.

If we drill down into the finance and sustainable growth portfolio, we see that tourism comes under that line. The annual tourism budget is to be decreased from £49 million to £44 million. Some of that decrease is explained by last year's one-off injection for the year of homecoming, but that explains less than half of the decrease. Even if we take away the homecoming figure, the tourism budget is still being cut by 6 or 7 per cent at a time when—according to the Government—the budget as a whole is supposedly being cut by 1 per cent. If the entire budget is being cut by 1 per cent and the tourism budget is being cut by 6 or 7 per cent, how can the Government say that tourism is a priority in its six-point plan?

The cut in the enterprise budget was highlighted by other speakers, including Mr Purvis, who talked about that in between talking about sadistic dentists. One's mind wanders occasionally during debates, and I was left wondering whether I would rather spend an hour with a sadistic dentist or an hour with Mr Purvis. I confess to not yet having reached a conclusion. Mr Purvis knows that I say that in jest.

The enterprise budget to which Mr Purvis referred will decrease. The cabinet secretary pointed out that that can be explained by the reprofiling of capital and by items that have been removed from Scottish Enterprise, such as the central marketing of the business gateway, which I understand has been moved to local authorities. However, that does not explain the decrease in its entirety. Scottish Enterprise suggested in its evidence to the committee that, excluding all the items that had been removed, its budget had been cut in absolute terms by about £10 million this year. Again, there has been no explanation of that. If enterprise is a priority, why is it receiving a cut greater than the average cut for the budget as a whole? I hope that the Government can provide some answers.

My colleague Mr Brownlee spent much of his speech talking about the medium and long-term impact of the budget and the decisions that we take. In my view, it is irresponsible to attempt to deliver new services to the public when we will have trouble delivering the current ones. Mr Brownlee referred to economic analyses that suggest that there might be a £3 billion or £4 billion real-terms cut to the Scottish budget over the next four or five years. If it is a cut of that magnitude, we will have serious problems delivering what we already deliver and it is ludicrous to attempt to deliver other policies. The Scottish Conservatives have already referred to free school meals and free prescriptions.

What about the legislation that has already been passed? The Climate Change (Scotland) Act 2009 received royal assent earlier this year. There will be financial implications when the act comes into force. Has any cognisance been taken of that? What about single status and equal pay claims that are left hanging? Has any cognisance been taken of those?

I leave the Government with two thoughts. First, if the Government is to meet its stated objective, there needs to be a boost to support economic recovery. Secondly, the Scottish Conservatives want to see that the medium and long-term impact of current and proposed policies have been taken into account.

11:13

David Whitton: It has been an interesting debate. I will come to some of the points made by other members in a moment. First, though, I shall focus on the Finance Committee's recommendations to the cabinet secretary. I am not quite sure what happens to such recommendations. Like letters to Santa, they go up the chimney, never to be seen again. I know that we debate them—there have been some robust exchanges about them—but I hope that, in

the spirit of agreement between the Finance Committee and the Government about the budget process, the cabinet secretary is taking note of the recommendations and of what has been said this morning.

In the summary of conclusions and recommendations on page 48 of its report, the committee states:

"The evidence received indicates that it is not yet sufficiently clear how the measures proposed in *Draft Budget 2010-11* correspond to the objectives stated for them. It is also unclear how a pro rata approach to addressing the impact of the fact that the budget is lower than originally anticipated ... corresponds to the Scottish Government's stated priorities for the budget."

The report goes on to ask the cabinet secretary for more information on how he has approached prioritisation between services and supporting economic growth, and, in particular, for any information on which budget decision would be the most effective contributor to that growth. That is especially relevant to the capital spending programme.

In my first contribution this morning, I talked about the Glasgow airport rail link, which has featured quite heavily in the debate. At the Finance Committee meeting in Glasgow I questioned Mr Swinney about his decision. He told me that GARL, while desirable, was not essential. As I said earlier, that is his view, but I disagree with it. I believe that GARL is an economically important project for the whole of Scotland, not just the west of Scotland, and I would welcome seeing the evidence that the cabinet secretary was presented with that allowed him to make a choice between competing projects. We are still waiting for that.

Another issue that has troubled the Finance Committee—I think that Mr Brownlee referred to it—is a lack of transparency. That is a constant theme. In the past, it was agreed that level 4 information would be provided, but that does not seem to happen as a matter of course. In our recommendations, we suggested that, in future, level 4 information should be provided electronically to the Finance Committee as soon as the draft budget is published. I hope that the cabinet secretary will ensure that that happens. I know that he is a reasonable man.

I turn to what other members have said, particularly Mr Stuart McMillan and Joe FitzPatrick. Both decided to look at the budget through tartan-coloured glasses and to twist statistics in repeating the line about budget cuts. That does not help the overall debate, and it certainly does not help the Parliament. I will give members the facts. The Scottish budget has increased every year under devolution. The budget for 2010-11, at £35.5 billion, is the largest

ever. It has increased by £943 million. When she was a member of the Finance Committee, Jackie Baillie interrogated the Government's director general of finance and corporate services about that. The director general was forced to write to the Finance Committee and admit that the budget would increase by 1.3 per cent. Mr FitzPatrick seems to have selective amnesia about that.

Stuart McMillan *rose—*

David Whitton: Before I talk about Mr FitzPatrick's sycophancy, I will give way to Mr McMillan.

Stuart McMillan: I thank Mr Whitton for his kind comments.

I return to an issue that I mentioned earlier. Does Mr Whitton disagree with the Economy, Energy and Tourism Committee? In its report, that committee said that there would be a 0.9 per cent decrease in the Scottish budget next year.

David Whitton: That is the kind of twisting of figures that I have just been talking about. We have a letter from the Government's director general of finance and corporate services that says that the budget will increase by 1.3 per cent. I would rather accept her word than Stuart McMillan's.

Stuart McMillan: That is what the Economy, Energy and Tourism Committee said.

David Whitton: We have a letter that we can produce for the member if he does not believe me.

I was talking about sycophancy. The two sycophants are sitting together. Mr FitzPatrick said that John Swinney had brought the best possible budget to the chamber. Another reshuffle must be in the offing.

Joe FitzPatrick: If the Labour Party does not think that the budget that the cabinet secretary has produced is the best possible, why did it not make alternative spending proposals? Why is the Labour Party not prepared to put on the table the cuts that a Labour cabinet secretary would have made?

David Whitton: I will come to that in a minute. The member has pre-empted what I was going to say.

The Economy, Energy and Tourism Committee concluded that the proposed budget is not fit for the Scottish Government's economic purpose.

I am tempted to suggest that Mr McMillan and Mr FitzPatrick should spend some time with Jeremy Purvis's sadistic dentist, but I will not do so. The only Scottish National Party member with whom I agreed was Dr Ian McKee, who made a powerful case for ending special payments to consultants.

My colleagues Malcolm Chisholm, Jackie Baillie, James Kelly and Des McNulty made telling contributions in which they pointed to the faults in the draft budget. I also commend Jeremy Purvis's demolition job. It is unfortunate that he is no longer in the chamber, because I want to say to him that it is a pity that when I recommended in the Finance Committee that we reinstate GARL, he abstained in the vote. If he had agreed with us, we could have argued about the funding for it afterwards. The cabinet secretary may laugh; we certainly laughed when we heard that the Borders rail project will be a PPP project. That is a real volte-face by the cabinet secretary; perhaps he can explain it.

All the subject committees asked questions about Mr Swinney's spending priorities. It is true that attempts at negotiations have been taking place between Mr Swinney and all parties since the publication of the draft budget, to see whether changes can be made. That has taken place in the joint review group that was set up by Mr Swinney. Clearly Mr Fitzpatrick is not included in those talks. If he were, he would understand that that is where some of the negotiations have been going on, although they have obviously failed.

As I mentioned, some alterations will be required to fund a referendum bill if the SNP insists on carrying on with it. There is no budget line to cover the £9 million that that will cost—money that could be used elsewhere.

The Finance Committee asked to see more of the evidence that influenced Mr Swinney's decision making on the budget, particularly information on capital. Without that, it is difficult to make suggestions about what other projects can be delayed or cancelled. The clear message for Mr Swinney is that his draft budget needs a lot of rewriting. I hope that he takes note.

The Deputy Presiding Officer (Trish Godman): I call Tom McCabe to wind up on behalf of the Finance Committee. I am sorry, I have made a mistake. I call John Swinney. Cabinet secretary, you have about eight or nine minutes.

11:20

John Swinney: I thought that we were perhaps returning to the good old days, when Mr McCabe was the Minister for Finance and Public Service Reform. Perhaps somebody has been sniffing gas, as Mr Purvis alleged—or maybe that was just what Jackie Baillie was doing at the Labour Party's party last night.

Jackie Baillie: Unless the cabinet secretary has evidence to back up that remark, will he now withdraw it?

John Swinney: I shall search for evidence to substantiate that remark.

Please, I in no way wish to offend Jackie Baillie; I would never want to do that.

Malcolm Chisholm said that an extra £129 million of end-year flexibility has yet to be added into the budget, but that is not correct. That figure is already in the budget proposals that the Government has set out.

Jackie Baillie made the point that health expenditure is not sufficient to meet the challenges that lie ahead. Even if I accepted her assertion that there is a real-terms increase in the budget of 1.3 per cent, excluding capital acceleration—which is a point that she has asserted for a considerable time—the average increase in the funding for national health service boards is 2.7 per cent. That rather demolishes the argument that, somehow, the national health service is being short changed. Of course, Jackie Baillie is correct that the profile of expenditure increase in the health service is not as great as it has been in the past, but neither is the increase in the total budget that is being experienced.

Mr Chisholm also said that there is no line in the budget for the 7,800 additional modern apprenticeships that we agreed with the Labour Party last year. I confirm to Mr Chisholm that those are provided for in the budget, and I have made that clear to the Labour Party in our discussions.

Mr Purvis made the point that the claimant count in Scotland shows that there is a significantly worse position in Scotland than in the rest of the UK. I say to Mr Purvis that the claimant count rate in Scotland is 4.9 per cent, whereas the UK rate is 5 per cent. Over the past year, the Scottish rate has increased by 1.5 per cent compared to a 1.6 per cent increase in the UK. Claimant count does not capture all the information. The International Labour Organization unemployment figure for 16 to 24-year-olds in Scotland is lower than the comparable UK figure, which is now over 20 per cent. The Scottish figure is approximately 18 per cent. In putting those figures on the record, I am not suggesting that there is not a significant issue—there is. That is why the Government has increased resources for colleges through the Scottish Further and Higher Education Funding Council, in order that they can provide opportunities for younger people. I simply make the point that, comparatively speaking, the performance in Scotland is better as a consequence of our interventions.

Robin Harper (Lothians) (Green): Given the public disquiet about the increasing disparity between the most poorly paid and the most richly rewarded in our society, particularly in the banking sector, does the cabinet secretary agree that it

would be a good idea and would show leadership if the Government paid attention to some of the more generous rewards that are available to people at the top in public service in Scotland and to rein some of those rewards back?

John Swinney: That is precisely the focus of what the Government has been doing in relation to ministers, senior civil servants and higher paid individuals in the health service. We have made that clear. As I confirmed to Parliament yesterday, I am discussing with the Liberal Democrats the practicalities of a suggestion that they have made to restrict the pay of senior people.

Gavin Brown and Jeremy Purvis raised issues about the enterprise budget. The reason why the enterprise budget has a different profile now is that capital acceleration has been taken into account, business gateway costs and regeneration costs have been removed and the operating costs of Scottish Enterprise and Highlands and Islands Enterprise have been reduced because of the reduction in the headcount of those organisations. Mr Brownlee advanced the argument that the operating costs of Scottish Water should be squeezed and efficiencies should be established so that Scottish Water would require less financial support from the Government in this budget than it did in the past. That is a good argument, but it also applies to Scottish Enterprise, in relation to which we are trying to guarantee operational efficiency.

Gavin Brown: Operational efficiency is to be welcomed, but the budget shows that, although the costs for front-facing staff have gone down, the costs for backroom staff have gone up.

John Swinney: I will explore that point in detail, but I have set out the rationale for the enterprise budget.

Today has been an interesting debate, as it has given us a flavour of people's reflections on the thoughtful report of the Finance Committee. I made it clear at the outset that the Finance Committee has marshalled a compelling narrative about the financial challenges that we face, and the text of the report was agreed unanimously, although I accept that there were divisions on certain parts of it—I am not trying to mask that fact.

The report sets out a difficult financial perspective for the years ahead, but I have been faced with a list of demands. Jackie Baillie wants more money for health. Robert Brown and various others want more money for GARL. Robert Brown also wants more money for justice.

Robert Brown: Will the member give way?

John Swinney: I am afraid that I am going through a list, and I will see it to the end.

Jeremy Purvis wants more money for enterprise. Malcolm Chisholm and Gavin Brown want more money for tourism. Malcolm Chisholm also wants more money for housing. James Kelly wants more money for concessionary travel and apprenticeships. Des McNulty wants more money for schools. Further, if he had been here, Michael McMahon would have courageously repeated his demand for £270 million of extra expenditure for local authorities, which he called for in the course of the preparations of the local government finance statement.

Mike Rumbles: Will the member give way?

John Swinney: No. Mr Rumbles has not been here all day, so I will not take his intervention.

Mike Rumbles: You missed me out. I want more money for the Aberdeen western peripheral route.

John Swinney: Mr Rumbles may add his demand to the long list.

During the two and a bit hours for which we have been debating, only one member has suggested any way of removing any money from one part of my budget to pay for increases elsewhere. That person was Dr McKee, who set out in a thoughtful and comprehensive fashion the issues around distinction awards for and the pay of consultants in the health service.

I cannot begin to put a price tag on the extra expenditure that I have been pressed to put in place, but every one of us must be aware that we operate within a fixed financial envelope, which means that, if we want to put projects in, we have to take projects out.

The Finance Committee's report says that GARL

"appears to be one comparatively small example of dealing with the expected reduction and one which will only have an effect on budgets for the immediate two or three years".

That is correct, but the report goes on to say:

"The Committee requests that the Scottish Government provides it with a broader explanation of the measures it is taking to ensure the sustainability of the capital budget in the medium term."

On the one hand, therefore, Mr Whitton and his colleagues come to the chamber and demand that I reinstate GARL but, on the other hand, in the secret annals of the Finance Committee—which are published on its website—they sign up to reports that say, "You are not going far enough. You are not doing enough to make the budget sustainable."

All that I say to colleagues is that we must have a rational understanding of the financial challenges that we face. I am sure that we will hear such understanding from Tom McCabe, because he regularly expresses in the chamber

siren warnings about what lies ahead for public expenditure. We heard it from the Auditor General for Scotland, and Parliament has heard it from me a number of times. Tough decisions need to be faced, and the Government has addressed them.

11:30

Tom McCabe (Hamilton South) (Lab): I welcome the opportunity to summarise the debate on behalf of the Finance Committee. I offer my thanks, as other members have done, to all the professionals who supported the committee in compiling the report.

Naturally, I will pick up on some of the points that have been raised in this debate, but I will also comment on the points that the committee emphasises in its report. First, it is important to emphasise—as some members this morning have recognised—that, for the foreseeable future, our budget scrutiny will require increased rigour and a high degree of objectivity if we are to mitigate the worst budgetary pressures, which will impact on not only Scotland, but the entire United Kingdom.

I am compelled to say that objectivity has so far been somewhat elusive. For the record, I repeat what others have said: this budget is the largest sum of money that has ever been made available to Scotland and the Scottish ministers pre or post-devolution. It is not as large as was intended in 2007 when the results of the comprehensive spending review were announced, but it is an understatement of quite sizeable proportions to say that the world is a very different place today from the world that we knew in 2007.

As Jeremy Purvis rightly pointed out, the Government has now underpinned, or guaranteed, some £280 billion for the Royal Bank of Scotland alone. That was not the case in 2007, so it is hardly surprising that the budgets that we have to deal with in the Parliament are different from the ambitions that were held way back in 2007. We all have a duty to focus our efforts on protecting vital services and an obligation to spend less time apportioning blame.

The minister talks of a 2.7 per cent increase for health boards, which is correct, but health boards are now beginning to issue warnings about significant reductions in the services that they supply. That should focus the minds of everyone in the chamber. Although, at face value, vital services in our country are receiving not unreasonable sums of money, they are nonetheless beginning to express real concerns, which should concern every one of us.

I will turn to some of the specifics. One of the most concerning areas of the budget is that, even though it is explicitly recognised that the fiscal situation will be much tougher in years to come,

there is little indication of any strategic preparations for the tougher years that lie ahead. Responsible governance and scrutiny place an obligation on all of us to spend, as I said earlier, less time posturing and more time preparing.

The Finance Committee has recognised that although the Scottish budget is allocated by the Scottish Government, a significant proportion is expended at the hands of others. In increasingly stringent financial times, it will be important to improve dramatically the tracking of that expenditure and to link it to the outcomes that we achieve. The committee convener rightly emphasised in his speech the pressing need for far greater clarity in relation to what we get for that money and how it is used to best effect by those health and local government agencies that spend such a significant proportion of the Scottish budget.

Before the Cabinet Secretary for Finance and Sustainable Growth took on his role, he was a strong advocate of transparency and independent verification of claimed efficiency savings. The committee is at one with him on that, and we are anxious for the day when he delivers transparency and independent verification.

In a similar vein, the committee recognises the cabinet secretary's ambition to align the budget with the Government's stated priorities. Unfortunately, there has been little explanation of how that has been achieved this year. A vital part of improving confidence in the Scottish budget will be a greater demonstration on the Government's part that it is prepared to take the decisions—sometimes very hard decisions—that will align budget allocations with its stated priorities.

The committee specifically requested a more detailed explanation of how the Government has prioritised between services and the drive to support economic growth. It is important that the Parliament understands which budgetary decisions have the greatest impact on growing Scotland's economy. The committee asked the Government to share any analysis that it has with the committee. It is important that the Government does so, even if that analysis points to some challenging decisions.

Mr Purvis stressed concern that a lack of priority is being given to stimulating and growing the Scottish economy. As the convener said when he opened the debate, the committee met a number of interested parties in Glasgow before it discussed the budget with the cabinet secretary. Whether it is palatable or not, there was a strong consensus that budgetary decisions should be taken that prioritise economic growth, however difficult those decisions are. As David Whitton said, strong disappointment was expressed at those meetings that the Glasgow airport rail link

was cancelled. I hope that the cabinet secretary and indeed the Scottish Government will take cognisance of the fact that private businesses, individuals and the voluntary sector all found it difficult to see how cancelling that project could be aligned with a desire to stimulate growth in the Scottish economy.

I fully understand the cabinet secretary's point that, if people want to reinstate that programme, hard decisions might need to be taken in other areas. The committee recognised that, too. However, it is also worth saying that, although it is pointless simply to demand from the cabinet secretary extra cash for a variety of different areas, there is a case for putting more emphasis on certain areas that stimulate and grow our economy. The hard decisions that would be required as a consequence might therefore become more palatable.

In its report, the committee asks for a far more in-depth analysis of how the budget and future budgets will stimulate growth and protect vital services. We are keen to enter into that dialogue with the cabinet secretary. I sincerely hope that he is as keen as the committee is to discuss those issues and analyse the possibilities for the future, with the combined aims of growing our economy in Scotland but also protecting the sometimes hidden people who will suffer the most if vital services deteriorate as a result of our fiscal position.

The Deputy Presiding Officer: We have finished a minute early, so I suspend the meeting until—

Mike Rumbles: On a point of order, Presiding Officer. I am glad that, in making my point of order, I am not taking up anybody's time.

This morning, the cabinet secretary reconfirmed that, as ministers have been saying for some time, a decision about the most important infrastructure project in the north-east of Scotland—the Aberdeen western peripheral route—would be announced to Parliament before Christmas. Considering that we have less than six hours left before Parliament goes into recess and we do not reassemble until next year, could the Presiding Officers use their good offices to ensure that, as I am sure the cabinet secretary intends, an announcement on the western peripheral route is made some time today?

The Deputy Presiding Officer: That is a matter for the minister, but he is here and I am sure that he will attend to it.

11:39

Meeting suspended.

11:40

On resuming—

Question Time

SCOTTISH EXECUTIVE

General Questions

Dementia Services (Fife)

1. Marilyn Livingstone (Kirkcaldy) (Lab): To ask the Scottish Executive what action it is taking to improve funding for dementia services in Fife, in light of the predicted 100 per cent increase in people in Fife with dementia by 2030. (S3O-8885)

The Minister for Public Health and Sport (Shona Robison): Dementia is a national priority for this Government, with our target on early diagnosis and a range of other national activity supporting local service delivery. The dementia strategy, which will be published next year, will build on those achievements. As investment in dementia services is drawn by NHS Fife and Fife Council from overall resources provided by the Scottish Government, it is their responsibility to allocate funds on the basis of local needs and demographics. The Fife dementia strategy for 2010 to 2020 is designed to ensure that there are significant improvements in dementia care and to build capacity in that area in response to the predicted near doubling of the number of people in Fife with dementia by 2030.

Marilyn Livingstone: Is the minister aware that although in my constituency the independent sector cares for more than 80 per cent of people with dementia who require residential care, it receives only £464.86 per person, whereas the public sector receives £780 per person? Is she aware of the high quality of services that are delivered in the independent sector by, for example, Abbeyfield, which has received scores of 5 and 6 for quality from the Scottish Commission for the Regulation of Care? The huge differential in funding means that in my constituency, the independent sector is struggling to cope—

The Presiding Officer (Alex Fergusson): Question, please.

Marilyn Livingstone: What influence can the minister bring to bear in order to increase funding for the independent sector?

Shona Robison: I acknowledge the member's long-standing interest in this matter, but I point out that the issue of differential funding rates for local authority homes and the independent sector has also been long-standing, and indeed goes way back for a number of reasons, not least the fact

that wages and running costs in local authority homes are different from those in the independent sector.

That said, we need to address a number of genuine issues that I have discussed with the independent sector on a number of occasions. Through the dementia strategy and the work on reshaping care for older people, which itself represents a once-in-a-lifetime opportunity to transform the delivery of services to older people, we will get to grips with some of the issues and perhaps redefine with the independent sector its role. In future, the sector might well have a more specialist role with regard to dementia and end-of-life care, but I assure the member that we are very much discussing the issues with the sector as we take that work forward.

Ted Brocklebank (Mid Scotland and Fife) (Con): Why does the minister allow councils such as Fife to pay almost twice as much per week for care for a person in a local authority-run home as is paid for care in the independent care sector?

Shona Robison: As I said to Marilyn Livingstone, the differential rates are a long-standing issue, partly because of the differing costs of running local authority homes. We are where we are with this, but as we move forward with reshaping older people's services I believe that there will be a genuine need to redefine the role not only of local authority care homes but of the independent care home sector. Such issues are important and, as we consider the more specialist role that the independent care home sector might play in coping with people with dementia or who are in end-of-life care, we will need to put into the mix how that will be resourced and issues surrounding pay and staff training. However, I assure the member that we are talking through all of these issues as we take forward this once-in-a-lifetime opportunity to get things right for older people.

HM Prison Noranside (Christmas Closure)

2. James Kelly (Glasgow Rutherglen) (Lab): To ask the Scottish Executive for what reason HM Prison Noranside is being closed for Christmas. (S3O-8882)

The Cabinet Secretary for Justice (Kenny MacAskill): That is an operational decision for the Scottish Prison Service, which advises me that the decision has been taken to consolidate the management of all prisoners who remain in open conditions over the festive season on one site in order to provide efficient and effective service delivery. Parts of the open estate have been closed before at this time of year, most recently Noranside in 2004. Giving prisoners home leave at Christmas has been the custom and practice of the Scottish Prison Service since the 1950s.

James Kelly: Earlier in the year, the cabinet secretary said that prison was a scoosh, and he seems to be trying to back that up by freeing prisoners for Christmas. How much money will be saved by the exercise, and where will the savings be invested?

Kenny MacAskill: I have no idea how much money will be saved, but I am more than happy to pass that request to the acting chief executive of the Scottish Prison Service.

James Kelly is clearly perturbed by the issue, so he will be delighted to know that home leave has been the custom and practice since the 1950s. I have the statistics for the situation since 2004. In 2005, under the Liberal-Labour Administration, 321 prisoners were given Christmas leave; in 2006, the figure was 252; in 2007, it was 318; last year, it was 211; and this year, under a Scottish National Party Administration, it will be an estimated 190. I can appreciate the great concern, but perhaps Mr Kelly can appreciate that significant progress has been made to allay his fears.

Fife Constabulary (Meetings)

3. Claire Baker (Mid Scotland and Fife) (Lab): To ask the Scottish Executive when the Cabinet Secretary for Justice last met the chief constable of Fife Constabulary and what was discussed. (S3O-8866)

The Cabinet Secretary for Justice (Kenny MacAskill): I last met Chief Constable Norma Graham of Fife Constabulary on Monday 14 December 2009. We discussed issues relevant to policing in Fife.

I would like to take the opportunity to congratulate the chief constable on her success in reducing recorded crime in Fife, which in 2008-09 was down by 5 per cent, on top of a 16 per cent decrease the year before.

Claire Baker: Is the cabinet secretary aware of the large increase in the number of charges for knife crime offences in Fife, particularly in Glenrothes and Levenmouth? Does he agree that, although the increase shows that the police are working hard on the issue, it also points towards an increased presence of knives on our streets? Will he join me in calling for a knife amnesty in Fife?

Kenny MacAskill: The matter has been the subject of inquiries by the police in Fife, and we are not aware of the matters to which the member refers. The increase in the number of offensive weapons charges last year in Fife was down to proactive policing, on which I once again congratulate the chief constable. As a result of Fife Constabulary's concerted efforts, there has already been a 40 per cent reduction this year,

which shows that the Government's action to tackle knife culture in Scotland is working. I also saw that yesterday when I visited a scheme in Barrowfield in Glasgow, where there has been a 50 per cent reduction.

Tricia Marwick (Central Fife) (SNP): Did the cabinet secretary discuss with the chief constable the stunning success of Fife's youth management scheme, which since 2007 has seen a reduction of 62 per cent in the number of police reports to the children's reporter, and a reduction in persistent young offenders in Fife from 112 in 2007 to just 47 this year? Will the cabinet secretary consider whether elements of Fife's scheme should be rolled out throughout the rest of Scotland?

Kenny MacAskill: Absolutely. I have seen some of those results myself in Levenmouth and elsewhere. It is quite clear that schemes such as the one in Barrowfield that I mentioned in my reply to Claire Baker are working. We need to make the big stick available to make it clear that those who persist in offending will face the full consequences and weight of the law. Equally, those youngsters who are given the opportunity to be all that they can be, to get back into education, to obtain employment and to keep themselves off the streets and out of trouble should be applauded. I congratulate the chief constable. We will roll out matters. However, members in other political parties should remember that if we are to tackle youth disturbance, we also have to address the problem of pocket money prices for alcohol, because we know that much youth offending is alcohol fuelled.

Computer Games Industry (Dundee)

4. Joe FitzPatrick (Dundee West) (SNP): To ask the Scottish Government what action it has taken to support the computer games industry in Dundee. (S3O-8915)

The Minister for Culture and External Affairs (Fiona Hyslop): The Government is committed to supporting the games industry in Scotland and Dundee, which is a European top three and world top 10 location for excellence in games. Some examples of our support include the centre of excellence for games development education at the University of Abertay Dundee; the state-of-the-art facilities at Seabraes Yards; access to investment from a variety of funds, including the digital media IP fund; and developing talent with accredited degree courses at Abertay university and with national competitions such as dare to be digital.

Scotland's creative industries partnership brings together the public agencies that are involved in supporting the creative industries, ensuring better co-ordinated and more effective support.

On Monday 7 December, I announced a grant of almost £1 million from the European regional development fund for a prototype fund managed by Abertay university. Alongside Scottish Further and Higher Education Funding Council resource, that brings Scottish public sector support for the project to £2.4 million, which will benefit Scotland-based games developers and build on Scotland's reputation as a destination of choice in this area.

Joe FitzPatrick: Following the Chancellor of the Exchequer's decision in last week's pre-budget report to refuse tax relief for computer game research and development, the support offered by the Scottish Government, particularly to Dundee, is most welcome. Despite the lack of an announcement in the PBR on the issue, will the Scottish Government continue to press Westminster for support for the games industry, which is so vital to Dundee's economy?

The Presiding Officer: Minister, keep it brief, please.

Fiona Hyslop: Yes. Despite the disappointing news in the PBR last week, we will continue to make the case to the United Kingdom Government until it acknowledges the problem. We need more support for this high-growth area, and we need the right fiscal powers to provide it. If we are to compete with the likes of Canada, France and Ireland, we must ensure that we progress the issue of support. The UK Government's decision is disappointing, but we will continue to pursue it on the matter.

Elaine Smith (Coatbridge and Chryston) (Lab): While supporting the games industry, we should also recognise some dangers. Is the minister aware that under-18s access violent 18-rated video games, which are sometimes bought for them by their parents? Will the minister liaise with the industry with a view to undertaking an awareness campaign to ensure that parents are advised of the possible effects of games on the psychological, emotional and social development of their children?

Fiona Hyslop: Yes, I will undertake to do that. We must ensure that we are aware of that issue. Indeed, part of our discussion with the Westminster Government is about how to support parents with regard to internet safety. We must educate our young people to be responsible citizens in a digital age. Ms Smith's point is well made in that regard.

The Presiding Officer: Question 5 has been withdrawn.

Scottish Police Services Authority (VAT)

6. Bill Aitken (Glasgow) (Con): To ask the Scottish Executive whether there has been progress in discussions with Her Majesty's

Treasury in respect of the liability for VAT of the Scottish Police Services Authority. (S3O-8860)

The Cabinet Secretary for Justice (Kenny MacAskill): The Scottish Police Services Authority has been appointed as an agent, acting on behalf of the eight Scottish police authorities and joint police boards, for the provision of police information and communication technology services. The agency agreement will save the SPSP £3.8 million a year that would otherwise have been paid in VAT.

The Presiding Officer: Mr Aitken, could you draw your microphone towards you a bit?

Bill Aitken: Will the First Minister—will the cabinet secretary accept—

Ted Brocklebank (Mid Scotland and Fife) (Con): Promotion!

Bill Aitken: I may be anticipating something, Presiding Officer, but I think not—indeed, I hope not. [*Laughter.*]

The Presiding Officer: Moving swiftly onwards.

Bill Aitken: Does the cabinet secretary agree that the new arrangement is good news? Perhaps he can indicate where any savings that might be engendered by that progress will be directed.

Kenny MacAskill: That would be a matter for the SPSP board. Clearly, it is doing remarkably good work in dealing with issues that require to be addressed. I will leave it to the board, Vic Emery and the interim chief executive to progress matters. I have no doubt that there are suggestions to be made, some of which could come from the Justice Committee and its convener. I also have no doubt that Vic Emery would be happy to meet briefly to discuss the variety of issues on which the SPSP board is working. Indeed, we all have a joint interest in making Scotland safer and stronger with regard to such matters.

Sandra White (Glasgow) (SNP): In light of the current financial situation, can the cabinet secretary tell me what impact the return of VAT to 17.5 per cent in January will have on the justice budget?

Kenny MacAskill: It will add to the cost pressures on the justice budget on top of the Chancellor of the Exchequer's cuts to the Scottish Government budget, which were initially £500 million but are now apparently £800 million or more. The VAT position will be decidedly unhelpful. That said, our police and police boards are doing their best to mitigate the pressures that they, like the Government, face because of London cuts.

Richard Baker (North East Scotland) (Lab): Moving on from the £943 million increase in the

Scottish Government's budget, does the cabinet secretary accept that uncertainty of leadership in the SPSA does not help strategic planning for Scottish police forces? Can he provide an update on when a permanent chief executive will be appointed to the SPSA?

Kenny MacAskill: Matters are under way. It might be useful if the Labour Party decided on its position on many SPSA matters, given that it established the SPSA but now seems to have some doubts about its structures.

I have met Vic Emery, the SPSA convener, to discuss on-going issues. I have no doubt that Mr Emery would be perfectly happy to meet Mr Baker, if he wishes to be enlightened further. The SPSA continues to do good work. Having been established under the previous Administration, it has the full support of this Government.

Dietary Food Standard (In-patients)

7. Patricia Ferguson (Glasgow Maryhill) (Lab): To ask the Scottish Executive whether the national dietary food standard is being met in relation to the provision of fresh fruit and vegetables to hospital in-patients. (S3O-8874)

The Minister for Public Health and Sport (Shona Robison): The fruit and vegetable food standards that are set out in "Food in Hospitals: National Catering and Nutrition Specification for Food and Fluid Provision in Hospitals in Scotland" state that the menu must provide the opportunity for patients to choose at least five servings of fruit and vegetables throughout the day, including as wide a variety as possible.

National health service boards have responsibility for implementing the specification and NHS Quality Improvement Scotland is currently undertaking peer review visits to monitor progress on the standards, including standard 3, on the planning and delivery of food and fluid, which is the standard that includes the recommendations on fruit and vegetables. Initial findings from the review will be announced in April 2010.

Patricia Ferguson: I look forward to seeing the outcome of the review when it is published.

The minister is concerned to ensure that the dietary standards are met. I am sure that she appreciates the difference between the provision of fruit and vegetables and the provision of fresh fruit and vegetables. What are her comments on that? Does she accept that many patients are reluctant to complain about food in hospital and simply rely on friends and family to supply them with fresh fruit during their hospital stay? What action can she take to ensure that patients are encouraged to complain when they are not provided with fresh fruit?

Shona Robison: We have not defined that fresh fruit and vegetables have to be served. There are good logistical reasons for that. Indeed, there is nutritional value in other forms of fruit and vegetables, so there has to be flexibility.

On the issue of complaining, the member makes an important point. We have always encouraged patients to give their feedback, because only by their doing so can we make the necessary improvements. The patients rights bill may offer opportunities to strengthen the current position with regard to food and fluid. We have introduced nutrition champions in the NHS to help boards to deliver and to listen to what patients say about the quality of the food and fluid that they get. A lot of good work has been done, but of course more needs to be done. I am sure that we will take forward the members concerns through the patients rights bill.

Criminal Justice and Licensing (Scotland) Bill

8. Cathy Peattie (Falkirk East) (Lab): To ask the Scottish Executive whether the Cabinet Secretary for Justice has consulted voluntary organisations regarding the removal of exemptions from licence fees for fundraising events as a result of the Criminal Justice and Licensing (Scotland) Bill and whether he can guarantee that organisations in Falkirk East will not have to pay £200 to hold their events. (S3O-8900)

The Cabinet Secretary for Justice (Kenny MacAskill): The previous Liberal Democrat-Labour Administration set up the task group on civic government licensing. The group included representatives from the Convention of Scottish Local Authorities, the police and business interests. It consulted voluntary organisations and other interested parties before making the recommendation on the licensing of market operators that the bill would implement. *[Interruption.]*

The Presiding Officer: Order. Let us hear the answer.

Kenny MacAskill: However, we have received many representations and fully understand the concerns that the bill will impact on fundraising events in general. In light of those concerns, the Government will lodge amendments to the bill to retain the current exemptions for charitable and other groups.

Cathy Peattie: I am pleased to hear that. Given that the average fee is about £200, and that many hall incomes are around £3,000 or less, I hope that the minister will support Cathie Craigie's amendments to restore exemptions.

Kenny MacAskill: We will lodge Government amendments to change the policy of the former Liberal-Labour Administration.

First Minister's Question Time

11:59

Engagements

1. Iain Gray (East Lothian) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S3F-2094)

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

Iain Gray: Under the ministerial code, ministers are expected to behave according to the highest standards of constitutional and personal conduct. The First Minister is the ultimate judge.

Two weeks ago, Mark MacLachlan, an aide to Michael Russell, was identified as the anonymous author of a blog with a track record of smears and abuse of political opponents. On BBC Scotland, Mr Russell was asked:

"Did you know he was doing it?"

He replied, "No." Today, however, Mr MacLachlan says that Mr Russell was not only aware of the blog but even "suggested possible subjects." Is the First Minister undertaking an investigation under the ministerial code to establish whether Mr Russell told the truth to the BBC?

The First Minister: No. What I have ascertained is that, as Mike Russell has made repeatedly clear, he was shocked to be told about the matter, knew absolutely nothing about it and accepted, of course, Mr MacLachlan's resignation.

I deprecate attack blogs. I do not think that any political party should have anything to do with them. I do not think that that is what the internet is for.

This week we have seen a huge issue with the collapse of Globespan and the enormous planetary issue that is being debated in Copenhagen, and yesterday we saw the first drop in unemployment in Scotland in 18 months. Does Iain Gray not consider that those are some of the issues that the people of Scotland would expect the Opposition leader in Scotland to raise, rather than to focus on personality and process?

Iain Gray: I have already made clear how important I believe the climate change talks in Copenhagen are—frankly, they are rather more important than an attempt at a photo call with Arnie Schwarzenegger. This morning, I have made very clear my concerns about the 800 employees of and the 4,000 travellers with Globespan. However, the First Minister cannot use those job losses to hide behind in order to avoid answering questions about this matter.

If Mr Russell did not know about this "black ops" blog, there is no impediment to his coming to the chamber to set the record straight. Will the First Minister instruct Mr Russell to come to Parliament and confirm whether he knew of the blog?

The First Minister: Mr Russell has already said repeatedly that he did not know of the blog, and Iain Gray has absolutely no evidence to suggest that that statement is inaccurate.

I used the words "personality and process" deliberately, because Labour members should remember that in Iain Gray's St Andrew's day speech, which he made on 2 December, he said:

"We focus too much on personality and process and not enough on the issues that the Scottish people care about."

Our politics needs the chattering classes, but we have to be sure that we are chattering about the right things."

I submit to the chamber and the Opposition leader that the people of Scotland would expect him to be chattering about the things that he says he cares about but does not bother to raise at First Minister's question time: the state of the Copenhagen summit and what is going on there. Let us debate that. Let us debate the plight of the staff and passengers of Globespan. Let us debate the unemployment figures in Scotland, which show the first decrease for 18 months. Those are the issues that he should be raising, not personality, smears and process.

Iain Gray: It is exactly because I care about Scottish politics that I wish to see these anonymous blogs rooted out and got rid of. That is why, six months ago, when one of those blogs was spreading smears and rumours about me and my marriage, I asked the First Minister to take action. He refused to do so and said that those blogs were nothing to do with the SNP, but now we discover that the author of one blog worked for one of his ministers.

The First Minister says that Mr MacLachlan resigned, but Mr MacLachlan says that he did not resign and that Michael Russell phoned him to say that he had to go. Mr MacLachlan says that an apology that was issued in his name was written by Kevin Pringle, who is the First Minister's most senior adviser. If that is true, a cover-up has been attempted that involved the First Minister and his office. Did the First Minister order Mr Russell to sack Mr MacLachlan and order Kevin Pringle to draft a resignation statement for Mr MacLachlan?

The First Minister: Iain Gray descends from bad to worse. Mr MacLachlan is not an appropriate person to work for any MSP.

Iain Gray mentioned six months ago. At that time, a Tory blogger—Iain Dale—wrote:

"Readers in Scotland and Wales may be having a wry smile at the fact that the grubby Red Flag blog didn't quite make it to the internet in time"—

if we remember, that blog was connected with the Damian McBride affair—

"For in those two countries, Labour has indeed started up versions of the Red Rag"—

[*Interruption.*]

The Presiding Officer (Alex Fergusson): Order.

The First Minister: He continued:

"In Wales we have the Aneurin Glyndwr blog ... and in Scotland A Leaky Chanter (started in December 2008)"—
[*Interruption.*]

The Presiding Officer: Order.

The First Minister: He continued:

"They are not as salacious as the Red Rag was intended to be, but they clearly exist as attack blogs".

Here is the challenge: if we want to talk about conduct in politics, let us condemn attack blogs from whatever source. After Damian McBride and the Leaky Chanter, the Labour Party should not pretend that it has not had serious involvement in such things. As a Parliament, can we not agree to deprecate such conduct?

Iain Gray: I condemn absolutely attack blogs from whichever part of the political spectrum they come. I want the matter to be cleared up properly, so I ask: will the First Minister release any documents or e-mails that relate to Mr MacLachlan that any ministerial office or any of his special advisers holds? When did the First Minister, Kevin Pringle and any of the First Minister's other special advisers know about Mr MacLachlan's blog? Just for today, will the First Minister say when he or Kevin Pringle first had sight of the e-mails that were published in *The Herald* today?

The First Minister: I knew about Mr MacLachlan's resignation when Mr Russell informed me that his former employee was no longer working for him because he did not judge Mr MacLachlan to be a suitable person to work for him.

The question for Iain Gray is whether he knows the difference between an allegation and a revelation. I have a remarkable statement from him this morning in which he talks about "revelations" in *The Herald* today, which is a dangerous course of action to take. It is only a few days since the same journalist who writes in *The Herald* today said on the front page of the *Sunday Herald*:

"Labour leader Iain Gray in new donations 'sleaze' row".

That referred, of course, to what has become

known as the burgergate scandal in East Lothian. My point is that that is an allegation, not a revelation. A statement is a revelation only if it is established. If Iain Gray bandies about allegations as revelations, he should not be surprised if he has to answer the allegations about his constituency.

It is extraordinary that Iain Gray comes to the chamber to bandy about comments on process and personalities, to ignore the big issues that face Scotland, to be totally unaware of the feet of clay in his constituency, to recycle smears and not to accept a minister's clear statement that he—like me and, I hope, every member of Parliament—deprecates the smears and attack blogs that have been prevalent throughout the political system.

Prime Minister (Meetings)

2. Annabel Goldie (West of Scotland) (Con): To ask the First Minister when he will next meet the Prime Minister. (S3F-2095)

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

Annabel Goldie: Obviously in the same boat as the Governor of California.

I bring a story of NHS good will to the attention of the First Minister. A Mr Guthrie recently received a new hip at the Scottish regional treatment centre at Stracathro. It was paid for by the NHS, the procedure was delivered by an independent provider, and Mr and Mrs Guthrie are full of praise for the attention and care received. I understand that, best of all, Mr Guthrie sought advice on 21 October and got his new hip in just less than three weeks.

Now some winter chill sets in. In due course Mr Guthrie will need his other hip to be replaced, but, because the unit is being fully transferred back into the NHS, he has been informed that the waiting time for that operation will be at least 18 weeks. How can the First Minister justify that as being acceptable?

The First Minister: First of all, the Governor of California had a meeting with our Minister for Transport, Infrastructure and Climate Change, Mr Stevenson. [*Interruption.*]

The Presiding Officer: Order.

The First Minister: I am reliably informed that Mr Stevenson was pleased to give the Governor his autograph as a result of that meeting.

Annabel Goldie should not, even as an aside, deprecate the impression that Scotland has made on the Copenhagen summit. The leaders' commitment session contained state governors, representatives and premiers from countries representing 350 million people. Every single one

of our non-governmental organisations was well represented, and the summit has praised Scotland's efforts to make an impact on a global issue.

Members: It is about health.

The First Minister: If Conservative members do not want to talk about climate change, they should suggest to Annabel Goldie that she does not refer to it in her question.

The Cabinet Secretary for Health and Wellbeing has been pleased to see the facility at Stracathro reintegrated with the national health service. Not only are the figures to which Annabel Goldie referred for maximum waiting times, but waiting times across Scotland have been falling under this Government. Under the administration of the Deputy First Minister and Cabinet Secretary for Health and Wellbeing, we have the best delivery of operations to the people of Scotland in our health service history.

We do that as a national health service. The problem with the Tories on that issue—and perhaps the problem with them on several issues to do with public services—is that, fundamentally, people do not trust their commitment to a national health service within the public sector that is freely available at the point of need.

Annabel Goldie: As the First Minister has just eloquently demonstrated, the hostility of the SNP and his health minister, Nicola Sturgeon, to involving the independent sector in the NHS is widely known and affirmed today.

Patients such as Mr Guthrie do not care who delivers a procedure; they just want pain relief as quickly as possible. The independent contribution at Stracathro has achieved a significant reduction in local NHS waiting times, there are no hospital-acquired infections, and there has been a saving to the NHS of £2 million. That is what patients want. What is the First Minister doing to promote such independent involvement in the NHS? If he is not doing anything, why is the First Minister allowing SNP dogma and prejudice to block the delivery of swift, cost-effective and quality health care?

The First Minister: I present Annabel Goldie with what we might call an inconvenient truth—the contract at Stracathro was terminated by the private company itself. That is a fairly fundamental fact that Annabel Goldie should have researched before she started asking her questions. Does she not understand the proposition that the unit would have closed if the health secretary had not brought it back into the national health service? I believe that Annabel Goldie and her deputy are in a small minority in Scotland who do not believe in a publicly funded, publicly delivered health service that is free at the point of need to the Scottish

people and which delivers record service on waiting times and a variety of treatments throughout this country.

Cabinet (Meetings)

3. Tavish Scott (Shetland) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S3F-2096)

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

Tavish Scott: Last week Audit Scotland reported that health funding was “a challenge” and “difficult” and that it was

“difficult to see where the money would come from”.

On Sunday morning, the Cabinet Secretary for Health and Wellbeing said that we were scaremongering to point that out. On Monday morning, Greater Glasgow and Clyde NHS Board said that it was cutting the number of nurses to balance the books. What happened in those 24 hours to turn a scare story into the grim reality for patients?

The First Minister: As Tavish Scott should know from examining the budget, we have protected health spending in Scotland. In these tough economic times, it is one of the priority areas that are receiving an above-inflation increase. Egged on by Tavish Scott, every public body in Scotland is making provisions and examining where it can deliver public services more efficiently. It is right and proper that they should do that. The difference between the efficiency savings in the health service that this Government proposes and the savings that Governments elsewhere propose is that every single penny of the savings that we make will be reinvested in the health service. That is how it should be and how it will be under this Government.

Tavish Scott: Money is available for some policies. For example, it is available for the Cabinet Secretary for Health and Wellbeing to award consultants bonuses of up to £75,000 each. Seven of the consultants to whom she gave bonuses last January now serve at the private Murrayfield hospital in Edinburgh. However, Nicola Sturgeon told the SNP conference:

“Our government will invest taxpayers' money always to build up NHS services, not to build up the private health sector.”

Millions of pounds are being used to pay consultants' bonuses even though the taxpayer does not get all of their time for the NHS. Does the First Minister intend to do anything about that?

The First Minister: I remind Tavish Scott—because he has a selective memory on these

matters—that the system of distinction bonuses was introduced by an Administration in which he served as a minister; not only that, but we now have the figure for the total that was paid during its term of office. During their period in office, Labour and the Liberals spent well over £100 million on distinction awards. I do not mind Tavish Scott raising questions and identifying issues—indeed, Mr Swinney has responded positively to such suggestions over the past week—but, when asking me to reform systems, he might occasionally reflect on his questions and remember that all of the systems that I must reform were put in place by him and his colleagues.

The Presiding Officer: We will take a supplementary question from Liam McArthur.

Liam McArthur (Orkney) (LD): The outcome of this week's fisheries negotiations in Brussels is the usual mixed bag. As ever, it will take some weeks to gauge the impact that new effort and quota restrictions will have on our fleet. However, does the First Minister accept that it is already clear that the roll-over of emergency management measures on the west coast for another 18 months will cause serious problems for a number of white-fish vessels? Will he ensure that the Government works with the industry to develop alternative proposals for the west coast as a matter of urgency, following the Commission's invitation to it to do so during the first half of next year?

The First Minister: I confirm that we will do that. The member, who represents a fishing constituency, has summed up the position ably and properly: the result of the negotiations was a mixed bag. There are certain huge challenges in the decisions that have been made to date. Obviously, some decisions have been deferred as a result of the breakdown of the negotiations between Norway and the European Union.

A number of white-fish boats will be affected severely by the roll-over of emergency restrictions on the west coast. The Cabinet Secretary for Rural Affairs and the Environment is discussing with the industry ways in which the pressure on those vessels can be alleviated. It should be acknowledged—I am sure that the member would be the first to do so—that many of the gains that were made in the negotiations, in a most difficult situation, offer hopeful prospects of real underlying reform of the common fisheries policy. Reform and change are badly needed.

National Health Service Boards (Front-line Services)

4. Christine Grahame (South of Scotland) (SNP): To ask the First Minister, in light of its commitment to protect front-line public services, what the Scottish Government's position is

regarding reports that some NHS boards are considering cost-cutting exercises likely to impact on front-line services. (S3F-2099)

The First Minister (Alex Salmond): The NHS budget is rising next year, to a record £11.347 billion, despite the toughest financial settlement since devolution. That represents a substantial increase in the face of extreme financial conditions.

The Government has prioritised and protected health in its draft budget for 2010-11, in the face of the first real-terms budget decrease from Westminster for the Scottish Government. Our commitment is that savings that result from efficiencies will continue to be reinvested in front-line services. We expect NHS boards, in their local delivery plans for next year, to focus on better outcomes with the funding that is available and to secure better value for every pound that is spent.

I point out the Government's track record of investing in front-line health services. Figures released on 15 December show that more people than ever before are now working for NHS Scotland. As at 30 September, there were 168,976 staff employed by the NHS, which is up by 3,425 on last year. The number of medical staff rose from 16,195 to 16,256, the number of nursing staff rose from 67,965 to 68,681, and the number of dental staff is now more than 5,000, which is up by 412. Most people who are concerned about the health of Scotland will welcome those increases in staff numbers in these most difficult of conditions.

Christine Grahame: At present, Westminster takes £30 million a year from Scotland as a result of the British Government's refusal to return attendance allowance, which was saved as a result of the introduction of free personal care. In the seven years since that time, the accumulated loss to Scotland stands at £210 million, which could have paid for 1,600 nurses. Instead, to quote the former First Minister Henry McLeish, that money has been used for

"increasing benefits to people in England."

Does the First Minister agree with me, and with his predecessor Henry McLeish, who wrote to the Treasury in 2002 to say that the on-going situation was "impossible to explain" and "Politically ... doesn't look clever"?

The First Minister: Yes, I agree with Henry McLeish.

Members: Oh!

The First Minister: There was a time when Labour members, who are now catcalling, supported Henry McLeish.

The recovery of attendance allowance funding for residents in care homes, which was removed

by the Department for Work and Pensions following the introduction of free personal care in 2002, remains a key area of contention between the Scottish Government and Her Majesty's Treasury. Despite repeated attempts to solve the matter, we have been unable to reach a successful conclusion.

The removal of attendance allowance from self-funders and care homes in Scotland was estimated to have saved the DWP £23 million in 2002. When Lord Sutherland did his independent review of free personal care in 2008, the estimated saving had risen to more than £30 million. A figure of £200 million seems a reasonable estimate for the past seven years. I am sure that members across the chamber would think it the best Christmas present imaginable for the Scottish people if those £200 million of funds, which are being kept in London by the Treasury and the DWP, were made available for investment in Scotland's national health service.

Jackie Baillie (Dumbarton) (Lab): Does the First Minister agree that the figures that he quoted mask a reduction in the number of clinical staff moving from full-time to part-time employment? Given that the NHS is labour intensive, does he agree with the British Medical Association that, last year, he presided over a reduction of 2.1 per cent in nurses and of 13 per cent in accident and emergency specialists, and that that has a direct impact on front-line services?

The First Minister: Only Jackie Baillie could interpret the real-terms increase in national health spending and the huge increases in the number of national health service staff as anything other than a triumph in the most difficult of prevailing economic conditions.

Jackie Baillie might consider this conundrum. If we accept that, in the coming year and certainly in the future, there will be a real-terms decline in public spending, does she not welcome the fact that the health service has been protected and will continue to be protected by this Government? Will there ever be any such assurance from the Labour Party, given that it is the colleagues of Labour members here who are looking forward to the decline in public spending?

Teacher Induction Scheme Employment Survey 2008-09

5. Des McNulty (Clydebank and Milngavie) (Lab): To ask the First Minister how the Scottish Government will respond to the General Teaching Council for Scotland teacher induction scheme employment survey 2008-09 showing that only one in five newly qualified teachers is in full-time permanent employment. (S3F-2105)

The First Minister (Alex Salmond): The Scottish Government wants there to be more post-probationer teachers in permanent full-time employment. To support that aim, we have taken forward the recommendations of the teacher employment working group, which was set up with representatives of councils and teaching unions, in order to find a better way to plan the workforce needs of our schools. What is more, we announced on 25 November that, through a £10 million borrowing facility between 2009 and 2011, up to 500 teachers will be able to take early retirement to enable the recruitment of new or recently qualified post-probationary teachers.

Des McNulty: How would the First Minister respond to the question that flummoxed Michael Russell when it was posed on Tuesday by a secondary headteacher, who—after hearing Mr Russell extol the tremendous success of his predecessor, Fiona Hyslop, in taking a realistic, flexible and sustainable approach by working with councils to deliver the Government's long list of policy commitments—said, "There's no money, so tell me what your priority is"?

The First Minister: I am not certain that Des McNulty delivered that question in the way that he wanted.

I have already said what our priority is as regards teacher employment and securing posts for post-probationary teachers. Given that we are in the business of conundrums, I was puzzled to find that excellent suggestion of an early retirement scheme to create 500 posts for post-probationary teachers described by Iain Gray—if I remember the phrase right—as "a panic measure", only for the same scheme to be encapsulated a few days later in an amendment from Des McNulty to a motion for debate in the Parliament. I am delighted that Des McNulty prevailed over his leader to get him to see some common sense; it is a pity only that he did not do that before the First Minister's question time in which Iain Gray described the scheme as a panic measure. However, in this Christmas season, I salute the reasonableness of Des McNulty. No doubt next year he will get his leader on side on his reasonable position.

Margaret Smith (Edinburgh West) (LD): Yesterday, I asked the Cabinet Secretary for Education and Lifelong Learning how the Government planned to deliver a 7 per cent increase in the number of classes of 18 or fewer in under a year when his Government has delivered only a 1 per cent improvement in the past two years. Can the First Minister tell us how that will be achieved?

Can the First Minister also confirm whether the discussions with the Convention of Scottish Local Authorities on reducing class sizes will include the

issue of teacher numbers, given the Scottish National Party's previous commitment to maintain teacher numbers at the 53,000 that it inherited from the previous Administration?

The First Minister: As the member knows, we are in discussions with COSLA on ways to accelerate progress, including on class sizes. Such progress will help to tackle the problem of post-probationary teachers being unable to find full-time employment. I hope that those talks will reach good conclusions and recognise the progress that is being made by many councils as well as the lack of progress on the part of some councils.

I am moving away from looking at the matter as just a party-political issue, but in my last reference to it as a party-political issue I am delighted to confirm that SNP councils are among the councils that have been enthused to make progress on reducing class sizes. SNP councils have the smallest teacher pupil ratios in Scotland and have achieved more on reducing class sizes. In the new year, perhaps that enthusiasm of so many SNP councils will be translated to Tory-led councils, to Liberal-led councils and—lo—even unto Labour-led councils in Scotland.

Emissions Targets (Nuclear Power)

6. Murdo Fraser (Mid Scotland and Fife) (Con): To ask the First Minister what action the Scottish Government will take in response to calls for investment in new nuclear capacity as a means of meeting emissions targets. (S3F-2098)

The First Minister (Alex Salmond): The Scottish Government has no plans to invest in new nuclear capacity. Scotland has a massive renewables resource, with a quarter of the European Union's wind energy, a quarter of its tidal power and 10 per cent of its wave energy potential. As we heard in a BBC programme just the other night, we have enough energy to power Scotland 10 times over in terms of its electricity requirements. Developing those clean green technologies to meet the challenges and opportunities that are posed by climate change as well as our energy needs has the potential to create tens of thousands of jobs. Every penny that is spent on dangerous and unreliable new nuclear is money taken away from that renewables opportunity.

Murdo Fraser: If we are serious about our climate change targets, is it not time that we had less hot air and grandstanding in Copenhagen from the First Minister and, instead, some practical solutions? When will he start listening to the growing chorus of voices in support of safe low-carbon nuclear capacity? Nuclear energy is supported even by Ian Marchant, the chief executive of Scottish and Southern Energy, who is

the man whom the First Minister personally appointed to chair the Scottish Government's 2020 delivery group to ensure that we meet those important targets?

The First Minister: When Murdo Fraser described nuclear energy as safe, he reduced Mr Rumbles to a fit of giggles. *[Interruption.]*

The Presiding Officer: Order.

The First Minister: Perhaps Murdo Fraser will consider this. It is almost 25 years since Chernobyl but there are still five farms in Scotland that are not allowed to engage in sheep farming—as a result of a nuclear incident many hundreds of miles away. Murdo Fraser shakes his head but, in the light of his description of the nuclear industry, he should reflect on the fall-out of a nuclear incident.

In Copenhagen, we have placed before a range of institutions the extent of Scotland's opportunity in power generation. It is extraordinary that, when more and more people are accepting Scotland's key competitive advantage on the energy technologies of the future and the marine renewable resource, Murdo Fraser is reduced to suggesting occasionally that a country that can potentially power itself 10 times over will be short of sources of power. Our biggest question in taking this opportunity is to remove the discrimination against our generators, which have to pay many times what generators south of the border are asked to pay to connect to the grid. Perhaps on that issue, going into the new year, I will get support from Murdo Fraser and we can unite to campaign together against anti-Scottish discrimination.

Allotments, Community Gardens and Grow-your-own Projects

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a members' business debate on motion S3M-5087, in the name of Jim Tolson, on allotments, community gardens and grow-your-own projects. The debate will be concluded without any question being put.

Motion debated,

That the Parliament congratulates the Scottish Allotments and Gardens Society in its role supporting allotment holders and community gardens in Scotland, encouraging the development of new sites, enhancing biodiversity and preserving skills in gardening; acknowledges the valuable work carried out by other organisations in the promotion of community gardens and grow-your-own projects; recognises the links between green space, activity and good health and the social, financial, environmental and health benefits of gardening and growing one's own food; highlights the need to protect and enhance green spaces, particularly in urban and deprived areas; notes that Crossford Community Council, in conjunction with Crossford Allotment Association and the Carnegie Trust, is investigating the provision of land for allotments, community gardens and social enterprise, and hopes that local authorities and other public bodies examine ways of transferring land to local communities to be used for such projects.

12:33

Jim Tolson (Dunfermline West) (LD): As a keen gardener, I am grateful for the opportunity to lead the debate. I thank the 44 MSPs—at the most recent count—who have supported the motion.

I am sure that all will be aware of the increasing demand for allotments and community gardens throughout Scotland. According to recent figures produced by the Scottish Allotments and Gardens Society, Scotland has 7,000 allotment plots available this year, which works out at one plot per 700 people. England has 235,000 plots available; in other words, one plot per 170 people. That contrasts starkly with the situation in 1945, when Scotland had 90,000 plots, or one plot per 60 people. At the moment, 55 per cent of sites are outwith Glasgow, Edinburgh, Dundee and Aberdeen—in other words, outwith the main centres of population. More than 70 groups throughout Scotland are seeking land for new sites. Those figures set the scene.

Encouraging the provision of more allotments and community gardens throughout the country will contribute to the Scottish Government's agenda. First, there is climate change. By increasing the amount of food that we grow in this country, we will contribute by reducing food miles, and emissions from food production. We could eat more seasonal food, which has travelled fewer miles.

Most people will have heard of the Fife diet, which aims to encourage as many people as possible to source their food locally and seasonally, reducing carbon emissions and changing attitudes to food. Grow-your-own projects can certainly contribute to improving the health of the nation. They can produce health benefits through improving diets, and gardening benefits people's wellbeing and mental health.

"Growing Scotland", which was produced by the Scottish Allotments and Gardens Society, states:

"Forty per cent of Scottish therapeutic gardening projects are mental health projects and recognise that physical and mental health are inextricably linked. One of the most frequent comments people give for choosing gardening activity is that it helps them to combat stress.

Promoting horticulture and supporting the provision of new allotments, community gardens and therapeutic gardens would have a very large effect on the health and well being of the nation."

From an education point of view, we have eco-schools and the curriculum for excellence, and many schools now encourage pupils to have a go at growing their own food. For many pupils, that is the first time that they have the chance to try to grow plants and to try really fresh food straight out of the ground. The provision of more community gardens would help to introduce more young people to gardening and to preserve gardening skills that, in the past, would often have been passed down from one generation to the next—that happened in my case. That will lead to community cohesion. Where better can community relations be improved than in community gardens and allotments that attract and encourage a range of people of different ages and backgrounds to meet and work together on projects?

Growing your own produce has economic benefits. Peter Wright of the Scottish Allotments and Gardens Society has produced figures that illustrate the yield of the typical allotment. Food can be provided for six months of the year for a family of four, with some to spare and give away. Experienced growers grow vegetables, herbs and flowers all year round. We should certainly encourage grow-your-own projects throughout the country. A number of organisations—some of which are represented in the gallery today—seek to encourage such projects in various forms. There are two active allotment groups in my constituency, and at least two more are seeking sufficient land to set up more allotments. I am sure that other members will talk about the issues that affect their areas.

In Dunfermline, the Whirlbut Street allotment site has been active since 1926. I met its current chairman, Ray Henderson, and other plot holders last Friday. Ray told me that there is a four to five-year waiting list for its plots. A similar picture

prevails at Admiralty Road allotments in Rosyth. At the weekend, I spoke to many members of the group there at a committee meeting, including an old workmate of mine, Jock Howatt.

There are such problems throughout Fife, not only in Dunfermline West. There were 377 names on the Fife-wide waiting list, and I am sure that that number will have risen by now. From April this year, Fife has had an allotment strategy in place. Peter Howden of Fife Council, who is very supportive on the issue and is in the gallery today, is due many thanks for that. Indeed, I understand that nearly 50 tickets for the debate were booked in advance and that many others have turned up on the day. There must be nearly 100 people in the gallery. That is a strong indication of the importance of the subject to the people of Scotland.

Crossford allotment association is to establish allotments on the site of a former council nursery in my constituency. The community enterprise route has been suggested for that site. That would allow funding assistance to be provided for the project.

A problem prevails throughout the country, not just in Fife. The Scottish Government recognises the role that growing your own food can play in its national food and drink policy. We need to encourage other bodies, including health boards, to release land, perhaps on short leases, for use in such projects. There are examples of bodies, including NHS Lothian, that are seriously considering such issues. Surely it is better to use land that is not required at the moment for development for community use.

The benefits of allotments to the individual, the family and the community cannot be overstated. Allotment gardening is a low-cost activity that improves the health of those who take part in it and fosters better community relations between people with similar interests. Truly, it is a win-win situation for all. However, there is a problem in the loss of sites, a long-term focus on building on every plot of land and an unwillingness among some public and private agencies to release land for community use. All those factors have stifled the availability of allotments. I believe that there is not enough focus on the availability of plots to meet the high demand that exists for allotments. Local authorities, health boards, the Forestry Commission Scotland and other public bodies could allow small areas of land to be used for such purposes, providing regular rental income to the owners and reducing or even removing the huge waiting lists. I hope that, when the minister sums up the debate, she will assure members that she will do all that she can to encourage public agencies in Scotland to release land for community use.

The Deputy Presiding Officer: We now come to the open debate. I ask members to try to come in under four minutes, so that we can get everyone in. Because it is lunch time, I am reluctant to extend the debate.

12:41

Sandra White (Glasgow) (SNP): I congratulate Jim Tolson on securing this important debate. I hope that it serves to galvanise and drive forward our current thinking on the provision of allotments, community gardens and green spaces. As Jim Tolson has said, there are organisations throughout Scotland that are dedicating their time and energies to the promotion and encouragement of establishing green spaces for all uses. I, too, congratulate the Scottish Allotments and Gardens Society on its efforts.

I also highlight the work of organisations such as NVA and the Glasgow allotments forum, which work constructively with other organisations and the local authority and have been successful in influencing current thinking on the future direction of the provision of allotments. Glasgow City Council recently presented its allotments strategy for 2009 to 2013 to the group. I sincerely hope that the overarching aim of creating an inclusive, vibrant community of allotment gardeners that will contribute to the wellbeing of the citizens of Glasgow will be realised. Of course, for that to happen in Glasgow and throughout Scotland, all stakeholders must work together in a constructive manner to achieve that aim.

However, the recent experience of people in North Kelvin has not filled many in Glasgow with optimism. The council's attempt to have the local people forcibly removed from the land that they have been using to grow their own food, without proper consultation or discussion of alternatives to the forcible removal of those people, goes directly against its stated aims. Although the council states in its strategy that it is guided by national legislation and public duties, it has acknowledged that, because of the archaic nature of the legislation on allotments, the statutory duty on local authorities to provide allotments is open to interpretation. Given that admission, I would be interested to know the minister's interpretation of the duties on councils. I hope that she will also explain what recourse citizens would have if they believed that a local authority was not fulfilling those duties. If the minister accepts that the current legislation is open to interpretation, will she support a review of the legislation in order to address the uncertainties that exist not just in Glasgow but throughout Scotland?

Let us not forget that we are trying to empower individuals and local communities to provide for themselves and, as Jim Tolson has said, to teach

future generations the essential skills of not just gardening but self-determination. Historically, due to many factors that warrant a separate debate, our sense of community and belonging has been eroded to such a point that many people now feel disconnected from the community in which they live. In areas such as those that we have spoken about in Jim Tolson's constituency and in Glasgow, allotments can act as a focal point at which the community can come together and rediscover the values on which we in Scotland pride ourselves. That must also be seen as a fundamental aim of any national policy on the provision of green areas.

I look forward to receiving the minister's responses to my questions either today or later, in writing, if she does not have the information to hand.

12:44

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I thank Jim Tolson for lodging the motion, which highlights the many benefits that people and communities derive from being involved with allotments and community gardens. He touched on a lot of the issues in his opening speech. Because time is limited, I will take a few minutes to highlight the work of the Cumbernauld allotments association in my constituency. Like others across Scotland, it is a thriving group that is made up of people who garden for pleasure, for food and to keep fit and healthy, as they enjoy the walk to the allotments in the morning and the company of the people whom they meet there. Allotments provide a host of benefits to individuals and communities.

Like other allotment sites across the country, the one in Cumbernauld could do with more space. There always appears to be a waiting list. Often, a waiting list for membership of an organisation is a good sign, but when people are on such a list for years, it can be quite frustrating. It makes it particularly difficult to get young people involved, as they will move on and do other things with their lives. I encourage all councils to make additional space available for the very good projects that are operating in their areas.

The Cumbernauld allotments association involves itself with the community, particularly in schools. As I go around primary schools in my constituency, I often meet volunteers from the association who are doing work with eco-school committees. They show young people how to prepare the ground for planting, how to grow vegetables and fruit and even how to prepare soup with the vegetables that people have grown themselves. Sitting around a table and enjoying the produce that people have seen planted, grown and prepared is a good experience from the perspective of the volunteers and from the

perspective of some of the young people who perhaps think that carrots and turnips simply come from Tesco. We should encourage that work.

I hope that the minister will be able to give some warm Christmas cheer to all the people across the country who are involved with allotments and community gardens.

12:47

Nanette Milne (North East Scotland) (Con): I congratulate Jim Tolson on securing the debate. I absolutely agree with the motion. As the minister and others know, I have been pressing for a summit meeting of local authorities and other interested parties to see whether a way can be found to release more land for allotment development to satisfy an increasing demand, with the shortfall in provision standing at around 6,300 plots.

Of particular interest to me are the health benefits that derive from gardening. It provides exercise in the open air, which we can take at our own pace, so it is suitable for all ages. It helps to relieve stress, and is of proven benefit to mental health and wellbeing. Not only does locally produced food contribute to healthy eating, helping to combat the risks of obesity and the sedentary lifestyles of many people today, it tastes better and, as Jim Tolson said, helps to reduce our carbon footprint. Cultivated land is beneficial to the environment aesthetically and it also helps in attracting wildlife.

The Scottish Allotments and Gardens Society has done a great deal to support allotment holders and community gardens in Scotland, and there are already many initiatives that encourage local food-growing projects. We heard about a number of them in a recent debate on the central Scotland green network, and I have encountered good work in Aberdeenshire, such as the horizon project in Stonehaven, which has taken on responsibility for the floral displays in the town, which the council can no longer afford to pay for. There is also a community council initiative in Kincardine O'Neil, near Aboyne, which has produced beautiful floral displays in the summer and is now extending its efforts into spring flowers as well. Further, many local schools in my area have their own vegetable gardens.

There must be many pockets of land in public ownership—land owned by councils, health boards or Network Rail, for example—that could be allocated for use as allotments or community green space. That would bring significant benefits not only environmentally but economically, as it could raise some rental income while relieving the owners of the need to clean up and tidy unsightly pockets of ground.

I have no doubt that many householders in housing schemes would be willing to have at least part of their gardens looked after and cultivated by people in the area who are more able than they are or enthusiastic about gardening.

I was pleased in October when the Minister for Environment responded to my question asking her to consider organising an allotment summit by saying that such a summit is already under active consideration. I ask her to let us know what progress has been made on that.

Aberdeen City Council has recently drawn up an allotments policy action plan, which it hopes to develop during the next three or four years. That has generated a number of questions from a constituent of mine, who is present in the public gallery today, about the regulation of allotments under the Allotments (Scotland) Act 1892. It appears that there is a need for clarification of that legislation. According to my constituent, councils throughout Scotland appear to be ignorant of the provisions of the 1892 act. I ask the minister to undertake to have her officials examine that legislation to ascertain whether it is fit for purpose in the 21st century, or whether it needs tweaking to bring it up to date. My constituent could give some input on the current interpretation of the law, as illustrated by his recent experiences in Aberdeen. I will contact the minister directly about that matter outwith today's debate.

The issues that Jim Tolson's motion raises are important, and I hope that action will be taken soon to meet the demand for land that can be used for allotments and community gardening.

12:51

Hugh O'Donnell (Central Scotland) (LD): I congratulate my colleague Jim Tolson on bringing the debate to the chamber. It is a truism that we have a shortage of available land, but it seems, based on anecdotal evidence and some constituency work, that land is available.

One of the barriers that I seem to encounter occasionally, if not frequently, is the challenge that is posed by statutory consultees on planning applications. I am aware of a number of cases in which organisations have bid for land that is seemingly derelict or not being used, but their desire to create allotment space and community gardens on that land is impeded by the statutory role of various public bodies. Although I acknowledge the need for those bodies to have that right, we need to balance that with the desirable outcomes to which Jim Tolson and other members have referred—the joys, health benefits and other benefits of gardening and allotments.

My only question to the minister on the subject is whether we can find a methodology for giving

guidelines to those statutory consultees that will give them a bit of latitude. Recently, a decision on an application for allotments in Bothwell was called in, and the minister found in favour of the people who wanted to set up allotments and community gardens, for which I thank her. That is a clear indication of how successful the process can be, but the problem is that it takes such a long time. We need to find a way to get things happening quickly.

Cathie Craigie referred to a group in her constituency of Cumbernauld. Although I have some acquaintance with that group, I am also involved with another organisation in Cumbernauld, which had a small piece of ground next to a building that it owned on an industrial estate. After a fight with the planning authorities, of the type that I have just referred to, the group got permission to create two allotments. We had 85 people asking for one of those two pieces of ground. That indicates the scale of enthusiasm for such projects.

Local authorities do not consistently do enough to promote the allotment agenda, and they are not consistent in making land available. I encourage the minister to address a couple of those issues in her closing remarks, and, perhaps more important, in communications with the local authorities.

12:54

Christopher Harvie (Mid Scotland and Fife) (SNP): I congratulate Jim Tolson on raising this important topic in a members' business debate and stealing just about everything that I was going to say in my speech. As an historian, of course, one remembers the Scottish past, and the debate reminds me that one of the great ways in which imperialism advanced in the previous century was through Scottish gardeners going abroad. No sooner had the redcoats gone back to their ships than there was a Scotsman sticking in a tree or a plant in Ceylon or Singapore. That great tradition emerged in literary terms in such great creations as Mr McGregor, who nearly made Peter Rabbit into a pie, and P G Wodehouse's Angus McAllister, who is the origin of the famous phrase,

"It is never difficult to distinguish between a Scotsman with a grievance and a ray of sunshine."

He was the gardener, of course, to Bertie Wooster.

It seems odd that, at a time when we discuss the scarcity of land, one sees from the train great acres of set-aside land in which the yellow flower of the ragwort, which is actually a toxic flower, is blooming. It seems odd that we have got out of control in that way. To go back to what Voltaire said at the end of "Candide", we have to cultivate our garden again. I suggest that we try at least

informal approaches to those great landlords in Scotland who have huge amounts of unused land. Think about the areas of land around railway stations—which are owned by Network Rail—that just have weeds growing on them. Those who travel on the continent will know that, there, such areas are often made up into little Kleingarten or Schrebergarten where people can not just grow plants but sunbathe in the summer—when we have summer. They can also use them for family excursions, barbecues and that sort of thing. That is an important element and we ought to follow it up.

We should also think about what goes into the garden and what comes out of it. What should go into it is the huge amount of compost that many people accumulate. In my part of the Borders, we have colossal green wheelies for compost, which gets carted off to some unknown destination. The emphasis should be on getting people to compost their own stuff locally and, if they cannot use it in their own garden, as a lot of elderly people cannot, we should have the means for them to barter or trade it with people who can use it on their allotments.

My final point is that what comes out of the garden is food that can be preserved. One of the most moving—and in fact almost chilling—experiences that I have had was while I was teaching in Russia in 1997. It was evident, because they told me, that the townspeople of the city of Perm in the Urals had survived because of the food that they grew in the summer in their dachas and in the little allotments outside the town and preserved in pickling jars and the like. We all had our zakuski, or hors d'oeuvre, and that was more or less what they lived on. For some people, gardening is not a pleasure but a necessity. Now that we cannot go abroad, it seems, because the airlines are going bust, we may find ourselves having to cultivate our gardens at home again. Jim Tolson has shown us the way forward. I thank him for that.

12:58

Sarah Boyack (Edinburgh Central) (Lab): It is a pity that allotments have not had a great profile in the Parliament of late. I welcome Jim Tolson's motion and the debate that we have had so far. Some excellent points have been made.

If we consider the big issues that we deal with in the Parliament, there is an extent to which allotments, community gardens and gardening can help with some of our biggest issues. We just do not make the connections. For example, we should consider the recession that we are going through; the debate about investment in public services and the value that we get from them, particularly health and education; and the food

procurement debate and concerns about food supply and food security, which link to the talks in Copenhagen this week. Allotments will not solve all those big issues, but they have a role to play in helping to tackle some of our problems.

If we take the Copenhagen issue and consider the statistics that WWF has about the carbon footprint of local authorities that relates to food, there is a massive issue there. Although that problem cannot be fixed by allotments and community gardens alone, they could form part of a movement raising awareness of more locally produced food. I would particularly like the minister—who will get her turn in the sun at some point—to examine the regulations on selling food from allotments. At SAGS's June meeting, I was told that, because of many health and safety issues, people are not allowed to sell on produce from allotments, and I certainly think that that very practical matter could be looked at.

In a recession, people will rightly be worried about money and the family finances. They are looking to cut back expenditure and get value for money, and the cost of food is a huge issue for many people who do not have much of a choice in their local shops or access to community food co-operatives. Moreover, for people who might have a lot of time because, for example, they have been made redundant early in life, are on the dole and cannot get back into work, training and the support provided by social networks are vital, and allotments can provide the kind of community support that not only stops people feeling isolated but allows them to make some kind of practical output. Jim Tolson was right to highlight Peter's Produce; I was stunned by the case study, which showed what one man in one garden—and not a particularly massive garden, either—could do in a year, and by the fact that he not only could feed his family but had food left over. If people realised how much can come from a well-run garden, they would be amazed by the various opportunities, the benefits to family health and welfare and so on presented by such activity.

In its "Finding Scotland's Allotments" document, SAGS points out that, during the second world war, there were 70,000 allotments. Those allotments were established as a national priority, and I believe that, with the challenges that we face from climate change, the recession and so on, putting allotments, gardening and the production of local food higher up our agenda would have a marked impact on our communities. As SAGS rightly points out, we simply do not have enough allotments to go round, so we need to look at what more can be done in that respect.

As colleagues have already covered the various health and welfare aspects of this issue, I want to finish with some comments about schools. I

believe that the current focus on healthy activity in schools should also include gardening, which could, for example, be linked into the eco-schools project—after all, people love eco-schools—while ensuring a practical output for children. This needs to be made a national priority, particularly for schools in disadvantaged areas where people have no access to gardens—

The Deputy Presiding Officer: The member should finish now.

Sarah Boyack: I hope that the minister will respond to the good ideas that have been raised in the debate.

13:02

Robert Brown (Glasgow) (LD): I welcome not only this chance to speak in Jim Tolson's debate on allotments, which is a subject very close to my heart, but the significant number of visitors to the gallery. We politicians should recognise and welcome the growing power of the allotments movement.

It is worth remembering and reiterating that local authorities have a statutory duty to provide sufficient allotments to meet demand; however, despite the recent and helpful development of a number of local authority allotment strategies in Scotland, which could and should form a basis on which to move forward, the duty is too often not taken as seriously as it might be. I hope that, when she responds, the minister will say something about what the Government can do to assist in that respect and tell us how local communities and individuals can enforce their rights under the allotments acts.

As other members have said, the subject of allotments and community gardens is relevant to today's society and can be brought to bear on various important issues, including the promotion of healthy vibrant communities; a renewed emphasis on seasonality, which I think is very important; and education about environmental concerns.

We should take a broad view of the matter. Members have referred, for example, to the use of Network Rail land. I have been privileged to be involved in a number of projects that have sought, with ScotRail support, to beautify local stations. I realise that that is not necessarily the same thing, but it is in the same direction of travel and I feel that a good deal more could be done in that regard.

The demand for allotments far exceeds the supply, particularly in urban areas. I believe that, in Glasgow, there are 26 allotment sites with a total of more than 1,200 plots, all of which are full, yet more than 600 people are on the waiting list. In

South Lanarkshire, the area around Rutherglen and Cambuslang, where I live, has very few sites; I think that there is a small site in Rutherglen and another in East Kilbride. A community allotments group is trying to identify a site in some other areas as well, but there are considerable difficulties with that. Hugh O'Donnell mentioned planning. Councils should give allotments greater priority. There is also a big issue with contaminated land in our area. Councils could do a great deal more to support allotments.

It is worth considering the example of the north Kelvin meadow and Clouston Street in the west end of Glasgow. A community group took over a disused green space and made it into a multi-use community space for the residents. They are not allotments, but there are raised beds, a fruit garden, composting facilities and a wild flower plantation. They have made an extremely good job of it and an area that was previously rather neglected is now attractive. Of course, in its wisdom, the city council has not taken the opportunity to move forward with the site; rather, it plans to sell the land, which is in an area of the city in which there is already substantial traffic congestion and a large number of tenemental properties, to a property developer.

Nevertheless, Glasgow City Council recognises the benefits of allotments. I reiterate Sarah Boyack's point about the association between allotments and primary schools, healthy eating, and educating children about the environment and seasonality. The project has been implemented in a number of schools throughout Glasgow. I have visited the allotment at Merrylee, which has links with the local primary school and is a good example of what can be done.

Allotments are an idea whose time has come. They are important in a number of respects and hit the right buttons. They should be supported. I hope that the Government and local authorities will make every effort to support this growing trend.

13:06

Robin Harper (Lothians) (Green): I thank Jim Tolson for bringing this debate to the chamber today. I would like to reflect on a few of the issues that have been raised. Like other members, I was concerned to hear about what has happened in north Kelvin meadows—it shows that we do not yet have the right mindset about allotments. I hope that more can be done to assist that group.

Edinburgh is particularly good—I believe that it is one of the leaders—but more than 1,000 people are queued up for allotments. One of my most satisfying and pleasant duties during the past 10 years has been to present the prizes at the Edinburgh allotments and gardens society's

annual—it could almost be called a fair. Just seeing the children and young men and women, as well as the old pensioners like me, turning up for it is absolutely wonderful.

The therapeutic value of gardens is recognised in Edinburgh through Redhall garden, the Royal Botanic Garden Edinburgh, and the Suntrap garden out at Gogar, which is currently suffering from a considerable lack of funds, although that case is not for the Government.

The Government should think about the importance of linking allotments to eco-schools. Next year is the international year of biodiversity and eco-schools are celebrating the fact that there are now 1,000 schools with green flags across Scotland, but at the same time the Convention of Scottish Local Authorities is pulling its funding for the grounds for learning initiative, which was the foundation for eco-schools. I urge the minister to engage with COSLA on that negative development.

Sarah Boyack reflected on biodiversity. We should think about the extraordinary biodiversity that is conserved in Scotland's gardens and allotments. More than 200 varieties of potato are being carefully nurtured in people's back gardens and allotments. Hundreds of varieties of apple are being grown in mini orchards. I will have an orchard in our little back garden fairly soon because I believe that, officially, an orchard needs to have seven fruit trees and we already have four; I will buy three trees in the new year.

I urge the minister to engage with COSLA about the grounds for learning initiative and to consider encouraging our councils, councillors and landowners to change their mindset and make a positive presumption in favour of giving over land for community use so that we can build up community and social capital and the health of people in Scotland through allowing them to work the land when it is vacant. That does not mean giving it up for ever; it just means that if land is vacant and nobody wants to buy it or build on it, it should be used for something useful.

13:10

The Minister for Environment (Roseanna Cunningham): I, too, congratulate Jim Tolson on securing the debate, which gives us a further opportunity to acknowledge all the incredibly good work that is done by the Scottish Allotments and Garden Society on what is effectively a shared agenda.

I have already had considerable engagement with many people involved in allotment work and other grow-your-own schemes. I sometimes think that every school in Perthshire is now growing fruit, which is all to the good. I know personally the

benefits that growing our own fruit and vegetables can bring. I am happy to donate a jar of my own rowan and apple jelly to anybody who wants to try it. Growing your own is time out with added benefits in food—if you are good enough at what you are doing—fresh air and exercise.

As Robin Harper said, allotments and gardens can also benefit biodiversity, although I sometimes think that the only biodiversity that is being encouraged in my garden is of the slugs-and-snails variety. Allotments and gardens form corridors for wildlife that often do not otherwise exist in built-up areas. That is particularly important for bees. I think we all know that we need to do something proactive about bees. Robin Harper informed me of something that I did not know: that, apparently, seven trees officially constitute an orchard. I am three trees ahead of the game and, as I intend to plant about five trees over the winter, I will join Robin Harper in creating an official orchard.

Many members referred to the fact that allotments also deliver social benefits through, for example, open days, social events, horticultural shows and produce sales. Cathie Craigie in particular mentioned that aspect of allotments. Other members mentioned issues related to social interaction. The aspect of social interaction that struck me in relation to allotments is the intergenerational one, which is extremely important.

I do not think that any member mentioned the enormous recycling benefit of allotments and grow-your-own schemes, which was surprising. Whenever I visit an allotment I see the amazingly inventive use of materials that would otherwise be discarded, which is effectively a diversion from landfill. I saw that particularly at the Springburn allotment that I visited a couple of months ago. That recycling aspect is important, too. If someone is a successful gardener, they not only increase access to affordable, healthy and nourishing food, but do the environment a big favour.

The Government is fully committed to supporting all individuals and community groups who are involved in allotments. As members have acknowledged, allotment provision is the responsibility of local authorities, but I hear the concerns about how the legislation works in practice. If I have a moment, I will come back to that. Other organisations that play a role include Scottish Natural Heritage, the Forestry Commission Scotland, the Federation of City Farms and Community Gardens, Trellis Scotland and the Lothians national health service. I visited Edinburgh's Bridgend allotments in November to see the excellent work that is being done there through a partnership between NHS Lothian and the City of Edinburgh Council. When it comes to

informal agreements—I think Jim Tolson mentioned those—NHS Lothian is an exemplar of how they can be made to work.

It is important that green spaces, particularly in urban and deprived areas, are protected and enhanced and that we create new ones where possible. Such developments happen in the country, too. For example, Comrie Development Trust in my constituency has effectively built 29 new allotments on land that it got from the Ministry of Defence in a community buy-out. They are effectively private allotments, although they are run by the community. Even in the country there is an enormous demand for allotments.

It is fantastic to hear about the work that is being done by Crossford community council, Crossford Allotment Association and the Carnegie Trust on the investigation of the provision of land for allotments, community gardens and social enterprise in Fife. It is an interesting area of work and I look forward to seeing it develop fully. Perhaps I can come and talk directly to the people involved. That kind of partnership will make a huge difference, and it underpins community cohesiveness. As members will know, Scotland has its first national food and drink policy, which we launched earlier this year. We highlighted the importance of, and our commitment to, grow-your-own initiatives.

We are working with the NHS, Forestry Commission Scotland and SNH to identify land holdings in their name to try to ensure that, wherever possible, land is made available for allotments. Since the autumn of 2008 we have been putting in money, not least of which is the £700,000 through the climate challenge fund, directly to allotments and grow-your-own schemes.

We have set up a grow-your-own working group, which met for the first time on 10 December. I hope that Nanette Milne will note that. The group will look at the idea of a summit. We will ask it to look at legislation, too.

The subject is important to the Government and extremely important to me, given that I am involved in a grow-my-own scheme at home, and I am always happy to get experience when I go round the country visiting others.

The new grow-your-own working group will take forward many points that members have raised in the debate. I am happy to share with members—Nanette Milne in particular—details of what the group plans to take forward. COSLA is on the working group. Many of the issues that members raised today will be explored during working group meetings.

I commend SAGS for all its work. I also commend Jim Tolson for bringing the debate to

the chamber.

Perhaps we should have a bring-and-buy sale—or a bring-and-offer-for-free sale, given that health and safety is an issue for the Parliament. We all could bring in produce. That would be an interesting exercise.

13:16

Meeting suspended until 14:15.

14:15

On resuming—

Question Time

SCOTTISH EXECUTIVE

Finance and Sustainable Growth

The Presiding Officer (Alex Fergusson): Good afternoon. The first item of business this afternoon is themed question time. The whole 40 minutes will be given over to questions on finance and sustainable growth. Question 1 has been withdrawn.

“Report on scrutiny of the Draft Budget 2010-11”

2. Murdo Fraser (Mid Scotland and Fife) (Con): To ask the Scottish Executive what its position is on the Finance Committee’s “Report on scrutiny of the Draft Budget 2010-11”. (S3O-8856)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I outlined the Scottish Government’s position in this morning’s debate.

Murdo Fraser: I refer Mr Swinney to paragraph 126, in which the committee asked the Scottish Government to provide

“an indicative profile of all capital projects and their expected annual costs over the next 10 years”.

Will the Scottish Government accept that recommendation and provide the information? If so, where on the list will upgrading of the A9 appear?

John Swinney: I appreciate Mr Fraser’s question. There would have been ample opportunity for extensive discourse on the point if he had been in Parliament for this morning’s debate—I am not sure whether he is finding it difficult to get out of his bed in the morning to be in for 9.15.

As I said this morning, I will consider all the recommendations. I would not want to single out one recommendation for particular attention at this time. However, I say for Mr Fraser’s benefit, because he was not here this morning—not that I am making a big issue of it—that the Finance Committee did us a service by demonstrating that there will be a tightly constrained capital budget for a number of years after 2010-11, as the Government has also made clear.

Mr Fraser will be aware that, for the first time, the A9 is in a Government transport infrastructure programme, in the strategic transport projects review. The Government has made it clear that at

each spending review we will set out the prioritisation of projects that can be taken forward in that context.

Andy Kerr (East Kilbride) (Lab): I watched this morning’s debate with great interest. As the cabinet secretary knows, during our discussions at the budget strategy working group I have been asking for similar information, which would allow members of other parties to make enlightened decisions about our priorities in the budget process. It is impossible to do that, particularly in relation to capital items, if the detail is not made available. I repeat and underline Mr Fraser’s request for early publication of such information.

John Swinney: I can confirm that Mr Kerr was in the building this morning. He and I had a conversation at about 8.15, so I will not suggest that he did not get out of his bed in time for the debate. Perhaps he was still enjoying the memory of Jackie Baillie’s performance at the Labour group’s party last night.

Jackie Baillie (Dumbarton) (Lab): This is all just nonsense. Outrageous! [*Laughter.*]

John Swinney: In the spirit of not apportioning blame, I should say that Derek Brownlee started it all this off in this morning’s debate.

Mr Kerr asked about projects in capital programmes. He is aware that I am considering the issue. As I have said on numerous occasions in response to parliamentary questions, there is a clear distillation of commitments in the Government’s financial programme. If there is more information that will help parliamentary colleagues, I will consider making it available.

Senior Public Sector Staff (Pay Cap)

3. Ian McKee (Lothians) (SNP): To ask the Scottish Executive whether it plans to cap the financial remuneration of senior public sector staff. (S3O-8926)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Scottish ministers have already frozen their salaries, and that approach will also apply to senior civil servants. The Cabinet has already agreed to extend that approach to the highest-paid people across the public sector who come under the Scottish Government’s remit. We will discuss the detailed implementation of that policy, and further announcements will follow shortly, when we publish our pay policy on senior appointments for 2010-11.

Ian McKee: The cabinet secretary will be aware of the recently published views of Dr Linda de Caestecker, director of public health at Greater Glasgow and Clyde NHS Board. She has called for highly paid public service staff to accept a 5 per

cent pay cut. Will the cabinet secretary give his view on the proposal?

John Swinney: I recognise that there are significant concerns about the level of certain salaries in the public sector. We are going into a period of significant financial constraint in the years ahead, so the point that Dr McKee makes is significant. The Government will assess such suggestions as part of the formulation of its pay policy for 2010-11 and future years.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): It is welcome that Dr McKee increasingly supports Liberal Democrat approaches in such matters.

Over the summer, the cabinet secretary sent letters to all public bodies that asked chief executives and chairmen not to take bonuses in this financial year. He has not answered parliamentary questions on the responses to those letters. Will he confirm that no chief executives of quangos in Scotland will take bonuses this year?

John Swinney: I am not sure that I understand the point that Mr Purvis made about not answering questions. I would be surprised if questions have not been answered, although they may not have been answered in the fashion that he was looking for. I put that on the record to clarify that ministers endeavour to answer questions—certainly the vast volume of them that come from certain quarters of the Parliament—as timeously as possibly.

Jeremy Purvis: Will the cabinet secretary answer this question?

John Swinney: The Government is gathering the information that would allow me to give Mr Purvis a definitive answer. When that information is available, I will consider how it may be publicised.

David Whitton (Strathkelvin and Bearsden) (Lab): The cabinet secretary may or may not be aware that I have been in correspondence with Mr Mather on a particular salary. Does he agree with me that the Government missed a trick by not cutting the salary of the new chief executive of Scottish Enterprise? The organisation has been cut in half, but the salary seems to be at the same level as it was before. It could have been halved for half the responsibility.

John Swinney: I am aware of Mr Whitton's correspondence with Mr Mather on that point. An assessment was carried out of the appropriate composition of the post of chief executive of Scottish Enterprise in the light of the responsibilities that the individual carries. That assessment was undertaken in order to inform the decision on the salary that would be paid, and the Government accepted the recommendations that came from the process.

Notwithstanding that comment, there are clearly concerns about the levels of pay in certain parts of the public sector. As I said in answer to Dr McKee, that matter continues to command my attention.

British Geological Survey (Gilmerton Core Store)

4. Brian Adam (Aberdeen North) (SNP): To ask the Scottish Executive what its position is on the economic and other impacts of the proposed move of the British Geological Survey Gilmerton core store from Gilmerton to Keyworth. (S3O-8907)

The Minister for Enterprise, Energy and Tourism (Jim Mather): We are of the view that the existing facility at Gilmerton is of great value to industry and academia in Scotland. The current proposal would have a significant adverse impact on access for the oil and gas industry and would disadvantage research carried out at Scottish universities due to the significant distance that academics and students would have to travel.

The British Geological Survey carried out a consultation on the proposal, but it is clear that the consultation was partial and did not consult many Scottish users of the sample store. As a result, I have made representations to the BGS, urging it to retain the facility in Scotland. The First Minister is poised to do the same.

Brian Adam: Does the minister share my concern about the inadequacy of the Tribal Group report that the British Geological Survey commissioned, about the consultation process and about the misrepresentation of the locations of those who visit and use the core store? Will he seek a rerun of the consultation, using a proper range of options?

Jim Mather: We are very aware of the Tribal report. In particular, we share the view that Brian Adam and others have expressed regarding the consultation process, which failed to consult users of the store properly, especially the oil and gas industry. Many of the organisations that use the store have since written to the BGS expressing their concerns. I, too, have written to it and will press for a rerun of the consultation, especially as I now have correspondence that acknowledges that many users will be inconvenienced by the closure of the Gilmerton core store and that the new location in the heart of rural England is hard to reach. We want the BGS to be much more aligned with the users and much more altruistic towards them.

RAF West Freugh (Satellite Ground Station)

5. Alasdair Morgan (South of Scotland) (SNP): To ask the Scottish Government what the

economic implications would be of the closure of West Freugh satellite ground station. (S3O-8929)

The Minister for Enterprise, Energy and Tourism (Jim Mather): I understand that QinetiQ is reviewing a wide range of options for the satellite ground station at West Freugh, including sale or closure. The station currently employs one QinetiQ employee and 14 subcontractors. The Ministry of Defence range at the West Freugh site is not included in the QinetiQ review. Although the implications for the local economy if the satellite station should close are limited, any potential loss of jobs is always a concern. Should the station close, the Scottish Government will work with Scottish Enterprise and other public agencies to minimise the impact on the area.

Alasdair Morgan: Installations such as that at West Freugh, of which there are not many, are ideally suited for rural areas and provide good-quality jobs in those areas. The loss of that high-tech establishment would be a severe and unnecessary blow to Wigtownshire. Will the minister undertake to contact all the United Kingdom and European state agencies that are potential or existing customers of West Freugh to try to ensure its future and sustained viability?

Jim Mather: Yes, indeed. I am told that the site is the only UK national satellite station that is capable of capturing particular types of data, and that it has a unique position in the UK in providing high-resolution satellite imagery. I will write to QinetiQ in the first instance to seek clarification on the current review and I will offer any assistance that the Scottish Government and its agencies can provide to promote West Freugh to the European Space Agency, the British National Space Centre and the UK Natural Environment Research Council.

Network Rail (Payments for Rail Projects)

6. Charlie Gordon (Glasgow Cathcart) (Lab): To ask the Scottish Executive, further to the answer to question S3W-29023 by Stewart Stevenson on 3 December 2009, what payments are to be made to Network Rail for the Airdrie to Bathgate, Glasgow Airport rail link main line and Glasgow-Barrhead-Kilmarnock rail projects, broken down by instalments for each project. (S3O-8878)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): The question is one of a number of questions that would ordinarily have been answered by Stewart Stevenson, but the Minister for Transport, Infrastructure and Climate Change is in Copenhagen, so I will answer them on his behalf.

Average annual regulatory asset base repayments that are contained within the current

determination payments to Network Rail are as follows: on the Airdrie to Bathgate project, £26 million; on the Glasgow airport rail link mainline project—which is designated as the Paisley corridor improvements—£16 million; and on the Glasgow-Barrhead-Kilmarnock project, £2 million.

Charlie Gordon: The written answer to the question that I mentioned referred without a hint of irony to the “GARL mainline” project, although the irony is that the branch link to the airport is proposed for cancellation. By what authority has the Scottish Government cancelled current-year expenditure on the GARL branch line to Glasgow airport, given that the project was approved by an act of Parliament and that the current spend was approved last year by the Parliament?

John Swinney: The Government has taken decisions in the context of the budget that we have available, which gives a capability to spend to certain maximums under particular budget headings. If any change is to be made, it can be made either at the autumn budget revisions, which have now been approved by Parliament, or at the spring budget revisions, which have yet to be considered by Parliament.

Textiles Industry (Scottish Borders)

7. John Lamont (Roxburgh and Berwickshire) (Con): To ask the Scottish Executive what it is doing to support the textiles industry in Hawick and the Scottish Borders. (S3O-8854)

The Minister for Enterprise, Energy and Tourism (Jim Mather): The Government recognises the importance of the textiles industry to the Scottish Borders and offers a wide range of assistance via Scottish Enterprise, Scottish Development International, local authorities, the Scottish Further and Higher Education Funding Council and Skills Development Scotland. The Scottish manufacturing advisory service has had 108 enquiries from the textiles sector since its launch in November 2005. The invest in an apprentice scheme, which is part of our ScotAction programme, offers a £2,000 incentive for employers in textiles to take on a new 16 to 19-year-old apprentice. Scottish Enterprise and its partner agencies, including the local authority, are actively engaged in supporting businesses in Hawick and the Scottish Borders, including textiles businesses.

John Lamont: Following the minister's meetings with me in the Scottish Borders and the cabinet secretary's visits to Hawick, they will know what a precarious position the textiles sector is in. Since the cabinet secretary's most recent visit to the town, the new Hawick development committee, of which I am a member, has met regularly to help to develop plans to regenerate

the town and, in particular, to consider the future of the textiles industry. However, there is growing frustration that the Scottish Government is not doing more to protect and promote that important industry. I therefore ask the minister or the cabinet secretary whether they are prepared to meet me and other representatives from the Hawick development committee to discuss what additional support might be made available.

Jim Mather: I will gladly meet John Lamont and others involved in that new initiative. However, I ask him to consider my earlier response, in which I spoke about the moneys that are being made available to the textiles sector. When we have that meeting, I hope that we can also focus on the positive signs, such as the new secure future for Todd and Duncan following its acquisition by the Chinese company Ningxia Zhongyin Cashmere Company Ltd—some £6.1 million was transferred as a result; the phenomenon of Peter Scott & Company Ltd, whose involvement with the Scottish manufacturing advisory service has dramatically increased on-time delivery; and the £23 million investment in the new production line at Ahlstrom Chirnside Ltd. Other positive signs include Lochaven International Ltd, which has reinvented itself in the textiles sector. I will come to that meeting with a positive disposition and I look forward to engaging with the member.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): The Minister for Enterprise, Energy and Tourism knows that there has been no specific additional support for the textiles sector during the recession. I was pleased when he met representatives of the Scottish textiles forum and the Scottish Cashmere Club earlier this year. They made a specific request for consideration of a Welsh scheme—ProAct—for people who are faced with the difficult choice between moving to short-term, part-time working or continuing in employment. However, that request was simply ignored by the Government. Will the Government reconsider its approach and take the lead like the Welsh Assembly Government, which is much more proactive?

Jim Mather: Jeremy Purvis fails to recognise what I said in my previous answer, as well as what we have done through ScotAction. It is deeply ironic that the member was advocating not so many months ago a further £800 million cut in Scotland's budget but, still looking for more spending with no compensating journal entries for where the money would come from.

Let us engage with John Lamont and his colleagues. I will do everything I can to unleash any further support that we can offer.

Front-line Services (Health and Local Government)

8. Jackie Baillie (Dumbarton) (Lab): To ask the Scottish Executive what discussions the Cabinet Secretary for Finance and Sustainable Growth has had with national health service boards and local authorities about protecting front-line services. (S3O-8864)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I have frequent discussions with my Cabinet colleagues about how best to protect front-line services from the cuts imposed on our budget by the Chancellor of the Exchequer. The draft budget that I have published for 2010-11 is aimed at protecting those services within the significant financial constraints that we face.

I take the lead in discussing front-line services with local authorities, and meet regularly with the Convention of Scottish Local Authorities and individual authorities, and the Deputy First Minister takes the lead in such discussions with NHS boards.

Jackie Baillie: I thank the cabinet secretary for that response and simply note that his budget has risen by £943 million this year.

The cabinet secretary will be aware that, in order to save £12 million a year, NHS Greater Glasgow and Clyde intends to replace qualified nurses with nursing assistants, which is simply substitution rather than enhancement of the capacity of the ward team. Does he agree with the Royal College of Nursing that such action would be crude, short-sighted and would effectively downgrade skills, resulting in a direct impact on front-line services? Given his evident commitment to protecting front-line services, will he publish how he intends to measure how those services have been affected by the spending decisions of health boards and local councils?

John Swinney: There will always be discussions within individual health boards and between health boards and other public bodies about how to ensure that resources are utilised to deliver effective and efficient public services to members of the public. In that respect, I am certain that NHS Greater Glasgow and Clyde will be in a position to explain to Jackie Baillie exactly how it proposes to do that through the reforms to which she referred.

In relation to the wider question of the impact on public services, it is clear that we have a significant amount of publicly available information that assesses the progress that we make on individual indicators on the Scotland performs website, and in the broad range of other information that is published regularly by the Government. That information will be updated

regularly by the Government in setting out performance.

Dave Thompson (Highlands and Islands) (SNP): The cabinet secretary will be aware of the current NHS Highland review of services. Recently, I had the opportunity to visit the Highland rheumatology unit in Dingwall, which cares for patients from across the north of Scotland, and learned that it is included in the review. Some of the savings that have been suggested, such as through closing the unit at weekends, concern me because they would impact severely on patients. Will the cabinet secretary ensure that health boards do not throw the baby out with the bathwater and that the effect on services of savings is not disproportionate to the savings that are made?

John Swinney: The rheumatology unit is part of a review of all in-patient services that is under way in NHS Highland. The review is in keeping with national shifting the balance of care policies, and with the need to provide more care at locations closer to home. A few options are being considered for the rheumatology unit, including five-day service and a reduction in the number of beds. Those questions have been discussed with patients and clinical staff. I am aware that NHS Highland is looking at local in-patient services. However, the board has confirmed that no final decisions on the rheumatology service have been made, and it has assured the Deputy First Minister that the views of patients and local people will be taken fully into account in any discussions.

Mary Scanlon (Highlands and Islands) (Con): The four major parties that are represented in the Parliament are now seriously concerned about possible cuts to the Highland rheumatology unit. The unit provides an excellent service and is facing serious cuts. Care nearer to home would not be the care that is co-ordinated at the unit. Does the cabinet secretary think that the proposed cuts are acceptable, even in these financially challenging times?

John Swinney: I understand that the proposal is being considered in the context of the national shifting the balance of care approach, which is designed to ensure that public services are deployed in the fashion that is most appropriate for individuals in the locality concerned. In certain circumstances, that will involve a change to the design and delivery of services.

I know from constituency experience that changes in delivery of services cause concern. The assessment that must and will be made of the proposition will determine whether it will lead to better outcomes for the individuals concerned, as must be the fundamental test in such matters. I am sure that the approach that I have described will be taken in this case, because the matter is being

considered under the umbrella of the shifting the balance of care policy.

Public Information Notices (Advertising)

9. Robin Harper (Lothians) (Green): To ask the Scottish Executive how it considers local government can best advertise public information notices, in light of the pilot testing of the public information notices portal by the Improvement Service. (S3O-8952)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I expect the pilot testing of the public information notices portal to determine whether it is a cost-effective means of providing information to the public as part of each local authority's wider strategy to provide information to its community. We will consult shortly on changes to legislation to support implementation of such an arrangement.

Robin Harper: Given that 40 per cent of Scottish people have no access to broadband and that people are six times more likely to consult a local paper to find a public notice, does the cabinet secretary agree that any proposal to withdraw the duty on local authorities to place public notices in newspapers would be unfair, restrictive, counterproductive, socially divisive and, in short, absurd?

John Swinney: The issues that the member raises will be considered as part of the consultation on the legislation that would underpin such an approach. The pilots that are being conducted on the public information notices portal will give us the detail to answer the points that Mr Harper makes and enable us to determine whether there are more effective ways of providing and presenting public information to members of the public and whether those approaches meet local authorities' aspirations properly to supply members of the public with relevant local information.

Alternative Business Models (City of Edinburgh Council)

10. Malcolm Chisholm (Edinburgh North and Leith) (Lab): To ask the Scottish Executive what assessment it has made of the City of Edinburgh Council's proposals on alternative business models. (S3O-8870)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I am aware that the City of Edinburgh Council is considering a range of options in the context of alternative business models. It is wholly a matter for the council, in the first instance, to develop those options and to decide how it wishes to proceed.

Malcolm Chisholm: Does the cabinet secretary not feel slightly uneasy that the Scottish National Party coalition administration in Edinburgh is the vanguard administration in Scotland for privatising council services and for refusing to consider alternative in-house ways of making savings? Given the debacle of Edinburgh's recent retendering of adult social care services, will he advise his SNP colleagues against a knee-jerk reaction to financial difficulties, gently reminding them that the SNP Scottish Government has been hostile to privatisation in many service areas?

John Swinney: I am not sure that Malcolm Chisholm properly apports the accolade for being in the vanguard of that particular reform, considering the reforms that have been undertaken by Glasgow City Council, which, last time I looked, was not controlled by the Scottish National Party—although I am sure it will be only a matter of time.

On the City of Edinburgh Council's reforms, local authorities have their own responsibilities to determine the way in which they operate and deliver public services. The Government asserts and sets out the importance that we attach to services that meet the needs of individuals and are deployed and delivered efficiently. The duty of best value, which was legislated for by the previous Administration, is significant in that respect. I am sure that all those considerations will be borne in mind by the City of Edinburgh Council as it determines how to deploy public services and how to deal with the challenging financial environment in which we must all now operate.

Rail Freight (Longannet)

11. Dr Richard Simpson (Mid Scotland and Fife) (Lab): To ask the Scottish Executive what discussions it has had with DB Schenker and Network Rail regarding freight traffic carried by rail to Longannet power station. (S3O-8901)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Representatives of Transport Scotland, which acts on behalf of Scottish ministers, have met representatives of DB Schenker and Network Rail on two occasions this year to discuss noise and vibration complaints that have been received since the reopening of the Stirling–Alloa–Kincardine railway line.

Dr Simpson: The cabinet secretary will be aware that there have been nearly 70 complaints now. There have been 50 formal claims, 38 of which involve legal representation. Will he assure me that there will be adequate provision in his budget for compensation claims to be met by the Government, rather than by Clackmannanshire Council, should the claims be successful?

Given the continued level of disturbance to my constituents, especially the serious disturbance to some children, which has now entered its second year, has the cabinet secretary any message for them this Christmas?

John Swinney: As I am sure Dr Simpson will be aware, the operation or regulation of any aspects of the timing of services—it is the freight services that cause concern, as I understand it—is undertaken by the Office of Rail Regulation. Neither the Scottish Government nor Network Rail has legal powers to deny access to the railway by any railway company that meets the required standards.

We have already published noise and vibration reports in relation to the issue, and follow-up property condition surveys are planned in the new year. In the context of all that, possible noise mitigation can be calculated.

I am aware that Dr Simpson has an appointment to meet the Minister for Transport, Infrastructure and Climate Change on 5 January, and I am sure that further detail can be shared with Dr Simpson at that time. Through the helpful dialogue that has taken place with Transport Scotland, Network Rail, the company and the local authorities involved, I hope that we can make progress to resolve the issue.

Mary Mulligan (Linlithgow) (Lab): What assistance can the Scottish Government offer to Banks Developments, which was recently granted planning permission for opencast mining in the south of West Lothian, to ensure that the coal is transported to Longannet power station by rail, rather than on numerous heavy-tonnage lorries through places such as Whitburn and Longridge in my constituency?

John Swinney: I normally have a fairly encyclopaedic knowledge of Scotland's geography, but my encyclopaedic knowledge of alternative routes on the rail network in the West Lothian area has momentarily deserted me. *[Interruption.]* I hear Jackie Baillie from a sedentary position asking, "Was it ever there?" That is perhaps as insulting to me as my remarks were to her about her party antics last night.

If Mary Mulligan will forgive me, it will perhaps be safer if I write to her about the issue. Opportunities might be provided through freight facilities grant, which might well be available in the circumstances. However, I will need to assess whether that is a practical proposition in the context of the geographical location of the company concerned.

Local Authority Funding

12. Nanette Milne (North East Scotland) (Con): To ask the Scottish Executive whether it

will carry out a further, more fundamental review of the distribution of funding allocated to local authorities, as recommended in the final report of the review carried out by it and the Convention of Scottish Local Authorities. (S3O-8858)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I have accepted that a more fundamental review of distribution would be appropriate. The time to do that is when the medium to long-term financial situation, including national and local taxation systems, is clearer and single outcome agreements have fully bedded in.

Nanette Milne: As the cabinet secretary will be aware, both Aberdeen City Council and Aberdeenshire Council receive a comparatively low share of funding per head of population from the Scottish Government. Given Aberdeen City Council's previous and current difficulties, will he consider a further review as a matter of priority? Furthermore, will he undertake to have such a review carried out independently rather than by COSLA, which is perceived to have an in-built geographical bias?

John Swinney: First, I advise Dr Milne that, as I said in my first answer, further consideration will be given to such matters.

Secondly, I met the leader of Aberdeenshire Council on Monday to consider some issues that she wished to raise with me. I am now investigating some of the issues that she raised.

Thirdly, the review that was undertaken was informed not just by COSLA but by all local authorities in Scotland and, into the bargain, involved many professionals within the local authority finance environment as well as Government officials. Therefore, it would be unfair to describe the process as a COSLA review, which it most definitely was not. Obviously, how local authorities articulate their concerns and their representations to Government is a matter for them. They have chosen to articulate their concerns through COSLA, so the Government works within that context. We will continue to have that dialogue in the years to come.

Barclays Partner Finance (Relocation)

13. Sandra White (Glasgow) (SNP): To ask the Scottish Government whether it has been provided with details of the strategic review that has led to Barclaycard's decision to relocate its Barclays Partner Finance operations to Cardiff with a loss of 350 jobs at its Glasgow headquarters. (S3O-8935)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I have spoken to Neil Radley, who is the head of international consumer lending at Barclaycard, to discuss the issue. I have indicated that the

Government is fully committed to exploring all available options to enable Barclaycard to remain in Pollokshields.

Scottish Development International, which is the Scottish Government's trade and investment arm, has also discussed the implications of the announcement with the company and met representatives of the company on 4 December. SDI is currently awaiting details of the Barclays Partner Finance strategic review that outlines the economic rationale behind the announcement, for which there is a 90-day consultation period. Once the review has been received, officials will be able to analyse the data to investigate alternatives to closure, which will then be presented to the company. The next meeting is due to take place on 21 December.

Sandra White: I thank the cabinet secretary for that detailed reply. Is he aware that BPF is a profitable business, with the lowest operating costs in the Barclay group, whereas First Plus, ironically, had to shed 300 jobs last year after criticism of its irresponsible business practices? I know that the cabinet secretary has met BPF's management, but will he meet employees to discuss their concerns and to ensure that the strategic review report—which is currently secret—enters the public domain?

John Swinney: Whether that report is published is really a question for the company, as it was not initiated by the Government. However, I can assure Sandra White that the Government is working closely with the company to try to determine whether there are ways in which we can avoid the job losses.

On Monday of this week, I met the chief operating officer of Barclays, which has recently acquired Standard Life Bank, and discussed the opportunities to support and to continue to develop that highly significant operation in Scotland. I look forward to those discussions continuing. Of course, Barclays also has a significant presence in the city of Glasgow through Barclays Wealth. I assure Sandra White that those issues will be progressed by ministers.

Pre-budget Report

14. Linda Fabiani (Central Scotland) (SNP): To ask the Scottish Government what impact the United Kingdom pre-budget report will have on the Scottish Government budget for 2010-11. (S3O-8914)

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): Like me, Linda Fabiani has had the pleasure of being involved in yesterday's and this morning's debates, and I am sure that she has had more than enough detail from me on the content of the

pre-budget report and its impact on the Scottish Government's budget for 2010-11.

Linda Fabiani: That was short, sharp and sweet.

In the regrettable absence from the PBR of any fiscal stimulus in the form of accelerated capital expenditure, does the cabinet secretary agree with the director general of the Confederation of British Industry, who, in relation to the increase in national insurance, considers that the United Kingdom Chancellor of the Exchequer

"has made a serious mistake imposing an extra jobs tax at a time when the economic recovery will still be fragile"?

John Swinney: It is clear that a range of difficult decisions are having to be taken in the current financial environment. It is interesting to hear that the CBI takes a different position from the Labour Government on that important issue, which just demonstrates that an opportunity exists for broad debate on such matters around the country.

As a Government, we are focusing on ensuring that we have in place all the measures to support economic recovery. We are concerned about the fact that the UK is the only one of the G7 countries that will not have a fiscal stimulus package in place in 2010, despite the fact that it remains in recession. That is clearly a significant impediment to economic recovery.

CO₂ Emissions (Hunterston)

15. Ross Finnie (West of Scotland) (LD): To ask the Scottish Executive what impact the annual emission of a minimum of 6.88 million tonnes of CO₂ from the proposed coal-fired power station at Hunterston over 10 to 15 years would have on Scotland's climate change targets. (S3O-8938)

The Minister for Enterprise, Energy and Tourism (Jim Mather): We do not accept that emissions on such a scale would be emitted from any future new coal power station in Scotland for such a time period. The thermal policy statement that the Scottish Government announced on 9 November 2009 confirmed that any new coal-fired station would need to demonstrate carbon capture and storage on at least 300MW—net—of its capacity from day one. The statement also made it clear that any such coal station that was built after 9 November would be expected to retrofit 100 per cent CCS to its output by no later than 2025.

That policy strikes a balance between short-term security of supply and ensuring that CCS technology is demonstrated so that we can make progress towards our carbon reduction targets. It would mean that emissions from new coal-fired power stations would be significantly reduced by 2025.

Ross Finnie: I will not enter into a debate on the statistics, but the figures that I cited were taken from the estimates that the developer provided, which expressly excluded a 25 per cent reduction from day one. Even under the minister's policy, that would not be achieved.

If there is a genuine wish to promote carbon capture technology, would it not be more sensible for the Government to accept what Liberal Democrats and, more important, all the environmental organisations in Scotland have said, which is that, rather than permitting what I claim would be 10 to 15 years of unabated CO₂ emissions from new coal-fired stations, the CCS experiments should be conducted in existing stations?

Jim Mather: We are pressing to make that happen in an existing station. Longannet has the prime claim on the UK carbon capture and storage demonstration proposition. At present, no application has been made for a power station at Hunterston. In addition, the member should recognise that any application would have to meet normal environmental and pollution levels as monitored by the Scottish Environment Protection Agency. The advice of SEPA would be important, and SEPA would base that on the proposition that we are backing.

Kenneth Gibson (Cunninghame North) (SNP): I am glad that Ross Finnie said

"a minimum of 6.88 million tonnes of CO₂",

because when I met Ayrshire Power Ltd, I was told that, according to it, the actual annual figure is 11,277,043 tonnes of CO₂, which is a rather precise figure.

Will the minister confirm that if such a project were ever to get off the ground, there would be no emissions from it that would be harmful to human health and that no smoke would be seen coming from the stack—all that would be seen would be water vapour on cold days?

Jim Mather: The member can take it as read that our policy, combined with the work of SEPA and the normal mentality of investment bankers and funders who invest in such projects, means that what he describes would not happen in Scotland.

Lewis Macdonald (Aberdeen Central) (Lab): The minister will know that many of the plans around carbon capture and storage in this country and, indeed, across the United Kingdom, relate to the use of saline aquifers in the North Sea. What discussions does he propose to have with developers who propose a carbon capture plant on the west coast of Scotland about the disposal of carbon captured at that plant?

Jim Mather: It is early days, but the member recognises a reality. He will have noticed that, recently, Chris Goodall has appeared twice on “Newsnight” saying that CCS is possibly the single most important technology that he refers to in his book, “Ten Technologies to Save the Planet”. He has also said that there is a moral obligation on countries with saline aquifers to make the most of them, and we will work closely with Stuart Hazeldine and the Scottish centre for carbon capture and storage to ensure that we do so. The matter is getting full coverage at the moment, not only in the thermal generation and carbon capture and storage advisory group, but in the oil and gas advisory group, which shares an interest, as it may be that carbon capture and storage can help it with enhanced oil recovery. Scotland will look at all the options.

Home Owner and Debtor Protection (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a debate on motion S3M-5415, in the name of Alex Neil, on the Home Owner and Debtor Protection (Scotland) Bill.

14:57

The Minister for Housing and Communities (Alex Neil): As this is the last debate of 2009, no doubt the whole chamber will be full of pro-Government Christmas cheer when we discuss this important bill, which will take forward an element of social justice in Scotland that is very important to a number of people.

I pay tribute to the Local Government and Communities Committee, under the convenership of Duncan McNeil, which considered this complex bill within a reasonably tight timescale and, if I may say so, produced a balanced and well-researched stage 1 report. I commend the committee for producing an excellent report. In recommending approval of the bill's general principles, the committee recognised that not only in the chamber but outside among stakeholders there is widespread acceptance of the bill's general principles; any debate is around implementation issues rather than the fundamental principles.

David McLetchie (Edinburgh Pentlands) (Con): Does the minister acknowledge that that widespread acceptance extends to part 1 of the bill, for which he is responsible, but it certainly does not apply to part 2, for which Mr Ewing is responsible?

Alex Neil: With all due respect to my good friend Mr McLetchie, I disagree with him. There is widespread support for the general principles of part 2, although there is perhaps more debate on the implementation of part 2 than there is on the implementation of part 1.

In my speech I want to deal, where I can, with some of the specific issues that the committee raised, but before I do that it is worth reminding ourselves why the bill is so important, particularly on a day when there have been 800 job losses at Globespan, which reinforces the position in which we find ourselves, in respect of recession, high unemployment and high levels of both personal and business debt. Too many people, both north and south of the border, find themselves in the debt trap.

However, I pay tribute in general terms to lenders. Compared with the situation in the early 1990s—considering the number of repossession

that took place then compared with the number that have taken place in the current recession, and given the fact that, throughout the United Kingdom, there are now 7 million more mortgages than there were then—the proportion of people who are falling into the repossession trap is significantly lower than it was all those years ago. That is the case for two reasons. First, many of the lenders learned the lessons of the recession in the early 1990s, and more of them are taking early action to avoid having to repossess. When people fall into arrears now, action is taken and advice is given at a much earlier stage, which I welcome. Secondly, both north and south of the border, the actions that have been taken by the Scottish Government and the UK Government have made a significant contribution—not only through the advice that is now offered, but through the likes of the home owners support fund—to minimising the adverse impact of repossession and debt on families and their standard of living.

Having said that, there is no doubt that, for the past six years, there has been a steady year-on-year increase in the number of repossessions in Scotland, most notably in the past two years. The figures show that 40,000 repossessions took place in the UK in 2008 and that 48,000 repossessions are predicted to take place in 2009. I repeat my request to the Council of Mortgage Lenders Scotland and the Financial Services Authority to give us the Scottish figures on a regular basis. That would help us to plan our budget to assist such people and would give us a clear breakdown of where the problem is most persistent.

However, this is not just about repossessions; there is a similar picture regarding the increase in mortgage arrears. Over the same period, there has been a 47 per cent increase in the number of people with mortgage arrears amounting to more than 2.5 per cent of their balance, and there has been a 77 per cent hike in the number of mortgages that have been in arrears for more than three months.

Similarly, there has been a significant increase in the number of court actions for repossession in the sheriff courts. The number of such actions rose by 20 per cent between 2007-08 and 2008-09. Unfortunately, the existing legislation falls short of providing people with appropriate support. Although the Mortgage Rights (Scotland) Act 2001, which we passed eight years ago, gives home owners more time to find a solution to their payment difficulties, only 5 per cent of all repossession cases are defended in Scotland's courts. There is a clear need to take further action to protect people from the threat of homelessness.

Mary Mulligan (Linlithgow) (Lab): The minister mentioned the fact that 5 per cent of repossession cases are currently defended in court. How many

such cases does he expect to be defended in court following the passing of the bill?

Alex Neil: As we have made clear in the financial memorandum to the bill, our upper estimate is that 50 per cent of people will defend actions in the courts, which is 10 times the current figure. The other cases will not be defended in court probably on the decision of the debtor not to defend for personal reasons. The clear point is that the bill will make it much easier for people who want to defend actions in court to do so, in terms of both court procedure and available resources.

The existing legislation does not provide a suitable solution for debtors who cannot access the debt relief that is offered by bankruptcy. No route into bankruptcy is currently open to them. It is essential that we provide effective measures to safeguard home owners, so that, whenever there is no real benefit to creditors in selling the home, the debtor has the reassurance of knowing that their home is protected. That is a humane measure. The need for urgent action to protect hard-pressed families is clear and widely recognised.

I will now address what the two parts of the bill will do. Part 1 will improve the protection that is available through the Mortgage Rights (Scotland) Act 2001 by extending protection to all repossession cases involving residential property and ensuring that all cases—unless the property is voluntarily surrendered—are heard in court. It will also require lenders to show in court that they have considered every reasonable alternative to repossession. I point out that the report from Shelter down south shows that the pre-action protocol that operates in England and Wales still results in a third of people not going through the proper procedure. In light of that, our decision to include that process in statute is absolutely the right decision. Part 1 will also allow home owners to be represented in court by approved lay representatives rather than solicitors, should they wish.

Those provisions will significantly strengthen home owner protection. Nonetheless, we recognise that certain points of detail in part 1 need to be addressed. As we have indicated to the Local Government and Communities Committee, we will bring forward appropriate amendments at stage 2, following discussion with the committee and external stakeholders.

Part 2 concerns sequestration and trust deeds. It makes a series of amendments to the Bankruptcy (Scotland) Act 1985 and contains four broad provisions. Section 9 introduces a new route into bankruptcy, which will be based on a certificate signed by an authorised person. At present, there are two commonly used ways for someone to

make themselves bankrupt: they can show that they are “apparently insolvent” if their creditors have taken court action to pursue debt, or they can apply for bankruptcy on the basis that they meet the statutory test of low income and low assets—LILA. Although we believe that the vast majority of debtors now have access to bankruptcy if they need it, we estimate that around 500 people annually need the debt relief that is provided by bankruptcy but cannot access it. Section 9 will rectify that situation.

Section 10 introduces flexibility to trust deeds to allow the protection of a trust deed that does not include the family home, but only with the consent of creditors. We anticipate that that will be particularly appropriate in cases in which there is little or no unsecured equity in the family home, which calls into question the benefit of selling it. I appreciate that there have been some concerns about section 10 and some misapprehensions—not to mention misinformation—about what it does. I therefore want to make it absolutely clear that the provision does not automatically exclude homes from all trust deeds.

Other provisions in part 2 concern the *Edinburgh Gazette*. Section 12 repeals the requirement to advertise awards of bankruptcy in the *Edinburgh Gazette*. Members of the debt action forum supported that measure, but I accept that the loss of income from adverts may affect the *Edinburgh Gazette*. Accordingly, we will continue to work with Her Majesty’s Stationery Office and the Stationery Office to ensure that, as far as possible, any impact is mitigated. We will also ensure that, before the provision is commenced, the register of insolvencies is able to provide stakeholders with at least the same level of service as is currently available from the *Edinburgh Gazette*.

I acknowledge that concerns have been expressed about consultation, particularly with regard to part 2. However, although we employed a non-traditional way of consulting, we believe that the bill has been subject to more consultation than many other bills that have come before this chamber. Indeed, when we were being pressed to pass the bill in one day, we resisted that temptation so that we could consult properly the committee, the stakeholders and the Parliament. As a result of that, and with the amendments that we will make at stage 2, I am confident that we will end up with a home owner and debtor protection act that will do what it says on the tin, and will prevent people’s homes from being unnecessarily repossessed.

I move,

That the Parliament agrees to the general principles of the Home Owner and Debtor Protection (Scotland) Bill.

15:09

Duncan McNeil (Greenock and Inverclyde (Lab)): The Local Government and Communities Committee had, as the minister mentioned, a limited amount of time in which to consider the Home Owner and Debtor Protection (Scotland) Bill. We held some fairly hefty evidence sessions and additional committee meetings, for which I thank the hard-working clerks and the Scottish Parliament information centre team, who did all the heavy lifting in that respect, and my committee colleagues. I also thank those who submitted written evidence—we received a lot of it—and those who came along to the meetings to give oral evidence.

All the evidence showed us that, in football parlance, this is a bill of two halves. Part 1, which is concerned with helping home owners who are at risk of having their homes repossessed, commanded support for its general principles. However, part 2, which deals with bankruptcy, threw up a lot of disagreements and was far more problematic.

One of the big issues that the committee considered was whether the right balance had been struck between the need for sufficient consultation and the need to take action quickly. We are acutely aware of the current economic situation, and we know that there have been 48,000 repossessions in the UK in 2009. Although that figure is much lower than the original and more pessimistic estimate of 75,000, it nonetheless represents an increase of 20 per cent on the number of repossessions in 2008. On balance, we think that the case was made for part 1, which deals with repossessions, to be implemented quickly.

However, things were very different with regard to part 2, which introduces proposals on bankruptcy that were not specifically recommended by the debt action forum. We heard very different views about the operation of the forum, with regard to whether proceedings were to be kept confidential, and whether people were aware of what would be in the bill and what would be subject to further consultation. We do not think that part 2 strikes the right balance, and we believe that the consultation on it was unsatisfactory.

For a number of people, having their home repossessed is a very real threat, so it is important to ensure that repossession is a measure of last resort. The committee welcomes the measures that are proposed in part 1, and we have made a number of recommendations on specific proposals. The first is on the proposal that when someone voluntarily gives up their property and hands their keys in, they have to sign an affidavit to certify that they do not occupy the property and

neither does anyone else. There were two different views on that. There were concerns that, apart from being overly bureaucratic, the affidavit process would prove costly for people who are already saddled with debt. We think that, overall, there are advantages in having a formal process, but it seems to be counterproductive to introduce a system that is so bureaucratic that it is not used. We ask the Scottish Government to think again about that issue, and to lodge amendments at stage 2 if that is appropriate.

The bill outlines what it refers to as pre-action requirements, which creditors have to satisfy before they consider repossession. There is already a pre-action protocol in England and Wales, which, as its name suggests, is a protocol rather than something that is set out in legislation. Again, there were slightly different views on whether it was better to have that in legislation than in a protocol, and on how the protocol had worked in England and Wales. On balance, the committee supports the principle of enshrining those pre-action requirements in legislation to give them more force.

The bill will effectively allow someone to recall a decree, and restart court proceedings and present their case. However, there can be only one application, and it can be made only if the person did not participate in the original proceedings. We realise that we cannot have a situation in which an infinite number of people can restart proceedings. However, the committee believes that the bill should be amended to allow a second application if the court is satisfied that the application is being made for a different reason.

We welcome the proposal to allow lay representation in repossession cases, but we also seek a lot of reassurance in that area. A number of organisations will be allowed to act as lay representatives, including those in the advice sector. We are concerned about the bill's impact on the advice sector and whether the sector has the necessary resources and capacity to deal with what might be a lot of extra work and increased expectations.

On funding, £3 million was made available for legal advice and representation, but that was more than a year ago and the money is already funding 16 projects. We do not know whether there will be enough funding to meet the extra demand under the bill. That is why we have asked the Scottish Government to outline how it will support the delivery of the bill's provisions and to report back to us on an on-going basis.

I turn to the aspects of the bill that caused the committee the most concern—the various proposals on bankruptcy. The first proposal is to create a new route into bankruptcy called the certificate for sequestration. There was support for

that, albeit with some dissenting voices, but what has caused the most consternation is the proposal that the Accountant in Bankruptcy will automatically become the trustee in such cases. That was not recommended by the debt action forum. We received a huge number of submissions from insolvency practitioners who objected to that role for the AIB. The committee questioned whether the AIB will have enough resources and expertise to carry out that new role. That is why we have asked the Scottish Government to provide further information on the work that is likely to be involved for the AIB and how that compares with what it does now. We have also asked the Government to give us the basis for its assumptions on the number and grade of additional staff who will be required.

The other major issue with part 2 is the way in which family homes are treated in protected trust deeds. We heard the minister's comments on that earlier, so I can miss out the crash course in bankruptcy law. However, it is important to say that, if someone has a protected trust deed, creditors are prevented from taking court action against them and must accept the payment that is made under the arrangement. However, a trust deed can become protected only if the whole of the debtor's estate apart from items such as essential household goods is transferred to the trustee, and that includes the person's house. The bill allows the trustee discretion to exempt the family home from the protected trust deed. At present, there is no such discretion.

A lot of criticism has been levelled at that provision. Much of it stems from differences of opinion about what the bill is intended to implement. Again, that shows the unsatisfactory nature of the consultation. If there had been proper consultation, those differences of opinion might not have arisen. Concerns were raised that the provision could be subject to abuse—for example, someone might buy an expensive property in the knowledge that it could be exempted and the equity in the house could not be touched. The Minister for Community Safety said that the intention was that family homes would be exempted in cases where there was limited equity, although, as we have heard again today, no limit is set out in the bill. The Institute of Chartered Accountants of Scotland suggested that there should be a cap on the amount of equity. The minister thought that there were a number of difficulties with that, although he said that he did not have a closed mind on the matter.

A number of other concerns were raised about the exemption of the family home. For example, the Law Society of Scotland said that that could upset the balance of insolvency law, because the family home will be exempted under a protected trust deed but not in the case of bankruptcy. That

will be the subject of further consultation. We state in our report that, regardless of the validity of the arguments for and against the provision, we are concerned that there has been such disagreement, and we believe that it arose because the consultation was unsatisfactory.

The lack of consultation came up again in connection with the bill's proposal to stop advertising bankruptcies and trust deeds in the *Edinburgh Gazette*, but we have heard what the minister has to say on that issue. As he knows, the *Edinburgh Gazette* has disputed the figures in the Government's financial memorandum on the costs of advertising in the journal. We recommend that urgent discussions take place to sort out the matter.

We are also concerned that the AIB-run register of insolvencies might not be able to provide all the necessary information by the time the bill is implemented. As a result, we recommend that the Scottish Government provide further information on the precise work that will be undertaken on the register and, crucially, the timescales for that work.

If this has been a bill of two halves, an own goal has been scored in the second half. Part 2 contains significant areas of disagreement, although I should point out the consensus on exempting homes with limited equity from trust deeds. The advice sector strongly supports the new certificated route into bankruptcy—

The Deputy Presiding Officer: You are now in extra time, Mr McNeil.

Duncan McNeil: Thank you for showing me that mercy, Presiding Officer.

15:21

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): In the spirit of the Christmas season and in response to the minister's call for cheer, I want first to welcome the fact that we are finally discussing the legislation in Parliament. However, I hope that, in making some criticisms of the bill and raising a number of concerns, I will not sound too much as if I am saying, "Bah! Humbug!"

My welcome for the debate is tinged with disappointment that, as Duncan McNeil made clear in his excellent speech, the bill has some problems. What is clear, however, is that we must ensure that home owners in Scotland get adequate support and assistance when things go wrong. The financial uncertainty that the nation has faced over the past two years looks set to continue for some time and, as Alex Neil recognised, many people have been made unemployed or their circumstances have changed dramatically. Families who might once have been able to manage their debt are now facing levels of

debt that they simply cannot meet. Every home that is lost is a personal tragedy, and it has happened far too many times over the past couple of years. I am sure that MSPs will have examples from their own areas and we certainly know how hard it is when someone breaks down in front of us at a constituency surgery because the threat of repossession is looming large.

Some people, of course, have made unwise choices about the debt that they have taken on, but many families who are now coping with unemployment or short-time working have worked hard over the years to build a decent life for themselves. They might feel ashamed to admit the difficulties that they face; they might not know where to turn for help; or they might leave it too late to get the help that they need. Indeed, they might need time and support to get back on their feet. In that respect, the minister mentioned the pressures on the people who will, sadly, lose their jobs as a result of the collapse of Globespan. I hope that he will urge John Swinney to look at what can be done to ensure that firms, particularly small businesses, that are under pressure can access additional help and support to keep people in work. After all, keeping people in employment is one of the best ways of ensuring that they do not get into difficulty with their mortgage and face repossession.

It is therefore right that we seek to make repossession a last resort and ensure that all possible steps are taken to keep people in their homes. As we know, the UK Government has acted quickly on this matter, and I have always believed that home buyers in Scotland deserve the same protection. As for Alex Neil's suggestion that we were ill advised to have asked for this legislation to be passed in a day, I point out that we wanted it to be dealt with quickly. We certainly believe that it could have been introduced more quickly and, frankly, we did not expect it to be in its current form. When we called for the introduction of a bill, we expected to get something simple and straightforward.

I am sure that other members will set out the various facts and figures over the course of the afternoon. However, I will mention one or two: in 2008, there were an estimated 40,000 repossessions, which was a record high. Although, for this year, the Council of Mortgage Lenders has recently revised its original forecast of 65,000 repossessions down to 48,000, the number is still huge and demonstrates the need for urgent action.

The minister mentioned the difficulty of obtaining Scottish figures. He will recall that, in August, he responded to my call for the Scottish Government to produce such figures by stating that he would press the Financial Services Authority and the UK Government to provide them. I know that he has

called on them again today to do that, but perhaps he could say what he has done to press those organisations to provide that information. We need robust figures to outline the scale of the problem in Scotland if we are going to respond to the issues properly.

Even given the lack of robust Scottish data, we know that the problem is growing and on-the-ground organisations such as the Govan Law Centre and citizens advice bureaux and money advice centres throughout the country all tell us that this problem needs action.

Members will recall that, along with colleagues from all parties, we have been calling for the introduction of legislation for more than a year. There has been a degree of complacency on the part of the Scottish Government in the time that it has taken to introduce the bill. We have heard about the Local Government and Communities Committee's concerns about part 2, and I am sure that more will be said about that in the debate. It gives me no great pleasure to say that, in the way that part 2 was put before the committee, there has been a degree of incompetence to add to the complacency. From the committee discussions, it is clear that there has not been a different way of consulting, as Alex Neil would have it, but a lack of consultation on part 2. Indeed, the committee report specifically points out that it was "unsatisfactory".

As a minister who took through a lot of legislation, it was suggested to me, often with the best of intentions, that we could take the opportunity presented by a particular bill to tidy something up or to add a bit here or there on issues that were not core to the fundamental principles of the bill. The phrase "repelling all boarders" was coined to resist the pressure to do many unrelated things in one bill or to add seemingly innocuous clauses that had not been scrutinised or consulted on. Alex Neil is smiling, so he has obviously heard the phrase. Arguably, that is part and parcel of what goes on when legislation is drawn up, but it is not acceptable for a vital bill to be put at risk by being introduced in an inept way. Sadly, that is what has happened in this case, and the ministers have to take responsibility for that.

I am glad that the committee does not believe that the whole bill is compromised by that degree of incompetence. The committee must now do much of the consultation and work that the ministers have not been able to do. It should be thanked for that, but we must also learn lessons for the future.

I suggest that part 2 is a botch job. I do not know whether members will recall the children's television programme "Bodger and Badger". For those who do not know it, Bodger was the odd-job

man who was sent out to clear up all sorts of messes, and Badger was his badly behaved sidekick who got himself into all sorts of trouble. I hesitate to say that Alex Neil and Fergus Ewing are the Bodger and Badger of the Scottish Parliament, but I hope that they will look in detail at what has happened with the bill and ensure that it does not happen again. The committee report on part 2 is damning, with recommendation after recommendation calling for more information, asking the Scottish Government to respond to concerns, seeking clarification on how things are likely to work in practice, and overall, slamming the Government for its unsatisfactory consultation.

I congratulate the committee on the work that it has done so far, and I recognise that it has a great deal to do at stage 2. Notwithstanding all that I have said, we will support the bill at stage 1, because it is vital for the people of Scotland. However, we expect to see a much improved bill when it returns to the chamber at stage 3 after the committee has worked on it.

15:29

David McLetchie (Edinburgh Pentlands)

(Con): Before we look at the specific provisions in the bill, it will be instructive to consider its origins. The rising tide of home repossessions is, of course, just one consequence of Labour's recession and the catastrophic mismanagement of the British economy by the present Prime Minister and former Chancellor of the Exchequer. One of the sticking plasters announced to deal with the problem for England and Wales was a set of new court protocols that came into force in November 2008, which required lenders seeking repossession of a property to demonstrate that they had fully explored with their borrowers all the options that would enable them to stay in their own home before any repossession order was granted by the court.

Of course, it was not long before Labour took up the cudgels here in the Scottish Parliament. In so doing, Labour was, by implication, critical of the adequacy of the measures that were enacted in the Mortgage Rights (Scotland) Act 2001, which was piloted through the Scottish Parliament in 2001 by Labour's Cathie Craigie, with Scottish Executive support. Malcolm Chisholm, Cathy Jamieson and Mary Mulligan were all prominent in demanding new legislation on repossessions to bring Scotland into line with England. However, it was Iain Gray who got particularly excited about the matter at First Minister's questions on 11 June this year, when he lambasted the Scottish National Party Government for delay and demanded instant legislation. Indeed, to the palpable horror and consternation of his back benchers, he pledged that Labour members would

"come back during the summer recess to vote"—[*Official Report*, 11 June; c 18322.]

the legislation through, such was the apparent urgency of the situation.

Well, of course, the Parliament did come back during the summer recess, but it was not to deal with repossessions; it was to hear an explanation for the early release of al-Megrahi, who, I note incidentally, is still living in the sunny climes of Tripoli 119 days after Mr MacAskill gave him a get-out-of-jail-free card.

In the meantime, the repossessions group that the Scottish Government established was continuing its review of the law and, in June, it came up with the recommendations that form the basis for the proposals in part 1.

It is worth noting that the estimate of 75,000 repossessions in the UK as a whole that was provided by the Council of Mortgage Lenders in February 2009 was revised downwards to 65,000 in June and to 48,000 in November, although that is still an increase of 8,000 on the 2008 repossessions figure. Nonetheless, it is true to say that, in many respects, the fears that were voiced at the outset about repossessions virtually doubling in 2009 have not been fulfilled. One might ask why, because the economy certainly has not got any better; it has got worse. The answer is that the good practice that is enshrined in the pre-action protocols that were announced in England has been applied by lenders across the whole United Kingdom, as we heard in evidence to the committee.

Alex Neil: I hear what the member says, but does he accept Shelter's research, which shows that, for one third of the cases heard, the pre-action protocol has not been activated?

David McLetchie: Of course I accept the research. What I simply say is that the good practice of lenders has been rolled out across the UK, which was the evidence that was given to the committee. What all that shows is that responsible lenders regard repossessions as a last resort and make every effort to assist borrowers who are in arrears and financial difficulties, and that, far from lenders rushing to throw them out of their homes, the interval between a borrower first falling into arrears and a repossession action being taken averages some 18 months. In fairness, the Minister for Housing and Communities, Mr Neil, was right to praise the responsibility of our lenders and the sensitive manner in which they have dealt with arrears cases.

It is also the case that many repossessions are the result of voluntary surrenders, because some borrowers recognise that staying in their present home is not a viable option and they want to clear their feet financially, if possible, and make a fresh

start. It is worth noting that, at a time of falling house prices, encouraging people to stay in their present homes at all costs may not be in their best interests, because it only increases the amount of negative equity and the overall indebtedness that they are running up. That is why sensible and balanced advice on the options is essential. Accordingly, not only should a willingness to consider all options be demonstrated by lenders, people should have access to independent money advice through CABx and money advice services to assist them in making a judgment that is in their best interests at a time when they are clearly under a great deal of stress.

When we strip away all the hype and political grandstanding that have surrounded the bill, what we are left with in part 1 is a modest series of measures, which make marginal improvements to the law but do little more than enact and codify the existing good practice that is followed by the vast majority of lenders in Scotland.

Modest though it is, we support part 1 on that basis, although we trust that the Government will lodge amendments to the section that deals with voluntary surrenders, as Duncan McNeil said.

Although we can welcome part 1, the same cannot be said for part 2 and, in particular, sections 9 and 10. The consultation that was undertaken by ministers on the proposals was little short of a disgrace. The proposals were not fully discussed by the debt action forum; nor were they recommended in the forum's report. Nor were those specific proposals properly and fully discussed in subsequent meetings of stakeholders. In the diplomatic language of parliamentary reports, the adequacy of the consultation is described as "unacceptable" by the Finance Committee and "unsatisfactory" by the Local Government and Communities Committee. The conclusions of both committees were reached unanimously and should give the minister, Mr Ewing, cause to think again.

Bob Doris (Glasgow) (SNP): Will the member give way?

David McLetchie: No, I am sorry.

It is interesting to note that the measures in part 2 were never intended to be the be-all and end-all of legislative action in the field. We are told, for example, that there is to be a further consultation about protected trust deeds, an aspect of which will be the exclusion of certain assets. That is commendable, but it leads one to ask why the stand-alone provision in section 10 is being proposed in isolation from the wider consultation, when there was wholly inadequate, unsatisfactory and unacceptable consultation on that proposal in the first place. Furthermore, there is to be another consultation on the proposed debt and family

homes bill, the content of and timetable for which remain far from clear. I hope that the minister will clarify the situation.

Cathy Jamieson talked about a botched job on part 2 and mentioned cartoon characters, so I will refer to another one. The question for ministers is this: can they fix it? I hope they can.

15:37

Jim Tolson (Dunfermline West) (LD): The economic downturn is putting particular pressures on home owners, not just in relation to difficulties in paying their mortgages. If the equity in a person's home is reduced, less money can be released from the main asset, so there is less flexibility in dealing with other debts. The credit crunch has also made it more difficult for people to access new loans at reasonable terms, to release the equity in their homes.

It is vital that legal protections are in place to ensure that repossession is truly a last resort. There could be no more important time to put in place such measures than during the recession. Although the measures are long overdue, we support the bill. However, the issue is highly complex. In the interests of people who face eviction, it is important that we get the bill right. It is vital that threatened home owners get the protection that they deserve.

As a result of campaigning by and pressure from the Opposition, led by the Liberal Democrats, the Scottish Government established the debt action forum, a sub-group of which was the repossessions group. Both groups produced final reports, many aspects of which are being taken forward in the bill.

We have been pushing the Scottish Government to bring Scotland's repossession laws into line with England's laws for a long time and we are pleased that the Government has finally listened to us and decided to do the right thing. That is an embarrassing climbdown for the Scottish National Party and a victory for common sense.

Alex Neil: Does the member accept that, far from bringing our laws into line with England's laws, we will have a legislative framework that is far superior to that of England?

Jim Tolson: I will touch on that point later. There is certainly a commonality of views between the minister and me on the matter.

Currently, there are more than 30,000 people who have been assessed as priority homeless in Scotland—the figure has gone up 56 per cent since 2000. The impact of the economic downturn on the labour market has had a significant effect on household incomes and levels of mortgage arrears and repossessions. The Council of

Mortgage Lenders predicted that 65,000 people in the UK would face eviction in 2009, which is a substantially higher number than in 2008, when 40,000 repossessions took place.

Rising unemployment in Scotland will contribute to more borrowers being behind on their mortgages. In 2007-08, decrees granted accounted for about 60 per cent of actions initiated; in the most recent year, that has risen to 75 per cent. Citizens Advice Scotland's recent research report "Drowning in Debt" found that the average consumer debt held by a citizens advice bureau debt client was £20,193—a 50 per cent increase in only five years.

As a member of the Local Government and Communities Committee, I have heard and read all the evidence that was brought to it. The committee report is, overall, supportive of part 1, but it expresses a number of concerns and recommendations on part 2, which were well put by the convener, Duncan McNeil.

In several of the submissions that the committee received, concerns were raised about the absence of the normal consultation period for the bill. Concerns have also been expressed in the creditor press about the lack of consultation and the possibility of unintended consequences.

Among the organisations that commented on the bill, Shelter Scotland does not believe that its measures will unduly restrict lenders or burden the courts. It strongly supports the measure to develop a pre-action protocol through primary legislation rather than the advisory route that was taken in England. Citizens Advice Scotland strongly supports the bill too. CAS believes that it will have a positive impact on CAB clients who experience debt and/or housing problems. It welcomes the intention to enable lay representation in repossession cases and calls for CAB advisers to be enabled to represent their clients in hearings.

Insolvency practitioners have raised concerns about various provisions. They have expressed particular concerns about section 10 in part 2, which would allow for certain assets and liabilities—namely, the family home—to be excluded from a protected trust deed while still allowing the deed to become protected.

Access to advice was also seen as crucial by all DAF members. It was accepted that supply does not currently match demand, as debtors may wait weeks for a face-to-face appointment with a money adviser.

The proposals will also allow people who would previously have chosen not to appear in court because of the expense to appear at no initial cost. That welcome step can only take much of the stress of a court appearance away from the debtor.

On the recall of decrees, the committee recognises that a balance needs to be struck between the rights of lenders and borrowers and notes the Scottish Government's argument that there must be a limitation on the number of entitled residents who can recall a decree. The committee is persuaded that there should be an opportunity for a second application to be made in those circumstances and recommends that the Scottish Government consider an amendment in that regard. That was of particular concern to me, as I am not convinced that the debtor would always have the best interests of their family at heart if repossession was to take place.

The current situation for debtors in Scotland lags behind that in England, but I firmly believe that, rather than simply adhering to England's protection of debtors, we in Scotland are creating a stronger basis on which they can recover from their debt by enshrining their protection in legislation. The bill provides a better balance between the creditor and the debtor, and I confirm that the Liberal Democrats will support it at stage 1 this afternoon.

15:44

John Wilson (Central Scotland) (SNP): As Cathy Jamieson indicated, every member has their own experiences of being approached by constituents about problems in maintaining their current home and having their home repossessed by lenders. In the current economic climate, there is a need for measures to avoid home repossession.

The Local Government and Communities Committee held a number of evidence-gathering sessions in its examination of the Home Owner and Debtor Protection (Scotland) Bill. The bill builds on the establishment of the debt action forum and its discussions since January this year. Part 1 aims to put into legislation the recommendations of the repossessions group and part 2 contains proposals on bankruptcy.

As the committee details in its stage 1 report, there was cause for concern about whether the consultation on the bill was adequate, particularly as there was no formal three-month consultation period. The committee acknowledges that there is a difference between parts 1 and 2 and, on balance, believes that the consultation on part 1 was sufficient.

In the evidence sessions, it became clear to the committee that the repossession figures that the Council of Mortgage Lenders produces should be made available for Scotland. That is why paragraph 113 of the committee's report notes:

"The Committee is very concerned that the Council of Mortgage Lenders is not able to provide figures relating to the numbers of repossessions in Scotland."

As some members will remember, since the 1980s, there has been a cry to establish a home-owning democracy in Scotland. However, that comes at a price, especially in times of recession, and it is a human price. Behind the repossession figures there is a human face that we need to reflect on. I hope that the bill will go some way to tackling that. There are significant issues about other loans that might be secured against the family home. The spectre of redundancy hangs over everyone, and the fear of repossession hangs over many people at present.

Concern has been raised that the new processes will be overly bureaucratic. Some lenders claimed in evidence that they will not use them. However, the lenders should be aware of the demands from the wider community, who in turn actually own many of those financial institutions as taxpayers. Those same institutions want to foreclose and repossess the homes of people who are affected by the recession. Surely I am not alone in recognising the supreme irony of lenders advocating such a position in the current difficult economic times. It is important that the committee supported the principle that pre-action requirements should be enshrined in legislation so that they have legal force. The bill also attempts to address some of the concerns that have been identified with the process in England and Wales, where borrowers have limited redress to lenders.

There are capacity issues for money advisers and those who offer advice to people who are at risk of having their homes taken over by lenders. I welcome the fact that the Scottish Government has made available £3 million for advice services, some of which will assist in funding representation for people who face the threat of repossession. The advice services that are funded must be available throughout Scotland.

Part 2 is probably the more contentious part of the bill. The measures on the certificate for sequestration aim to introduce a new route into bankruptcy that does not require a debtor to show insolvency. A debtor will be able to apply to an authorised person for a certificate that means that they can petition for bankruptcy.

It should be noted that a number of bodies with vested interests have issues with part 2. It was disappointing that the final report of the debt action forum stated that the stakeholders in the forum had varying views on the proposal to widen access to bankruptcy and to allow people to apply for their own bankruptcy. That report states that the proposal was

"supported by some Forum members."

The committee's stage 1 report states that further information should be provided on the work that will be required of the Accountant in Bankruptcy and its role in the new route into bankruptcy. The evidence to the committee, which is reflected in the report, centred on the financial costs. Blair Nimmo from the Institute of Chartered Accountants of Scotland noted in evidence that there will be a cost to the public purse and that the measures

"will increase the size of the public sector".—[*Official Report, Local Government and Communities Committee*, 4 November 2009; c 2565.]

I welcome the minister's commitment to consider the role of insolvency practitioners and the capacity issue relating to the Accountant in Bankruptcy.

Credit agencies raised concerns over whether the register of insolvencies will include all the necessary information. That led some to state in evidence that the bill could increase the cost of borrowing for Scottish consumers. The Local Government and Communities Committee and the Finance Committee acknowledge the concerns that have been highlighted and note the need to continue a dialogue with stakeholders who remain concerned about the financial suppositions, particularly in respect of the current role of the *Edinburgh Gazette*.

I welcome the stage 1 debate and the broad principles in the bill. I look forward to the bill coming back to the Local Government and Communities Committee. I thank all those who provided written and oral evidence on the bill, which aided the committee in considering the issues. I support the bill.

15:50

David Whitton (Strathkelvin and Bearsden) (Lab): I am pleased to take part in the debate, as it relates to matters that have been raised with me by constituents in Strathkelvin and Bearsden who, in the main, are employed as insolvency practitioners. From their point of view, I think I can safely say that the whole development of the bill has raised concerns. For understandable reasons, the Administration was being urged to move swiftly to change the law to limit the damages to home owners in Scotland who might find their family home being repossessed, when such a fate could be avoided. As my colleague Cathy Jamison said, Labour members support many of the general principles behind the bill and the need for swift action to help families who are facing very real hardship. However, there are ways in which to move quickly and still do things in the right way; as we have heard, that is far from what happened in this case.

It might be claimed that some of the provisions that were originally contained in the bill would have made matters worse than the law as it currently stands. It could also be argued that what has been produced by this Administration might be the wrong bill at the wrong time, but we can set that aside.

The problems with the bill date right back to its beginning when the Minister for Community Safety, Mr Ewing, set up the debt action forum to consider matters. Its membership was unbalanced, with key groups being left out. The composition and operation of the debt action forum were flawed, so it is no surprise that the resulting report was flawed. However, one of the report's conclusions that made sense was that there should be wider public consultation on how family homes are to be treated. However, ministers ignored that sensible suggestion from the group that they had set up and produced section 10, which relates to trust deeds and contains a provision that will allow further property to be excluded without the need for consultation.

A bill was produced that ministers claimed was based on the discussion and decisions of the debt action forum, but that was not the case with regard to significant provisions. It has been claimed to me that the bill also contains important provisions that in some cases were never discussed by the debt action forum. Mr McLetchie made that point in his speech. In other cases, provisions were discussed but not agreed by all members of the group. Some measures were claimed to be widely supported when that was simply not the case.

One issue of particular concern to me is information that was given by official sources to the Finance Committee when we discussed the bill with members of the bill team. Evidence provided had raised concerns about the estimates of the number of insolvency cases that would be handled under the bill if it were made law. Insolvency practitioners raised the point that the Accountant in Bankruptcy—the Government agency handling such matters—misjudged dramatically the number of applications that there would be under the low-income, low-asset route into bankruptcy or LILA, as it is known colloquially.

Officials told the committee that their estimate had been of 7,500 cases in the first year, whereas there had been over 9,000. The impression given was that the Accountant in Bankruptcy had never suggested that numbers would be lower than that. Why then did Gillian Thompson, the then Accountant in Bankruptcy, write in a letter that was published in *The Herald* on 27 February 2008 that there would be 5,000 LILA applications in the first year, followed by 3,000 in the years thereafter, and claim that suggestions that the number would be higher were "scaremongering"?

As we have heard, there is widespread concern about the provisions that are set out in part 2, particularly in section 10. Concern has been expressed by the Law Society of Scotland, the Institute of Chartered Accountants of Scotland, R3, which is the insolvency trade body, senior lawyers and academics who are experts in the field—many people who are at the sharp end of the issues, including the Govan Law Centre. The insolvency trade body R3 and ICAS have called for the removal of section 10 from the bill on the basis of genuine concern that inadequate consideration has been given to its effects. Widespread professional concerns, lack of proper consultation, ill-thought-out provisions in part 2 and questionable evidence given to committees of this Parliament—that is not the way to make good laws of the kind that the people of Scotland deserve.

Ministers have stated that a further consultation on protected trust deeds is imminent and that the debt and family homes (Scotland) bill will be introduced shortly. That will surely be the time to carry out a review of personal insolvency and fully consider all aspects of the family home.

As Duncan McNeil said, this is clearly a bill of two halves. Part 1 deals with the protection of hard-pressed home owners facing repossession. There is clearly a need for legislation to be passed quickly to help people in that situation. However, part 2 contains significant areas of concern that are still to be resolved. I hope that, even at this late stage, the Government will listen to the professionals and address their concerns.

15:55

Alasdair Allan (Western Isles) (SNP): As other members have said, there has been pressure from across the political spectrum for legislation to deal with some of the human consequences of the economic downturn. The Home Owner and Debtor Protection (Scotland) Bill forms at least part of that response.

The two parts of the bill deal with distinct issues. However, in its report, the Local Government and Communities Committee endorsed the general principles of both part 1 and part 2. Essentially, those principles are to strengthen the existing provision in Scots law to protect home owners and to build on the experience of how the Mortgage Rights (Scotland) Act 2001 has worked in practice.

The need for action is clear. Citizens Advice Scotland is one of many organisations that strongly support the bill. It was represented on the debt action forum and is only too aware of what debt means for families around Scotland. One theme of evidence was the need to obtain reliable Scottish figures for repossession. I understand

that the Scottish Government has been in dialogue with the Financial Services Authority about requiring lenders to provide separate Scottish data in order better to inform policy making in the distinct Scottish housing market. The issue is highlighted in the Local Government and Communities Committee's report. However, the figures at UK level present a concerning picture, with 53,000 repossessions forecast for 2010 and repossession orders granted by courts at their highest for at least a decade. In the present climate, none of that comes as any great surprise.

The Scottish Government has responded to the need in ways other than legislation. In January 2008, an additional £35 million was provided to the home owners support fund to help with mortgage to rent and the new mortgage to shared equity scheme, which was launched in March that year. Between January and August 2009, almost 150 families benefited from the scheme. The Government has also increased funding for debt advice, with an additional £1 million for Citizens Advice Scotland in 2009-10 and a further £250,000 to support accreditation towards the national standards for information and advice. Funding for relevant legal advice has increased by £3 million over two years.

However, there was a widely shared feeling that further action at legislative level was necessary as a matter of urgency. That urgency necessitated a reasonable attitude towards the length of the consultation period for the bill, but interested parties were engaged extensively. As other members have mentioned, initially there were calls from some quarters for emergency legislation, which would have restricted engagement severely. That route was rejected.

Part 1 makes extensive changes to the extent to which home owners and other residents can apply to court to delay repossession under the 2001 act. That facility has been extended to include almost all instances in which a lender seeks to repossess a property as a result of debts or mortgage arrears. Crucially, a lender will no longer be able to sell a domestic home that is used as a security without recourse to court action. Lenders will have to show that they have considered reasonable alternatives to repossession. The bill codifies industry best-practice guidance and goes further than the England and Wales pre-action protocol in the area—with good reason, as others have observed.

It is worth clarifying one issue that was raised in evidence—the protection of the family home in the process. The bill does not provide absolute protection of the family home from bankruptcy or repossession. The fear that it would do that lay behind some, although not all, of the criticisms that were made of the bill in committee.

As others have mentioned, part 2 deals with issues relating to bankruptcy and trust deeds, removing the requirement for the creditor to give consent before a person enters bankruptcy by creating an alternative route that involves their being assessed by an authorised person, such as a solicitor, as being unable to pay debts.

Much of the evidence on part 2 was, declaredly, from people who make a living—in some cases, a substantial living—from the existing system. That notwithstanding, it would be fair to reflect a variety of views among the committee on part 2.

The issue around the Accountant in Bankruptcy automatically becoming the trustee in certificate for sequestration cases caused continuing debate in the committee. Some of the other concerns that were raised by insolvency practitioners about part 2 were not shared by organisations such as Shelter, which believed that the provisions help people who currently do not have debt solutions available to them. In any event, evidence from ministers indicated their willingness to consider amending the bill at stage 2 if outstanding areas of concern remain. Discussions between ministers and stakeholders continue.

Despite there being various areas, particularly in part 2, in which the committee identified a need for further parliamentary scrutiny and debate, the committee was able to endorse the general principles of the bill. I hope that Parliament will be willing to do likewise at 5 o'clock.

16:01

Patricia Ferguson (Glasgow Maryhill) (Lab): I add my thanks to those of others to the clerks and the Scottish Parliament information centre for getting us through stage 1 and taking us thus far.

That there is a need for legislation to protect home owners in times of recession can be in no doubt. We do not have figures specific to Scotland but, as other members have mentioned, the Council of Mortgage Lenders predicts that 8,000 more people in the UK will have faced repossession in 2009 than in 2008.

For more than a year now, Scottish Labour has been calling for action to protect Scottish home owners so that, if they encounter problems, they will have at least as much protection as people in similar situations in England and Wales. Like many independent commentators, we believe that that could have been achieved without new primary legislation, simply by introducing pre-action protocols and possibly by amending existing legislation. The Scottish Government found it necessary, however, to set up the repossessions group—a sub-group of the debt action forum—the main recommendation of which was, indeed, pre-action protocols and the amendment of existing legislation.

Nonetheless, the Government decided to introduce a distinct piece of proposed primary legislation. Our party was pleased that the Scottish Government had at last received the evidence that it clearly needed before it could act. We were willing to accept that, in order to expedite action, the Government would forgo the usual consultation. Unfortunately, the Scottish Government has rather played on our good will, and on the good will of the whole Parliament. The Government's bill is badly constructed and it links together two disparate sets of issues—and, in the process, it has created controversy, confusion and disagreement among those who work in this area.

There are a number of outstanding issues regarding part 1. Some witnesses who gave evidence to the committee suggested that the provisions in section 1 relating to the voluntary surrender process might be overly bureaucratic and, consequently, that they might not be used by lenders. We await the minister's further consideration of the issue with interest.

The committee concluded that the Government should seriously consider introducing an opportunity for a second recall of a decree, with the proviso that an entitled resident can persuade the court that the recall application is being made for a different reason from the first one.

All committee members were concerned that lay representatives should be accredited. For that reason, we welcome the draft Scottish statutory instrument that introduces that safeguard. We are also concerned that lay representatives should have the appropriate training. Concerns remain that there might not be enough capacity in the advice centres to fulfil expectations.

As Duncan McNeil said, the Scottish Government made available about £3 million for advice and representation, but that money was for only two years, and it was announced in November 2008, prior to the introduction of the bill. I hope that, in summing up, the minister will indicate that that money will be supplemented, if required, and that he will indicate how he sees the scheme of lay accreditation working in more detail.

The committee was unsure whether the court system would have the necessary capacity and resources to perform the additional duties that the bill will bring. Reassurance from the minister on that issue would be welcome.

In the time allotted to me, I cannot cover the committee's many concerns regarding part 2. However, it is worth noting just a few of them. Serious concerns have been raised with the committee about the ability of the Accountant in Bankruptcy to fulfil its proposed new obligations. Given some of the inaccuracies in the paperwork that it supplied to the committee, that seems a

justified concern. It is right that the minister has indicated a willingness to re-examine the proposal. I am sure that the committee will wish to discuss the issue with him as the bill progresses towards stage 3.

Section 10 caused substantial disagreement, as members have heard. The disagreement among witnesses was quite widespread, but there was some consensus over the principle that a home with a limited amount of equity should be exempted from protected trust deeds. Committee members felt that such was the level of disagreement we had to record the issue in our stage 1 report. The minister has agreed to report back, possibly today, on further discussions with the sector on how section 10 is intended to work in practice. Again, that is welcome.

The Local Government and Communities Committee, the Finance Committee and the Subordinate Legislation Committee have all expressed concerns about part 2. I do not recall having previously received so many letters and e-mails arguing the detailed points of such a bill. That is disappointing. Even more disappointing is the fact that ministers could not offer enough reassurance to members on the issue, which involves not a controversial matter of principle but a measure on which a broad consensus should, and indeed could, be built. I am afraid that ministers have failed to satisfy either the sector or the committee.

In my view, ministers have a big job to do if the bill is to be safely passed and protection thereafter given to those who have been made vulnerable by financial difficulties. I suspect that, if the committee had not been so clear about the need to offer protection to such people, we might well have rejected part 2 out of hand. I genuinely and sincerely hope that ministers will rise to the challenge by ensuring that they and their officials work with the committee and the sectors to ensure that the bill is in far better shape when it comes back to the Parliament at stage 3.

16:07

Bob Doris (Glasgow) (SNP): This afternoon's debate provides a fitting end to the current parliamentary term: there will be many things on which our parties disagree, but the passage of the Home Owner and Debtor Protection (Scotland) Bill through its stage 1 committee scrutiny will, in my opinion, be a shining example of the parties coming together to get the job done. The bill will be a powerful tool to protect family homes from repossession and to ensure that effective debt solutions exist for the many vulnerable individuals and families who are caught in an inescapable debt trap. That debt trap is often due to current defective legislation. Therefore, as we enter the

holiday period, we should remember that the bill provides an example of what this Parliament can do when we put our minds to it.

I hope that stages 2 and 3 can be completed very early in the new year. All of us in the Parliament have a responsibility to seek consensus where possible and to agree on a reasoned compromise where it is appropriate to do so. Indeed, I believe that ministers were in listening mode throughout stage 1, so I look forward to seeing what will emerge during stage 2.

I want to cast an eye south of the border. Some unionist colleagues might anticipate that every comparison drawn with England is an attempt to play party politics, but I can assure them otherwise. It is believed that England has had some success with the pre-action protocol, which is a list of best-practice protocols that lenders should go through before seeking repossession. Indeed, Labour members have spoken highly of such protocols in previous months. As Alex Neil mentioned, under the protocol—which is clearly a step forward—around one third of cases are still not dealt with appropriately. The move to put the pre-action protocol on a statutory basis in Scotland, combined with the provisions that will require all repossession cases to appear in court and—just as important—enable statutory pre-action requirements to be tested in court, will give this Parliament an incredibly strong and powerful framework for dealing with repossessions in Scotland. I believe that the bill will put Scotland ahead of its closest neighbours in tackling repossessions, but the progressive legislation in England is what has led us to this point.

Another provision in part 1 that I want to highlight is the right to representation in court by a lay representative. I believe that, in years to come, this Parliament will view that practice as commonplace and will wonder why it took us all so long to allow people from organisations such as debt action Scotland and Citizens Advice Scotland to provide such representation in court. After all, such organisations often support families with debt and repossession issues, providing vital support, building up trust and giving advice along the way. In many circumstances, they are best placed to defend repossession actions in court.

Much has been said about part 2 of the bill. It is vital that we ensure that part 2 is as good as it can be and that all that is good about it is not lost as the bill progresses. We should not let the consultation issue get in the way of that. I see nothing in part 2 that cannot be retained, either in its current form or following further clarification or—if need be—amendment. I believe that our committee agrees, which is why, despite the concerns about consultation, we all agree to the general principles of both parts of the bill.

Mr McLetchie was extremely critical of part 2. He evoked Bob the Builder in asking whether we could fix it. Although he hoped that we could, in much of his speech he appeared to suggest that the only tool that the Conservatives would use would be the spanner that they would throw in the works. I strongly hope that that is not the case.

I would not claim that Labour has similar intentions—I believe that its members will be constructive, even though I may not agree with Cathy Jamieson's or David Whitton's choice of language to describe the bill. It is the Government's responsibility to produce draft legislation and it is the Parliament's job to improve and amend it as appropriate, and I genuinely believe that Labour will work in partnership to achieve that aim.

I turn to the certificate for sequestration, which is vital. There are people out there who are caught in debt quicksand and are sinking fast. If someone has too high an income to make an application to the low-income, low-asset debtor scheme but does not earn enough to participate in a debt arrangement scheme or a protected trust deed, they are at the behest of their creditors. CAS has huge concerns about that and wants there to be no delay in the taking of action. It believes that any delay will result in another year of misery for many people in Scotland. The certificate for sequestration would solve the problem. So far, the biggest concern about it that I have heard is that the system might be overly bureaucratic, but I suspect that that is always the complaint whenever a new system comes in. It is for the Government to get that aspect right.

In the time that I have got left, I want to deal with the biggest red herring, which relates to protected trust deeds. It will not become compulsory to remove the family home from a protected trust deed; the bill will just make it legal to do so, which, at the moment, it is not. The bill simply provides another tool in the box for dealing with repossessions and securing family homes. I see no reason why creditors cannot make a debt arrangement to exclude a family home, regardless of the level of equity that is contained in it. I am open minded about whether we need guidelines, but I make it clear that as long as we are talking about a negotiated settlement that is not forced on the sector, there is no issue—it is a red herring.

I believe that the Parliament will come together on the bill's general principles, and I look forward to stage 2, when I hope that a constructive partnership will be developed that will save people from repossessions and provide them with debt solutions.

16:13

Jamie McGrigor (Highlands and Islands)

(Con): I am pleased to be able to speak in the debate, and I pay tribute to the members of the Local Government and Communities Committee, including my good friend David McLetchie, for producing a thorough and extremely useful committee report on the bill, which has informed the debate and correctly highlighted areas that require attention.

We all recognise the severe economic pressure that so many of our constituents are under, including those in my region of the Highlands and Islands, as unemployment goes up and disposable incomes are squeezed. The bill's policy memorandum states that the policy intent is

"to protect home owners and debtors during a period of recession, and in particular to reduce the risk of homelessness as a result of insolvency."

It is interesting, and I have to say rather shaming, that while other European Union countries, notably Italy, are managing to move out of recession, we in Britain are still languishing in such an awful mess. Bob Doris blamed David McLetchie for throwing a spanner in the works—I hardly think that it was him or our party that did that to one of the most successful economies that Europe has ever seen. The credit boom of the past 10 years meant that many people had ready access to mortgage credit, often for the first time in their lives, and we were able to fulfil their perfectly understandable and commendable desire to become property owners. The good economic conditions brought about by the previous Conservative Government, and the right to buy, were willingly taken up by a great many Scots. That scenario was sustainable as long as the British economy did well, but the economic crash and its consequences have led to a situation in which many people are now struggling to keep up with their mortgage repayments, experiencing negative equity and facing the dreadful prospect of repossession. The Council of Mortgage Lenders is still predicting somewhere in the region of 65,000 repossessions across the UK this year, which is significantly more than the 40,000 that took place last year and vastly more than the 8,200 recorded in 2004.

We recognise that the repossession of a home is surely one of the most devastating and stressful life events that could possibly befall anybody. I also share the concerns that have been widely expressed in the Parliament and elsewhere with regard to a lack of information about the number of repossessions that take place in Scotland. As with any issue, it is vital that we have a grasp of the extent of the problem when we seek to tackle it. It is concerning that we have very little evidence that is specific to Scotland in respect of the number of

repossessions over the past two years or so; it would have been extremely useful to have had that information when the committee considered the bill.

More generally, on a theme that emerged when the committee took evidence at stage 1 and which David McLetchie highlighted, the Government should have been able to present more convincing evidence to show why current legislation was not sufficient and why the new legislation was required. Nevertheless, in these difficult and exceptional economic circumstances, the Scottish Conservatives believe that it is right that Government at all levels considers what action it can take to assist people to cope with the recession and to help prevent repossession, which we have always said should be a measure of last resort—a position, of course, with which lenders agree. That is why we will support the bill today, albeit while seeking improvements in the areas that David McLetchie covered earlier and which he will again address at the end of the debate. I also acknowledge the support that the bill has had from a range of organisations, including Citizens Advice Scotland, which sent me a very useful briefing note.

Part 1 of the bill brings Scotland more closely into line with the law in the rest of the UK on repossession and, crucially, it puts into statute a pre-action protocol for repossessions. That will allow the home owner greater opportunity to object to creditors taking repossession of their home. That essentially means codifying the good practice that exists in the rest of the UK and it therefore has our support.

There are more areas of concern in part 2. The committee's evidence correctly identified that the new route into bankruptcy in section 9 would potentially mean a significant shift of business from the private sector to the public sector and potential redundancies as a consequence. It was appropriate for the minister to take those concerns on board and to commit to re-examining the role of insolvency practitioners. We look forward to ministers delivering a more acceptable way forward on the matter in full consultation with private sector interests.

Today's debate has so far been, on the whole, constructive and useful. We are satisfied that there is enough need out there to justify the bill and enough in the bill to justify our party supporting it. My Conservative colleagues and I stand ready to work constructively with the Scottish Government and others to improve the bill in the next stages of the legislative process, so that we achieve clear and effective legislation that gives support to Scottish families who are struggling in very difficult economic times.

In the football parlance that Duncan McNeil spoke of, those must be our goals, and let us avoid the penalties—the awful penalties—that fall on the unfortunate householders who are shown the red card in their own homes.

16:19

Nigel Don (North East Scotland) (SNP): I do not know whether I shall manage to continue the football analogy, but one image springs to mind. In stage 1 debates, the contributors are usually the members of the lead committee. For those of us who are not on the lead committee, it is a good thing that the team has turned up. I am in the grandstand, watching it all and trying to reflect on what is going on. I have been left very little to contribute to the detail, as other members have been playing the ball for some time. I will, therefore, offer a few thoughts on the edges of what we have been talking about.

Human nature is much to do with the problem that we have been addressing. A lot of what is in the bill and what has been talked about is the provision of information. I remind the chamber that many people are not very good at reading; therefore, the written information with which they are provided can be pretty useless. I am not making a point about the education system; I am simply asking members to recognise that sending people the appropriate advice in written form may not work and is less likely to work for those who have already got their affairs in a muddle, as they are probably less organised. It is therefore important that, when people get into an economic mess, they know where to turn—CAS would be one such place. They must also be convinced of the need to do so and must be empowered to do so. I wonder whether we have given enough thought to ensuring that the people who are least likely to interact are given the right way of interacting. Are we dealing with the vast majority of people, who can read and look after themselves, to the exclusion of those who are most vulnerable?

A second thought is about the nature of the bill. I will not go back over the party politics of it, but there was a call for swift legislation. There has also been a call for later legislation on the basis that we could have carried out more consultation. It seems to me that the ministers on the front bench today will be damned if they do and damned if they do not—they have taken a middle road and will be damned at both ends. That is just life.

The committee should not be terribly worried about being forced to go to stage 2 with quite a lot to do. Most members have been in the Parliament for a lot longer than I have and will not need to be reminded of that. Nevertheless, that has been my

experience as a member of the Justice Committee. The Sexual Offences (Scotland) Bill, which we passed fairly recently, and the Criminal Justice and Licensing (Scotland) Bill, which we are currently working through, involved a huge amount of discussion with ministers at what I might call stage 1.5, so that what we got at stage 2 was agreed, further amendments were lodged and stage 3 was relatively straightforward. I do not think that anybody should be the slightest bit worried about the amount of work that will be involved—I am sure that the committee is up to making the modifications that are required, and I look forward to the end result.

Nevertheless, I worry slightly about part 2. Members have articulated the problems with it. I have in front of me a letter from ICAS, which I am sure that all members have seen. Paragraph 14, on protected trust deeds, states:

“ICAS believes that the proposal seeks to address a problem that does not exist.”

I could continue the quote. It makes me wonder why we have received very different opinions from different parts of the landscape. I wonder whether there is a bit more work to do to get the right people into the room and around the table to work out what they are saying and where the compromise can be made.

The idea of lay representation affects everything to do with the justice system. Nobody has yet pointed out that, although lay representation may be entirely appropriate when the facts are the only things at issue—as, by and large, they will be in this case—we should be worried about lay representation when the law is at issue. We must recognise that, although it can sometimes be an ass, the law is usually complicated and that to allow laypeople to pretend that they know the law on a subject is a dangerous route to go down. We must ensure that we separate those two circumstances.

16:24

Jim Tolson: I feel as though I have been sitting among squabbling children. Labour wanted a one-day bill—a simple bill, as Cathy Jamieson put it—but the speed at which it is now being dealt with is too fast for Duncan McNeil, who wants more time for the consideration of the bill. Further, although David McLetchie is a member of the Local Government and Communities Committee, which backed the need for legislation in Scotland, he managed to argue with himself when he said that he felt that the protocols that are in place in England are adequate. Not to be outdone, although the minister outlined that early action by lenders has reduced the impact of repossession, he has brought to the chamber a bill that will

encourage lenders to reduce the impact of repossession.

However, today's debate represents a serious attempt to solve a serious problem that affects more than 500 families in Scotland every year. Cathy Jamieson hit the nail on the head when she said that employment is one of the best ways in which to prevent repossession, although that is a moot point, given that, earlier today, the chamber heard about more than 1,000 job losses in Scotland. No doubt, that represents 1,000 families who are concerned that they might soon be in need of the protection of the bill that we are discussing. That is all the more reason why we must fully discuss and overcome the significant difficulties in part 2.

I am happy to accept David McLetchie's suggestion that, on average, 18 months elapse between the first notice of arrears and a repossession. I hope that all members will remember that it is now less than 18 months before our jobs are on the line. That is all the more reason to ensure that we get the bill absolutely right.

Like John Wilson, I look forward to further consideration of the bill and, particularly, the amendments that the Government will introduce at stage 2—I hope that they will be robust.

Part 2 of the bill is not the botch job that Cathy Jamieson said that it was, but it is fraught with problems that must be fixed properly, rather than fixed quickly.

The Liberal Democrats will support the bill at stage 1. However, there are serious concerns around pre-action requirements, lay representation and certificates for sequestration, and disputed figures abound. Those factors must be seriously considered. Like John Wilson, I feel that enshrining the pre-action protocols in legislation is the correct way in which to proceed.

We must ensure that the legislation is swift; and robust and that it helps to reduce the spectre of repossession for hundreds of families in Scotland.

16:28

David McLetchie: Today's interesting debate was kicked off by Alex Neil, full of his usual pugnacious bonhomie. He made some valid points. He was right to say that we require the Scottish figure for repossessions from the Council of Mortgage Lenders if we are to make effective policies that are tailored to Scotland's needs and circumstances. I must say that I find it extraordinarily difficult to understand how, in the sophisticated information technology age in which we live, lenders cannot tabulate arrears and repossession cases on a regional or Scottish

basis. One wonders whether they have failed to note the postcodes of their borrowers.

Although Mr Neil was right in that regard, he was absolutely wrong in relation to the infamous section 10, which was discussed by many members during the debate. The minister and other members of the SNP took great pains to stress that the exclusion of a family home, as provided for in section 10, is possible only with the consent of creditors. However, if that is the case, how can it be a protection to home owners? If it is not a protection, why is it so urgent and why can it not be considered in the wider context of the consultation on protected trust deeds that we have been promised? Cathy Jamieson was right to draw on her previous experience as a minister to point out that the provision is not central to the core purpose of the bill and that, as recommended by ICAS, it should be withdrawn and reconsidered at a later stage in that wider context.

Duncan McNeil made a measured and thoughtful contribution that was faithful to the committee report and its unanimous conclusions, which we hope will be followed by amendments lodged by the Scottish Government at stages 2 and 3 of the bill. Mr McNeil identified the concern that the Accountant in Bankruptcy would have a monopoly of the cases that result in sequestrations under the certification route that is promoted in section 9. It would appear from correspondence that the minister is about to run up the white flag on that and lodge amendments—which we look forward to examining—at stage 2 to remove that monopoly. At least, that is what he has told the Institute of Chartered Accountants of Scotland.

Jim Tolson was right to highlight—and Bob Doris also focused on—the importance of money advice and money advisers in the whole process.

John Wilson asked whether the new revamped online register of insolvency will provide the same service to credit reference agencies as the present *Edinburgh Gazette* publication does. That information is critical to decision making.

David Whitton drew attention in his excellent contribution to the criticisms by insolvency practitioners of the consultation on part 2 and pointed out that the debt action forum said that wider consultation was needed. That recommendation from the forum has been summarily ignored by ministers, and they therefore cannot complain about the torrent of criticism that has descended on them for doing so.

Alasdair Allan drew attention to the fact that the committee unanimously recommended that the bill be approved at stage 1, which is true, but I remind him and Bob Doris that we on the committee also

unanimously and heavily qualified that recommendation in relation to part 2.

Finally in my wee summary of members' contributions, I congratulate and welcome Jamie McGrigor's reminder about the growth in home ownership in Scotland thanks to the introduction of the right to buy by the Conservative Government, which did more to make homes affordable for working people in this country than any other measure enacted before or since.

As we have heard, section 9 introduces a new route into bankruptcy through the certificate for sequestration, which is designed to cater for debtors who do not have a route into bankruptcy under the present law. It takes them out of the legal limbo in which they find themselves. That, of course, is a matter of concern to us all, and especially to the Prime Minister—the man formerly known as Prudence—who is the architect of our misfortune. However, help is at hand.

Let us picture the Prime Minister, sitting in his summer house in North Queensferry and gloomily looking over the bleak midwinter of our discontent. Suddenly a messenger appears. "Fear not," he says, for sudden dread has seized Mr Brown's troubled mind. "Fear not, for I bring you tidings of great comfort and joy. Thanks to the diligence of Fergus Ewing, Alex Neil and the members of the Scottish Parliament, who even at this late hour are working in the best interests of the people of Scotland while Westminster has already packed up for Christmas, we are passing a law that will ensure that everyone in Scotland can become officially and legally bankrupt. No one will be overlooked, and no one will be left behind."

The Prime Minister is cheered up—what a Christmas gift! It is surely the ultimate piece of equal opportunities legislation. The man who promised an end to boom and bust can enter the new year confident in the knowledge that, thanks to the efforts of this Parliament, we can all go bust together. I can think of no better epitaph for this Labour Government.

16:34

Mary Mulligan (Linlithgow) (Lab): It is clear that David McLetchie is in pantomime mood already.

I am pleased to close the debate on behalf of the Labour group. In my opinion, the bill was brought about through the efforts of my colleague Cathy Jamieson. I accept that members from all parties recognised that the recession would harm home owners and therefore wanted to protect them as much as possible, but it was Cathy Jamieson, ably supported by Mike Dailly and the Govan Law Centre, who saw that there is a gap in the support that is available. I say to Jim Tolson

that Cathy Jamieson gathered cross-party support—notably from Ross Finnie, Patrick Harvie and Margo MacDonald—to ensure that a pre-court protocol is introduced in Scotland. Cathy Jamieson should be praised for her efforts, particularly as she could have accepted the reassurance from the Cabinet Secretary for Health and Wellbeing that no further action was necessary.

In response to the pressure from Cathy Jamieson and others, the cabinet secretary tried to sideline the issue by establishing a sub-committee of the debt action forum to be known as the repossessions group. I add my thanks to the members of that group for the work that they did, although we have to ask why there was no one from the Govan Law Centre on the group.

The group's report brought about part 1 of the bill, but it also raised the first issue for the Local Government and Communities Committee, which is whether there had been proper consultation on the bill. A number of members who spoke this afternoon picked up on that. I accept the Scottish Government's response was that there was a lot of pressure to act quickly as more home owners became at risk of losing their homes, but if the cabinet secretary had not procrastinated for so long in the first place, maybe there would have been time for proper consultation.

In response to members who say that it is ridiculous to suggest that we could have dealt with the bill in one day, I say that, if part 1 had been the entirety of the bill as was intended, it might have been possible for the Parliament to tidy up the drafting and deal with the bill in a much quicker timescale than the seven weeks that it has already taken us and however much longer it will take us.

On balance, the committee agreed that the consultation was adequate. All political parties have accepted the need for part 1 and, with the possible exception of Mr McLetchie, all members of the committee believed that there was a need for speed. We recognise that there might still need to be amendments at stage 2, but the general principles of the bill were agreed to.

I do not think that I am the only person who was surprised to see that part 2 had been added to the bill. Perhaps it is included for the reasons that Cathy Jamieson mentioned and because the civil service saw a way in which to deal with some uncomfortable legislative changes that it wanted to make. Perhaps the minister will clarify that in his closing speech.

When the committee looked at the consultation on part 2, it quickly became clear that there was a problem. Witnesses made it clear that they had expected there to be further consultation. There seems to be some disagreement about whether members of the DAF were asked to keep matters

to themselves, but whatever the facts around confidentiality it appears that some of them felt unable to discuss issues with colleagues and other interested parties. That resulted in the committee report stating that consultation on part 2 was unsatisfactory—as David McLetchie says, that is parliamentary language, so we can interpret it as we will. We on the Labour benches cannot understand why there was such an issue, and we will reserve judgment on whether part 2 can be adequately amended at stage 2 to make it fit for purpose.

I turn to some of the points that were raised in the debate. A number of speakers mentioned the need for separate Scottish figures on repossessions, including the minister Alex Neil, Cathy Jamieson and John Wilson. I believe that all members support that. I ask the minister to say in his closing speech what the Scottish Government has done to pursue that since it was last raised.

Alex Neil: I am happy to circulate to all members a list of all the correspondence that we have been in with both the FSA and the CML. However, I ask Mary Mulligan whether she will ask her friend the Chancellor of the Exchequer to order the FSA to provide the information.

Mary Mulligan: I thank the minister for his offer. It really must be Christmas.

Duncan McNeil and other members mentioned the proposal of a formal affidavit. It appears that there is a need for a formal process to surrender a home voluntarily—as David McLetchie said, for some people it is the right thing to do—but the proposal in the bill seems to be too bureaucratic and likely to impose further costs on the debtor. The minister has already acknowledged that, and I suspect that the provision will be amended.

Citizens Advice Scotland, Money Advice Scotland and others have very much supported the proposal to allow borrowers to access lay representation. Patricia Ferguson and other members have also voiced their support for the move. However, as Alasdair Allan and David Whitton pointed out, we must ensure that lay representatives are properly trained and resourced. I believe that the £3 million for advice and representation that has been referred to this afternoon is for two years, including this year. The problem, of course, is that the bill has not been passed yet. I am sure that the ministers will agree that the court system will also need to be adequately resourced to deal with the increase from 5 to 50 per cent in cases defended under the Mortgage Rights (Scotland) Act 2001.

The Scottish Government obviously took some time to be convinced of the need for additional protection of home owners at risk of repossession and, when that happened, it sought to cover its

tardiness by introducing a bill, part 1 of which is probably more elaborate than it needs to be, perhaps to justify the delay. However, I will not be churlish. I welcome the way in which Mr Neil and Mr Ewing have provided political parties with briefings and have responded to committee members' questions. I suspect that Mr Ewing will have the bigger burden in trying to right what is before us at the moment, and no matter whether he is Bodger, Badger or Bob the Builder I very much hope that he can fix it.

As I have said, part 1 can be made to do the job, but my party is concerned about part 2. It is only due to the hard work and good will of the Local Government and Communities Committee that we are here today, agreeing to the principles of the Home Owner and Debtor Protection (Scotland) Bill. Let me be clear, however: without further amendments and clarity on resourcing, we could be in a completely different position at stage 3.

16:42

The Minister for Community Safety (Fergus Ewing): I have thoroughly enjoyed what has been a most interesting debate. First, I pay tribute to all members on the Local Government and Communities Committee, which is ably convened by Duncan McNeil. His presentation of the various arguments was entirely consistent with the committee's report. I also thank the committee clerks, who are also present this afternoon. I am sorry only that, as far as MSPs are concerned, the debate has been a relatively sparsely attended affair, for some reason that is completely incomprehensible to me.

I am prepared to take on the chin all the criticisms and comparisons that have been bandied around the chamber and I will, in so far as I can in the lengthy time that appears to be available to me, address the arguments that members have made.

Although the committee made very serious criticism about consultation, particularly with regard to part 2, I welcome its acknowledgement of the bill's necessity. As various members including Bob Doris said, it is good that Parliament recognises that the measures are essential. They will give people in Scotland considerable help in avoiding unnecessary eviction and in dealing with the difficult debt situations that they might face. I note that, as well as the criticism of part 2, there seemed to be among some members a parallel competition to claim greatest credit for the bill. I think that we can all take the credit in that respect.

I will start off by briefly addressing one or two points that were raised on part 1, then I will focus the main part of my speech on part 2. As was briefly mentioned earlier, a report was published

today by Advice UK, Citizens Advice and Shelter on repossession court actions in England. It found that in one third of the cases in England, advisers considered that the lender had not complied with the pre-action protocol, and that in only six out of 101 such cases had the courts applied sanctions for non-compliance. It is fair to say that that entirely supports the line that our bill will provide greater protection in Scotland by making lender compliance and court scrutiny of that compliance a legal requirement. That is in contrast with the procedure in England, where there is no such substantive legal effect.

My experience as a solicitor was often to try to forestall evictions where possible—it is not always possible. I am making no general smear when I say that I often found that it was difficult to get answers from banks and building societies, especially in cases where things had started to go wrong. That experience has been entirely borne out by my subsequent 10 years as an MSP, during which constituents have frequently come to my surgeries to say that they have been to the local branch of their bank or building society, explained that someone in the household has lost their job and that they want to try to reduce their mortgage payment so that they can cope and avoid the worry that they might face eviction action, but have not been able to find out who makes such decisions in the organisation. In other words, it is very difficult to get to someone who has sufficient power and seniority to make decision about cases.

The bill will require all secured lenders, other than for involuntary surrender, to go to court to show methodically that they have complied with the requirements on them. That will provide a significant protection to many people in Scotland, and one that is not, I respectfully submit, in place in England. There is common ground, particularly between the Labour Party and the Liberal Democrats, that this is a worthy and sensible step. It is the right measure, and it is absolutely necessary to help people, especially during the recession, who find, having lost their job—in many cases through no fault of their own—that they might also face the loss of their home.

I never wish to misquote Mr McLetchie, because I am sure that I will be corrected instantly. However, he seemed to cast doubt on the utility and worth of the bill. If he did so, I have to respectfully disagree, and I do not think that the rest of Parliament will be with him.

Patricia Ferguson and Mary Mulligan mentioned court costs. We have looked at the issue pretty carefully and the Scottish Court Service, as members would expect, has considered it in great detail. We are satisfied that the courts will be able to cope with the additional burden. It is fair to say that no one can state with certainty what the

number of additional cases will be, but Alex Neil and I are satisfied that the courts are well placed to deal with such cases—of course, they deal with them at the moment. We are satisfied on that score.

I turn now to part 2. I believe that it is absolutely essential for us to help our citizens to meet the problems that some of them will face because of the recession. Why is that? There are specific problems for which there is no legislative solution at present.

We set up the debt action forum, and I attended and chaired five of its seven meetings between January and May this year. We set the forum a specific remit in writing, entitled “Terms of Reference And Outline Brief: Debt Action Forum”—I have a copy of it here. I cannot read it all, but it states:

“debt solutions would require primary legislation in order to: Allow access to bankruptcy for an at-risk group with negative equity, who currently are effectively precluded from seeking bankruptcy because they have title in heritage”.

Why is that factually correct? It is because we currently have the low-income, low-asset route, which provides a mechanism by which people can get debt relief through sequestration. The criteria are that one must not earn in excess of the minimum wage, one cannot have assets in excess of £1,000, and one cannot be a home owner.

When LILA was introduced by this Administration, following the cross-party approach to the implementation of the 2001 act, many thousands of LILA cases came forward, as Mr Whitton said. I will come to his comments on that later. The Citizens Advice Bureau and Money Advice Scotland said that they cleared filing cabinets of cases. Each of those cases was an individual person or family in Scotland who was waiting for debt relief measures.

However, what about the people who have a house, earn more than the minimum wage or have assets of more than £1,000? Currently, they may be able to access the debt relief measure of protected trust deeds, but they will not be able to do so unless the fees of protected trust deeds, which process is carried out entirely by the insolvency profession, can be met. In other words, if someone does not have the money, they cannot get into a trust deed or sequestration unless they are apparently insolvent or being pursued by a creditor. By and large, creditors will probably not pursue matters to that stage, because they will probably take the view that one cannot get blood out of a stone or that there is no point in throwing good money after bad. That is the view that they take, and it is a view that I am sure the solicitors among us will remember clients taking. It is a prudent decision to take.

That situation, however, still leaves people in limbo and unable to get debt relief, a trust deed or sequestration. Is that right? Mr McLetchie may think that it is not, but I was not sure whether that was the point that he was making from his protracted story involving Mr Brown and so on. I think it is not right, because I do not think that people should be denied access to debt relief. Indeed, the law of Scotland has recognised for centuries that there should be access to debt relief measures.

It should be said—I hope that all of us would agree with this, and it certainly needs to be said in a debate about sequestration and bankruptcy—that we are a nation of people who like to pay our debts and think that debts should be paid. I suspect that all of us will take that approach. Indeed, if we did not do that as a society, we would be in an even worse situation than we are. Debt law therefore needs to provide methods to help people pay off debts in an organised way. That is why, with cross-party support, the debt administration scheme was developed. That is also why we decided that, to encourage more people to take up the scheme, because the numbers of people who were doing so were disappointingly low, we would freeze interest and charges, which has led to increased use of that remedy.

Some people, however, are just not able to pay off their debts, or it may be that it would take them the rest of their lives to do so. I hope that we would all recognise that, in such cases, particularly in the many cases in which people have lost a job through no fault of their own, they should not be denied access to debt relief. The debt action forum recognised, having had in its remit the objective to discuss and consider the matter, that that is a gap that we need to fill. When the forum completed its deliberations, it was certainly the case, as some members argued—particularly Mr Whitton—that there was not total unanimity on the forum on all matters. However, I do not think that one might expect there to be total unanimity on an issue such as this. Be that as it may, when the debt action forum concluded its work, there was recognition that there is a group of people who are in limbo. They do not have access to sequestration, they do not have access to a trust deed and they cannot afford the fees of insolvency practitioners. They are therefore stuck.

What is the plight of such people? I met one such person at a surgery of mine in Nairn. They had debts of about £80,000 and owned a home but did not have enough income to be able to pay a contribution. They were receiving debt letters all the time, with all the pressure and anxiety that that causes. Such a family might be able to take up the opportunity that section 9 will afford to apply for a

certificate for sequestration and therefore get debt relief.

I stress that section 9 derived from the debt action forum's remit and deliberations. A mechanism was then devised by a committee of experts, including Professor George Gretton.

David McLetchie: Will the minister confirm what he has apparently told ICAS, which is that he will lodge amendments to section 9 at stage 2, to remove the monopoly that the bill would confer on the Accountant in Bankruptcy in relation to certificate for sequestration insolvencies?

Fergus Ewing: Yes—we will lodge amendments that will ensure that in cases in which insolvency practitioners have started off, but been unable to complete, a protected trust deed, the insolvency practitioners will be able to carry that work through to sequestration. We will also lodge amendments that will make it clear that our aim is not to remove work from insolvency practitioners, nor is it to build a vast empire for the Accountant in Bankruptcy. I think that the amendments will largely satisfy Mr McLetchie, although time will tell. I am pleased to give him that assurance.

Section 10 also arose from the remit of the debt action forum, which all members of the forum received at the outset. That remit included the suggested debt solution to

“Allow a debtor's family home (subject to creditor consent) to be excluded from a protected trust deed”.

As Mr Neil said, the process is being driven by creditors. ICAS has put forward an alternative proposal, which would allow exemption of family homes up to a certain value. As I said in committee, we think that the proposal has drawbacks. The British Bankers Association has said that there should be a more flexible mechanism—namely, I think, the one that we proposed in the bill.

I will explain why I think that section 10 should be supported. First, it will allow far greater flexibility. Secondly, it will allow the family home to be dealt with at the beginning rather than at the end of a trust deed. I am not criticising the work of insolvency practitioners, many of whom do that anyway, but the bill will focus minds and allow the matter to be dealt with at the beginning. Thirdly, section 10 will allow the administration of a trust deed to be done at lesser expense, and through a process that will be easier to manage and less complicated, because the house will be dealt with at the beginning. The approach provides an opportunity for, and not a challenge to, insolvency practitioners. It will also bring the position in Scotland into line with the position in England, where, as paragraph 44 of the policy memorandum states:

“Individual voluntary arrangements ... allow debtors to exclude assets from arrangements with the agreement of their creditors.”

Section 10 is necessary and is entirely connected with the aim of preventing unnecessary evictions, which is the bill's fundamental purpose.

I have now spoken for a considerable time.

Members: Yes.

Fergus Ewing: Some members may feel that it is too long.

Members: More, more.

Fergus Ewing: I am conscious that we are moving towards Christmas. I have been compared to Bob the Builder in this debate and have been asked, “Can you fix it?” The answer is “Yes, we can and, yes, we will.”

The Presiding Officer (Alex Fergusson): I am grateful to the minister for ensuring that we did not have to suspend the sitting.

Home Owner and Debtor Protection (Scotland) Bill: Financial Resolution

17:00

The Presiding Officer (Alex Fergusson): The next item of business is consideration of motion S3M-5061, in the name of John Swinney, on the financial resolution for the Home Owner and Debtor Protection (Scotland) Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Home Owner and Debtor Protection (Scotland) Bill, agrees to any increase in expenditure of a kind referred to in Rule 9.12.3(b)(i) or (iii) of the Parliament's Standing Orders arising in consequence of the Act.—[*Fergus Ewing.*]

The Presiding Officer: The question on the motion will be put at decision time.

Decision Time

17:00

The Presiding Officer (Alex Fergusson): There are three questions to be put as a result of today's business. The first question is, that motion S3M-5405, in the name of Andrew Welsh, on the scrutiny of the draft budget 2010-11, be agreed to.

Motion agreed to,

That the Parliament notes the 7th Report 2009 (Session 3) of the Finance Committee on the scrutiny of the Draft Budget 2010-11 (SP Paper 349) and refers the report and its recommendations to the Scottish Government for consideration.

The Presiding Officer: The next question is, that motion S3M-5415, in the name of Alex Neil, on the Home Owner and Debtor Protection (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Home Owner and Debtor Protection (Scotland) Bill.

The Presiding Officer: The next question is, that motion S3M-5061, in the name of John Swinney, on the financial resolution for the Home Owner and Debtor Protection (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Home Owner and Debtor Protection (Scotland) Bill, agrees to any increase in expenditure of a kind referred to in Rule 9.12.3(b)(i) or (iii) of the Parliament's Standing Orders arising in consequence of the Act.

The Presiding Officer: That concludes decision time. I wish you all a happy Christmas and a good new year.

Meeting closed at 17:01.

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