



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Thursday 16 June 2011

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## Scottish Parliament

Thursday 16 June 2011

[The Presiding Officer *opened the meeting at 09:15*]

### Business Motion

**The Presiding Officer (Tricia Marwick):** Good morning. The first item of business is consideration of business motion S4M-00305, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a revision to the business programme for this afternoon. I invite Bruce Crawford to move the motion.

**The Cabinet Secretary for Parliamentary Business and Government Strategy (Bruce Crawford):** In moving motion S4M-00305, I inform Parliament that its purpose is to insert a short debate this afternoon on the Scottish Parliamentary Corporate Body's motion on membership of the Scottish Commission for Public Audit.

I move,

That the Parliament agrees the following revision to the programme of business for Thursday 16 June 2011—

delete

2.55 pm Scottish Government Debate: Scotland Bill – Scottish Broadcasting and the Scottish Digital Network

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business - S4M-00016 Mark McDonald: North Sea Taxation

and insert

2.55 pm Scottish Government Debate: Scotland Bill – Scottish Broadcasting and the Scottish Digital Network

*followed by* SPCB Motion on membership of the Scottish Commission for Public Audit

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business - S4M-00016 Mark McDonald: North Sea Taxation

*Motion agreed to.*

## Taking Scotland Forward: Education and Lifelong Learning

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on taking Scotland forward—education and lifelong learning. I call Michael Russell to open the debate.

09:16

**The Cabinet Secretary for Education and Lifelong Learning (Michael Russell):** I welcome the opportunity to lead this debate on education. I regard it as a great honour to be the Cabinet Secretary for Education and Lifelong Learning. I very much look forward to the coming five years, in which I will be working with my colleagues Angela Constance and Alasdair Allan, who I am sure will make a strong and distinguished contribution to this portfolio and to education right across Scotland.

Today I will outline the Government's vision for how we intend to build on the many successes that are already in place, to further improve outcomes for children and young people, to tackle the problems that still affect education and to overcome current challenges. All that work must be taken forward in partnership, both in the chamber and across Scotland.

I welcome back to this task Liz Smith and Ken Macintosh; I welcome Liam McArthur to his new portfolio; and I welcome Alison Johnstone, who I believe will speak on behalf of the Greens.

I want to say a word about Des McNulty and Margaret Smith. Previously, I, too, lost my seat after holding a position on the front bench, and I know how difficult that can be. Both those members contributed strongly to the education debates in this chamber, and over the years Margaret Smith and I worked very closely together. We will miss their contributions in this chamber and I wish them well.

I look forward to constructive debate and discussion, a collective understanding of the challenges that we face and a collective approach to solving them.

I am absolutely committed to improving the life chances of Scotland's children and young people. The Government's vision is to achieve that through improving attainment for all and raising and realising ambition for all. That vision is aspirational and challenging, but it is achievable. I stress that I will make changes to our education system only if I am convinced that it will improve outcomes for individual learners.

We all know that a greater focus on early years is required. Angela Constance, as Minister for

Children and Young People, is working with me and will work with others throughout the chamber to create a fairer start for all. We will continue to implement the getting it right for every child agenda, which will ensure that resources deliver for all, including the most vulnerable children. Our most vulnerable children will see a greater focus on early intervention to achieve stability and improved outcomes.

There are hard-edged economic benefits to early intervention. Early and effective intervention can significantly reduce costs to the state, both in the short term and the long term, and it can deliver better results for the individuals involved. We set out clearly in our manifesto our commitment to supporting children in their earliest years, and we have talked about the need for a fundamental shift in philosophy and approach—a shift away from intervening only when a crisis happens towards prevention.

Of course, there are some long-term challenges, the biggest of which is to improve life chances for looked-after children. We know that every Administration has said that that is a priority, every Administration has said that it will tackle the issue and every Administration has tried—I pay tribute to them for that—yet I am back here again saying that it is a priority for this Administration. We must break that cycle.

It is not just a matter of statistics and targets; it is about life chances for those who have least. We have to have the courage to take long-term action. We will set out a package of measures to take that forward. One of the elements will be to build on our investments in early years by investing in a change fund, part of which will deliver a new generation of family centres, as Susan Deacon recommended in her report earlier this year.

We plan to introduce legislation on early years early on in this parliamentary session to ensure that investment in early years is not an optional extra. We also intend to go further, to explore legislative options to ensure that getting it right for every child is firmly embedded in the whole of the public sector. We will consult stakeholders over the summer to define where the legislation can have the most impact and support the most positive developments that are happening. We are very open to views. Because we recognise the importance of the home environment, an early priority will be the development of a national parenting strategy that encourages agencies to work together to support parents.

Early years investment supports children's readiness for the next stage of education: learning in school. Last week, Bill Maxwell, the interim chief executive of education Scotland and senior chief inspector of education for Scotland, advised Scotland's directors of education that

"The challenge we have in schools is not that our schools are failing. The greater challenge lies in the large group of schools which are too willing to accept that their current performance is 'good enough.' The key to success lies in lifting aspirations and the performance of many schools that are in effect 'coasting' and capable of so much more than they are achieving."

I agree with his analysis. I will add another perspective, which some members have heard many times before: my belief is that the reality of Scottish education is that we have hundreds of thousands of good pupils, taught by tens of thousands of good teachers in thousands of good schools, but we can constantly improve the attainment of every child. We can do that by narrowing the gap between the highest and lowest achieving and by improving the attainment of our highest-achieving children. For example, in Ontario, a literacy and numeracy strategy that seeks to empower and inspire pupils and teachers has seen high school graduation rates increase from 68 to 79 per cent. The inspirational Avis Glaze, who I was lucky enough to meet in Ontario a couple of years ago, and who is one of the key figures in the Ontario strategy, says:

"It is about building capacity. Staying as a poor, low performing school is not an option. We are interested in improvement, rather than where schools are at any given time."

I am also interested in improvement for every child. Working with Dr Alasdair Allan, the Minister for Learning and Skills, I want to support schools—all schools—to be excellent and to enable every child to reach their full potential and realise their ambitions.

All that will build on the platform of curriculum for excellence, which is the vehicle that Scotland has chosen to underpin the learning journey and beyond. Curriculum for excellence encourages schools to be innovative, ambitious, relevant and supportive of each child's talents. It recognises the uniqueness of every child and tailors the education experience to every child. This Parliament has been united in its support for curriculum for excellence, and I want it to remain united in its commitment to the delivery of curriculum for excellence.

I can confirm that work continues apace—on time and on target—on the development of the new national qualifications. They will be delivered in the way that was promised.

We are working hard to ensure that teachers have as much information as they need as we move forward. The new agency, education Scotland, will of course have a key support role for teachers and schools from 1 July onwards.

Within the context of curriculum for excellence, we need to make some changes to broad general education. We will deliver our literacy action plan

through the literacy commission. I pay tribute to the work that the Labour Party, and Rhona Brankin in particular, did to bring that issue forward.

We will have a renewed emphasis on the importance of language learning.

As promised, we will bring together Scottish studies, including the Gaelic language, the Scots language and Scottish history and culture, to help our young people to understand Scotland and its place in the world. We will build on glow, the world's first national school intranet. We are in the process of procuring the next generation of glow, but we are listening to users about what it should do and how it should do it.

We will also continue to support Gaelic education. In Edinburgh, demand for places is rising all the time, which has meant that the Gaelic unit has outgrown its current premises at Tollcross primary, which Alasdair Allan, Angela Constance and I visited just two weeks ago. I am therefore delighted that, last week, I confirmed to the City of Edinburgh Council that the Scottish Government will provide capital funding towards the costs of renovating the disused primary school in Bonnington. I hope that the council will make a decision on that later this month.

Curriculum for excellence is the bright hope for Scottish education, but the brightest hope comes from our teachers, particularly the young ones who are coming out of teacher training. We must always ensure that their talents and enthusiasms are not dulled through frustration and unemployment. I have spoken several times to the Parliament about my concerns and worries on that issue, which has been the most difficult problem that I have faced in the past 18 months.

I have taken steps, through the Scottish negotiating committee for teachers, to ensure that the number of teachers who are being trained is brought into balance with the number of posts that are available. I expect the numbers to be in alignment next year. I very much regret the distress that the difficulties have caused. It is local authorities that employ teachers, but I have taken action to ensure that we do not have that waste of potential. I believe that the root cause was oversupply, but it is a matter that takes a long time to turn round.

I will support and develop our teachers. We cannot have significant progress in education unless we work in consultation with the teaching profession. I want to build greater leadership capacity and always to improve the quality of teaching and learning. Following on from the Donaldson review, I will continue to drive forward the ambitious changes to support our teachers in training and to deliver new levels of attainment.

That is why we have established a review of teacher terms and conditions led by Professor Gerry McCormac. I do not want to pre-empt the conclusions of Professor McCormac's work. It is a review and it takes evidence, and I will not comment on that evidence. I look to Professor McCormac and his able team to draw conclusions. I will comment on those when I know them.

Education is about creating and sustaining enthusiasm in individuals. The structures that surround education are a means to create success, not an end in themselves. The Education, Lifelong Learning and Culture Committee in the previous session of the Parliament looked at the governance of schools. It did not reach a definitive conclusion, but it set out questions that need to be addressed. I want us collectively to consider those questions, in the Parliament and with our partners, the chief among whom on the matter is the Convention of Scottish Local Authorities.

The partnership approach has led to a sea change on rural education. The legislation that we passed on that was good, but it was not good enough, and it has not worked as well as it should. We are making progress on the issue in partnership. I will soon announce the details of the commission on rural education, which will be a partnership exercise with COSLA and others.

Moving on from schools, one of the greatest issues is the 14 per cent of 16 to 19-year-olds who leave school and who are not in employment, training or education. The issue for that age group has existed for too long, although the figures are always being considered and we always try to do as much as we can. It is a matter of life chances. We have to prevent talent going to waste. We have to get it right in the early years and in schools; we have to support the child, the pupil and the student; and we have to balance the needs of the labour market with those of the individual.

For young people who leave school and do not go on to further or higher education, we must constantly review the avenues that are open to them and where they lead. Skills development should start in school. A young person's strengths and ambitions should be nurtured and developed to provide clear direction in their journey into well-paid and sustainable work. A young person's decision to go to college or to undertake training, voluntary work or a modern apprenticeship will be made easier if the skills have been developed and the benefits and outcomes are clearer.

We have demonstrated our commitment through the funding of 25,000 modern apprenticeship opportunities for 2011-12, which is the highest-ever number of modern apprenticeships. We have also continued schemes such as the education

maintenance allowance and we are committed to do more to help young Scots to find the right training and employment.

**John Park (Mid Scotland and Fife) (Lab):** Of the 25,000 modern apprenticeships that have been announced for this year, how many will be for 16 to 19-year-olds?

**Michael Russell:** I will ask Skills Development Scotland to write to the member with the exact details, but I am aware that we need to provide the bulk of the opportunities for 16 to 19-year-olds, although there is a need to provide opportunities for others. We keep that under constant review.

I turn to colleges and universities. Further and higher education has played a key role in our economic success. Parents, pupils, students and businesses in Scotland have for some time been safe in the knowledge that higher education will remain free and based on the ability to learn, not the ability to pay. I make that absolute commitment. In a rapidly changing world, our universities and colleges continue to innovate. As part of that, I believe that the learning journey that begins in the classroom must continue to be flexible beyond school.

The provision in our colleges and universities needs to be delivered in a more coherent fashion and with much greater collaboration than at present. The institutions must be governed in ways that will help them to cope with the challenges of the future. I started that journey with our green paper, and later this year I will set out a wider package of reforms for the whole of post-16 education. However, on the specific subject of university governance, I can announce that I have asked Professor Ferdinand von Prondzynski, the principal of Robert Gordon University, to chair a small five-member panel that will undertake a review of the current governance of higher education. That will include unions and students, as well as a chair of court. The panel will publish its remit before the summer recess and will invite views on the subject over the summer. It will present us with its conclusions at the end of the year and we will base our plans on its proposals.

I have provided an idea of the ambition that the Government holds for Scottish education. In the Government's first four years, we started to address the challenges and we had some success, but there is much more to do. For example, I remain committed to bearing down on class sizes in the early years of primary, although progress on that will not be as fast as I would like.

If education were fully devolved and we were fully independent, we would be able to focus the sort of resources on education that currently we can only dream about. However, we can do much and we will do it. We will not agree all the time, but

my task—and our joint task—is to ensure that we focus on the attainment of all our young people and that we always attempt to enhance their life chances. If we do that, it will mean success not only for individuals, but for Scotland as a whole.

09:31

**Ken Macintosh (Eastwood) (Lab):** Although we are six weeks in from the election, this is the first education debate of the new session, so I begin as the cabinet secretary did, in the spirit of acceptance, by congratulating Mr Russell on his re-election. I also welcome and extend my best wishes to his new front-bench team and to all our new colleagues in the Scottish National Party, the Labour Party and across the chamber. There are familiar faces, too—I am delighted to see Liz Smith back and I welcome Liam McArthur to the education team. It is a matter of regret for me to stand here without my colleagues Des McNulty and Karen Whitefield. I thank them for the substantial contribution that they made to the education debate in the past decade. Similarly, I thank Margaret Smith. Finally, and before I reach Oscar speech proportions, I pay tribute to Adam Ingram, who has not lost his seat but has simply moved. He was never anything other than thoughtful and considerate as a minister.

The Labour Party might be in opposition, but we still have a vision for Scottish education and for a system in which everyone has the chance—in fact, repeated chances—to make the most of their abilities. We have a vision of a society and a country that thrive on the collective achievements and accomplishments of an educated population. During the election, much was made of the similarities between the manifesto commitments of the Labour Party, the SNP and the Lib Dems. On student fees, the new curriculum, early years and more, there is no doubt that many of us in the Parliament share common ground. I make it clear from the outset that where there is broad policy agreement, we will have no hesitation in saying so. I welcome the cabinet secretary's opening remarks on early years and his intention to make looked-after children a priority. We will certainly support him in achieving that objective.

There are challenges. We know that our schools are successful and equitable, but they do not compensate for or overcome social or economic disadvantage. That is at least one reason why Labour introduced the curriculum for excellence and why the SNP has continued in that direction. We believe that our colleges and universities offer opportunities to us all as individuals, and that our culture and economy are communally enriched by higher levels of education. That is why Labour will stand by our commitment to oppose tuition fees.



I stressed the broad consensus that exists in the Parliament, but I worry about the delivery of the plans. I worry that, in some areas of education, our progress might be halted. For example, the most pressing and topical issue must be that of teacher employment, or rather unemployment, because the figures that were released from the General Teaching Council for Scotland yesterday are a matter of deep concern. In the past four years, the number of newly qualified teachers who are unable to find employment has more than doubled and the number who are in work with a permanent contract has more than halved. In other words, we have an issue of unemployment and of underemployment among the most recent recruits to the teaching profession.

Labour has proposed the immediate recruitment of 1,000 new teachers, which would not only halt that decline but reverse it. If the cabinet secretary is unwilling to follow our lead, we need to know how the Scottish Government will implement its own election commitment to give probationers a job. Will it be funded? Will the promise extend only to this year's probationers? If so, what about those teachers who have been scrabbling around for four years trying to make do and survive on supply work? I trust that we are not simply going to overlook them and move on to the next generation.

Of course, the issue is not just a matter of concern for our teachers: it has a direct impact on how pupils learn in the classroom. Class sizes are all over the place, particularly in early primary school. We have a ridiculous target that 20 per cent of classes should be of fewer than 18 pupils in primary 1 to primary 3, while we simultaneously introduced a legal maximum of 25 in primary 1. Pupils are going from classes of 20 or so in one year to 33 the next, and there are composite classes and classes of 40 or more taught by multiple teachers.

During the past few weeks, I have been inundated with letters and e-mails from parents who are alarmed at what their children may expect when they return after the summer break. We must consider the matter rationally, rather than applying a policy that seems to be the result of financial deals that have been negotiated behind closed doors.

The issue of probationary employment has arisen at the same time that the minister has established the McCormac review into teachers' terms and conditions. In England and Wales, strike action from teachers is imminent, and it is fair to say that discontent is simmering in our staffrooms too.

**Michael Russell:** As the member knows, the strike action is to do with pensions. I very much support the unions' view on the pensions issue—I

see no need for the changes—and I think that the teaching unions in Scotland are aware of that.

**Ken Macintosh:** I recognise that the teaching unions in England are predominantly concerned with the pensions issue. I was making the point that teachers have accepted a two-year pay freeze and are very concerned and alarmed at some of the talk that is going around about their pay and terms and conditions. We need from the cabinet secretary a clear statement of intent on teacher numbers, on terms and conditions and on his plans for teacher employment.

A second pressing issue that faces the cabinet secretary is the implementation of curriculum for excellence. The first cohort of pupils is coming to the end of secondary 1, and yet, extraordinarily, they still do not know the nature or even the number of exams that they will sit in three years' time. There remains broad political and professional support for the principles of curriculum for excellence, but it is now a matter of urgency for parents and pupils to know what the reforms will mean in practice.

Local authorities are cutting back on the continuous professional development budget at a time when secondary teachers in particular are crying out for more support. The question that has puzzled many teachers, and which has been raised on numerous occasions in this Parliament, is that if there are to be five broad courses in third and fourth year, does that mean that most pupils will sit only five exams? There are significant implications for pupils and for subject disciplines if the point at which the curriculum narrows moves from fifth year to fourth year. It will certainly have implications for the choice of sciences and modern languages.

It is also of concern that at this point there seems to be little in the way of evaluation or formal monitoring of the success of the curricular reforms. In fact, the very body that we rely on in Scotland, Her Majesty's Inspectorate of Education, has already had to give up its school inspections to implement the new curriculum. The merger of HMIE and Learning and Teaching Scotland highlights the question of distinct roles for an implementation body and an inspection body.

Higher and further education is the third area of immediate concern. At present, the number of fully funded places is falling rather than increasing, and higher education institutions throughout Scotland are cutting not just staff, but whole departments. There is a general concern that those decisions are motivated more by the availability of research funding streams and postgraduate funding or by the attractions of wealthy foreign students, than by more disinterested academic or strategic considerations. The First Minister has intervened to praise some strategic moves such as those at

the University of Strathclyde, while condemning others such as those at the University of Glasgow. Will the cabinet secretary expand on what he feels the Government's role should be in helping to shape those policy choices?

Colleges, too, are having to deal with even greater cuts to their budgets, and all that comes at a time when Scotland needs to improve the skills of its workforce. If Scotland is to thrive, the solution surely lies in educating greater numbers of graduates.

Excepting the Conservatives, there is political solidarity in Scotland on the issue of tuition fees. It is now up to the minister to bring forward his proposals to ensure that our universities do not fall behind those south of the border, and to tell us when and at what level he intends to set the fees for English students. Some of the proposed funding streams that the minister has mentioned have failed to quell anxiety. The plans for charging European Union students, for example, seem to form part of the minister's calculations but have yet to get off the starting block. Perhaps the minister would care to clarify that point.

There is room for agreement on the issue of improving governance, and I welcome the minister's announcement of a review. Universities may be multimillion-pound institutions, but they are not businesses, and their academic independence and integrity need to be bolstered.

There is not enough time this morning for me to cover every area, but I will briefly touch on two issues. First, on rural schools, the minister did not fully address my question about why urban schools are not included in his moratorium on school closures. Urban schools are being closed, as are rural schools, on the arguable premise that reducing capacity saves money that can be better spent on other schools. That is not an educational benefit but a financial argument, and if it does not work in a rural context I do not understand how it can work in an urban context.

Finally, I will raise an issue that does not require significant resources but can be addressed even at this time of financial constraint: the importance of tackling bullying. It is unfortunately the case that bullying is endemic in our schools and in our society. It does not have to be that way, but it requires a lead from the cabinet secretary. A very good start would be to implement Labour's policy to monitor, record and publish every incident of bullying in schools and how it was dealt with. If we are not aware of the extent of the problem, we cannot do anything about it. I would welcome hearing the minister's thoughts on how he intends to tackle the issue.

I have tried to address the serious issues that face our schools, but I do so with a sense of

anticipation about what we can achieve. Education is the one service that the state can provide that lifts aspirations, provides fulfilment and allows people to secure prosperity. Our task is to ensure that Scottish education thrives.

09:41

**Liz Smith (Mid Scotland and Fife) (Con):** I congratulate Mike Russell and his team on their re-election, and Mr Macintosh and Mr McArthur on their new posts. I pay tribute to those who are no longer in this Parliament: their contributions to the debate on education certainly made us think, even if we—or I—did not always agree with them, which made for a very healthy debate.

I think that we all appreciated the hustings that we took part in during the election period, because they also often made us think. Some interesting issues were raised, as well as a lot of concerns, which events this week have emphasised. Councils are clashing with the SNP over school closures, and the Educational Institute of Scotland is organising a ballot on whether it will go ahead with a boycott of curriculum for excellence, which would be most unfortunate. EIS and the Scottish Secondary Teachers Association are not happy about COSLA's submission, which they view as a bit of an attack on the professionalism and autonomy of teachers. There are grumbings about the SNP's refusal to acknowledge the size of the universities funding gap, and—perhaps most worrying of all—there is the headline that we have seen about teacher numbers.

These are troubled times, and there is a host of concerns that would, if they were allowed to continue, threaten all that is good in Scottish education. As the cabinet secretary said, there is much that is good in education in Scotland, and that needs to be celebrated.

Those problems in education are not all the fault of the cabinet secretary, which he will be pleased to hear, but they increasingly reflect some of the SNP's wrong-headed policies. There is an increasing perception in some quarters that the cabinet secretary is trying to spin a line that is a little different from reality. We have had a persistent and—in my view and that of many people in higher education—quite extraordinary refusal to accept the full extent of the funding gap in higher education.

We have heard an insistence from the cabinet secretary that plenty of money is available for local authorities to carry out the restructuring of all their schools programmes, and an insistence that the teacher recruitment statistics are perhaps not all that accurate. Perhaps they are not 100 per cent accurate, but they reflect a very worrying situation, and we must measure up to that.

I am well aware that there have been some rather inflammatory comments in the world of education recently, which does not help. However, there is nonetheless a strong message out there that people in education feel very strongly about things at present, and we must respond to that.

I will try to draw together some of the strands of criticism of the Scottish Government from the many different quarters of education—early years professionals, teachers in our schools, classroom assistants, people who are working as specialists in physical education, drama and art, and college and university principals and lecturers—because there is a common theme, which reflects what I think is wrong with the statist approach in its truest sense.

The concordat was meant to herald a new era of co-operation between central and local government, together with an understanding that the absence of the straitjacket of ring fencing would mean that councils had much more freedom to decide things for themselves—a concept that the SNP often stresses. In reality, the concordat has proved to be much more of a straitjacket: it has forced local authorities to accept rigid targets set by central Government. Not only have those targets proved to be undeliverable, they have proved to be different from the priorities within local government. There are plenty of examples of that—I will not go through them all—but the policy on class sizes may be the one that has been most affected. The cabinet secretary is now admitting that the policy will take much longer to achieve than expected. Without class size targets, councils would have been better able to choose their own priorities—and perhaps would have put more money into teaching jobs. We will need to consider such issues carefully, because the teaching market needs to be more flexible. I think that the cabinet secretary is probably moving a little in that direction.

It also looks as if the Scottish Government will adopt more of a statist approach with colleges and universities—we need only ask people in the colleges about the comments on collective bargaining that have been made or ask people in the universities who fear an attack on the autonomy of the university structure. Of course we want accountability, but we certainly do not want to remove autonomy, which is one of the inherent principles of our university system.

I strongly support the Donaldson review, and I hope that I will support the coming report of the McCormac review. Jointly, those reviews offer the best way forward for providing greater flexibility and for enhancing the professionalism of Scotland's teachers. Both reviews were tasked with making important and challenging changes—to raise attainment levels and to motivate

teachers, give them the resources that they require and assure them that they are a highly valued part of Scottish society. The teaching unions are keen to stress that our teachers, by and large, are first class. Parliament, too, must send that message about all the things that teachers do.

We must maintain the strong academic tradition of both higher and further education. The debate over finances has been well rehearsed, and Parliament is well versed in the views of the Conservatives. However, I ask the cabinet secretary not to use the excuse of the funding issue to attack the autonomy of the colleges and universities, or to attack the way in which they choose to organise themselves. That would be very dangerous, and such an approach could make it difficult for people in both sectors to realise their international ambitions. We need to be very careful about that.

The funding crisis must be resolved—no two ways about it. The cabinet secretary has put all his eggs in one basket, saying that the state will provide. However, he must give the Parliament confidence that, if the state is to pick up the tab, there will be no cuts in student numbers, in courses or in any aspect of our university system, and that he will not become overreliant on the fees of people who come in from outside Scotland. The cabinet secretary stresses the ability to learn, not the ability to pay. He must keep that firmly in mind.

**The Presiding Officer:** We move now to the open debate. I remind members that time is a wee bit tight. We hope to allow speakers up to six minutes, but please do not stray over that. You may take less time if you wish.

09:48

**Stewart Maxwell (West Scotland) (SNP):** The election was only six weeks ago—although I am sure that, for some people, it already seems like a long time ago. I thank the people of West Scotland for voting for the SNP in such large numbers on 5 May and for helping to re-elect me to Parliament for the third time. It is an honour and a privilege to serve as MSP for West Scotland, and I will do my utmost to ensure that I represent my region and its people to the best of my ability.

In approaching today's debate, the biggest problem was that, because there are so many important issues needing discussed, it was difficult to know what to concentrate on. Like others, I will be able to touch on only a limited number today.

Let me start by highlighting some of the positives from the past four years. Some 130,000 pupils have been lifted out of crumbling school buildings, and 330 schools have been built or refurbished. Although that is an excellent record of

achievement, there is still more to do. I am therefore especially pleased with the Government's pledge to halve the number of pupils in crumbling schools during this parliamentary session. We now have the lowest-ever average primary class size, and a new legal limit of 25 has been set for primary 1.

Free higher education has been restored by ruling out up-front fees and abolishing Labour's back-door fees. Twenty thousand modern apprenticeships are being delivered, which is a major increase on 2007, and there is a promise of 25,000 for each year in this coming session. Funding for college bursaries has reached a record £89 million, supporting some 42,000 students. That is a proud record, although I am sure that the cabinet secretary would agree that it is merely a start on the work that has still to be done.

Those are only some of the achievements of the past four years but, in what are difficult times for the sector, it is worth remembering that progress has been made in a number of areas.

I turn to some of the challenges ahead, because it is clear that we are not short of critical issues to tackle. In 2001, the McCrone agreement led to stability in the school sector, but after 10 years it is right that we review the position in light of the prevailing circumstances. I will be interested to discover what emerges from the McCormac review. One of the major recent changes has been the introduction of curriculum for excellence, and one of the big questions for the review is whether the current arrangements are suited to the new reality.

I should have begun by declaring an interest: my daughter is just coming to the end of her first year of secondary school, which means that she is in the first group of pupils whose future will be partially decided and shaped by curriculum for excellence. In my experience, many parents across the country remain anxious about what the change means for their children. They want to be reassured that a coherent system is in place to support their children through their secondary schooling, and that curriculum for excellence will adequately prepare young people for what comes after school—whether that is employment, education or training.

Curriculum for excellence was a policy inherited from the previous Labour-Lib Dem Administration, but I know that the cabinet secretary will want to ensure that the system works in the best interests of our young people. If I may speak for a moment not as an MSP but as a parent, I would have to say that the cabinet secretary still has some way to go in allaying the concerns of parents about the new system. I would therefore be grateful if, in the summing up today, I could hear what plans are in

place to maximise the information that parents get about curriculum for excellence as their children enter second year and have to decide what subjects to take on to examination. I was pleased to hear about the information that will be coming to teachers, but I would like to hear about what information will be going to parents. Many parents need to be reassured about their children's future.

I am aware of the excellent work that is going on across the sector to implement curriculum for excellence, but we need to ensure that parents are kept fully informed of the facts and are confident in the progress being made. People in the sector are working hard, but parents are crucial to the future success of the system.

I turn to the issue of school closures. The subject remains at the top of the agenda nationally and in local communities across the country, and I make no apology for making a direct plea to the cabinet secretary about the proposal by East Renfrewshire Council to close Robslee primary school. The cabinet secretary will have on his desk at the moment requests from parents, pupils, members of the local community and local politicians, including myself, asking him to call in this decision. The proposal from the council is based on a flawed consultation, is without logic, and fails to provide any evidence about the crucial question of educational benefit—a subject that Mr Macintosh raised earlier. Many parents believe that councillors and officials had clearly made up their minds before the consultation was even launched, and that the council's response to the consultation submissions ignored the weight of evidence against closure. The council's arguments reached a new low when it argued that closure was a good idea because bigger class sizes were beneficial for pupils.

Much of the council's argument is about cost savings. The cabinet secretary said:

"the act makes it clear that educational benefit must be the basis for closure decisions. Closures that are driven by finance alone are not permitted, yet councils still buttress their closure decisions with financial rhetoric."—[*Official Report*, 9 June 2011; c 539.]

That is exactly what is happening in East Renfrewshire, and I therefore urge the cabinet secretary to call in the proposal to close Robslee.

To echo what has been said by some other members both last week and again this morning, I say that if there are problems with the current legislation—and there are—and if the legislation is failing to work as intended, which is what I believe that the cabinet secretary has said, surely the Government can appreciate why many people involved in trying to save Robslee cannot understand why the announced moratorium applies only to rural schools. If there are problems with the act, it would seem likely that those

problems also apply to schools such as Robslee. Therefore, on behalf of my constituents, and particularly on behalf of the pupils of Robslee primary, I ask the cabinet secretary, when he sums up, to explain more fully why a school such as Robslee primary is excluded from the moratorium.

I have been unable to cover all the issues today, and I have concentrated on a particular local issue, but I look forward to debates with members from across the chamber over the next five years. I especially look forward to debates with colleagues on the Education and Culture Committee.

09:55

**John Park (Mid Scotland and Fife) (Lab):** I, too, welcome the opportunity to make my first speech in this session during a Government business debate. I welcome Mike Russell and congratulate him, Angela Constance and Alasdair Allan on their re-election. I also congratulate Alasdair Allan on his appointment to the front bench. I look forward to working constructively with the three of them over the next five years.

My first speech in 2007 was in a debate on the same issues that we will discuss today. I want to focus on skills, apprenticeships and vocational training opportunities. Although we live in a very different world because of some of the things that have happened over the past three or four years, the challenge that we faced in 2007—ideally, to equip Scotland with the skills that we need to be a global player and to ensure that our people are able to participate in their local economies in an effective manner—is still there. It is still a big challenge for the Scottish Government and for us as parliamentarians to ensure that people are able to do that.

Mid Scotland and Fife, the area that I have been lucky to represent since 2007, has two fantastic colleges that are right at the forefront of ensuring that our people are equipped with the skills that they need to build new aircraft carriers and the new Forth crossing, and to take advantage of the offshore wind renewables that, hopefully, will come on stream shortly. As well as helping people who are leaving school into the workplace, Adam Smith College and Carnegie College are helping to give people who are already in work the new skills that they may need to participate in industries that are changing and in the new industries that are on the horizon for us.

I turn to the issue of how employers engage with the skills landscape. I suggest that the skills landscape is rather cluttered—I use the word advisedly—and that the matter should be in the Government's in-tray. We should look at how we

can make it easier for individuals to develop their skills and for employers to engage in apprenticeship training. From my experience during the previous session as co-convenor of the cross-party group in the Scottish Parliament on skills, I know that both employers and those who are engaged in learning—learning providers and agencies around the learning agenda—are concerned about their ability to engage and the fact that the landscape is rather cluttered. To maximise the involvement of employers more generally, that issue needs to be addressed.

There is a role for Skills Development Scotland, but there is also a role for the sector skills councils. They are uniquely placed, because they engage with employers and all sides of industry—including trade unions. The sector skills councils need to be involved to ensure that there is a balanced approach and that the money that they and employers want to spend and invest in skills training is spent in a way that will make a difference to the businesses in the sectors that they represent. That is a big challenge for the incoming Government. I hope that Labour members can play a constructive part by making suggestions about how we may improve things for those who want to make a difference.

When I intervened during his speech, Mike Russell mentioned the importance of getting people who are already in work new skills, through adult apprenticeships. I whole-heartedly agree. I will return to why that is important and why it is important that we focus on 16 to 19-year-olds. However, in debates such as this, the Parliament and the Government must send the message that investment in training is not a cost but a key business need—something that will make a difference to businesses.

We need to make such investment easier for many smaller businesses. One of the big challenges that they face, given the scale of small businesses in this country, is that they do not have the human resources or training support to take full advantage of the 25,000 apprenticeships that the Government is bringing forward or other opportunities that are available through the further and higher education sector. We must look at ways in which we as politicians can support them to do that. I suggest to the Government that it consider a host employer initiative, which would enable larger employers to work with smaller businesses to share training capacity, to ensure that smaller businesses, too, can benefit from the apprenticeship opportunities that are there and which, hopefully, will remain available for the foreseeable future.

I want to comment on the issue of apprenticeship numbers. Mike Russell was asked how many modern apprenticeships this year would

be for the 16 to 19 age group. Apprenticeships have become shorthand for how we deal with youth unemployment. Of the 21,516 apprenticeships in 2010-11, 12,827 were for 16 to 19-year-olds; the remaining 10,000 or so were for adults. I agree that that is the right approach, but we must ensure that there is a balance. When we talk about apprenticeship numbers, most people automatically think about school leavers, which is completely understandable. However, if the bulk of the 25,000 apprenticeships are to be available to school leavers, we must ensure that that happens and that employers are able to take advantage of the opportunity.

I have quite a lot to say, but I have about 17 seconds on my hands. I end by making the point that we need a refreshed skills strategy. I would welcome more constructive dialogue with the Government on apprenticeship numbers and look forward to working with the front-bench team over the next five years.

**The Deputy Presiding Officer (John Scott):** I call Gordon MacDonald, who is making his first speech in the Parliament.

10:01

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I am honoured to have been elected by the people of Edinburgh Pentlands and look forward to representing every one of them to the best of my ability over the next five years, whether they live in Stenhouse or Swanston, the Calders or Colinton. I wish my predecessor Mr David McLetchie well in his new role as a Lothians list MSP.

I am pleased to be able to take part in this debate on education and lifelong learning—not just because my constituency has two of Scotland's universities and a further education college, but because education has played an important part in my family for more than 30 years. I was the first member of my family to go on to higher education, back in the 1970s. I was followed by my mother, who obtained her degree when she was in her 40s. Now my two sons have graduated from the universities in my constituency. My elder son graduated from Heriot-Watt University in 2008, and my younger son graduated from Napier University only yesterday. That would not have been possible, especially in the 1970s, without free education.

The previous SNP Government restored the principle of free education, with the removal of the £2,300 graduate endowment fee that the Labour-Liberal coalition had introduced in 2001. The SNP Government has maintained the education maintenance allowance scheme while it is being withdrawn from the rest of the United Kingdom and has increased the number of bursaries that

are available to students from poorer backgrounds. Education should always be based on the ability to learn, not the ability to pay.

Scotland's people are our greatest asset. A well-educated population is essential if we wish to build the Scottish economy. So how do our young people compare with those in other countries? The most recent published programme of international student assessments took place in 2009 and examined the performance of 15-year-olds from 65 countries. Scotland performed better than the rest of the UK in maths, science and reading. Not only that, but we achieved 16th place in science, ahead of Poland, Belgium and the United States; 18th place in reading, ahead of Sweden, Germany and Denmark; and 21st place in maths, ahead of Norway, France and Austria. The SNP Government has halted the slow decline in educational standards that took place over many years under previous Labour-Liberal Governments. The introduction of the curriculum for excellence in our primary and secondary schools will improve our educational standards.

More school leavers go on to further and higher education in Scotland than in the rest of the UK, with the number of students increasing to more than 287,000 in 2009-10. As a result, 37 per cent of our country's working population has a postgraduate qualification, a degree, a higher national diploma or the equivalent. That is markedly better than the UK average.

The high educational attainment of our people would not be possible if it were not for the world-class universities that we have in Scotland. We have the highest concentration of universities in Europe undertaking world-leading research, the majority of which is rated as internationally excellent.

Scottish universities are known throughout the world for their expertise in life sciences, medical research, biotechnology and so on. Scottish universities were responsible for world-changing discoveries such as the magnetic resonance imaging—MRI—scanner and keyhole surgery. As a result, Scotland attracted £384 million in research contracts from outwith Scotland in 2009-10.

We have a well-educated population and world-class educational institutions. In order to continue to grow our economy, however, we need to encourage more businesses to invest in research and development. About 97 per cent of Scottish companies employ fewer than 200 people, with many of those companies having potential for growth, especially in the export market, if only they were able to develop their products.

Scottish Enterprise announced recently that it had invested £20 million in 179 separate research

and development projects in 2010-11, which in turn encouraged companies to invest a further £54 million in the various projects concerned. In the long term, that investment will provide more skilled employment, and Scotland's 43 colleges of further and higher education will deliver the skills and training that are necessary at craft and technical level to fulfil the new opportunities. The number of full-time students at our colleges increased by 9 per cent in 2009-10, with nearly a third of the students coming from Scotland's most deprived postcode areas.

However, our whole education system is under threat from public service cuts imposed by successive UK Governments in London. The Scottish budget was cut by £500 million last year by the Labour Government; this year, the Tory-Liberal coalition has cut our budget again by £1.3 billion. The most recent "Government Expenditure and Revenue in Scotland" statement highlighted that Scotland was in surplus. If we are to achieve our aims of increasing sustainable growth and wealth creation, we require the full fiscal powers that are available to every other country. Scotland needs independence.

10:07

**Aileen McLeod (South Scotland) (SNP):** I welcome the opportunity to participate in this morning's debate. The future of our higher education institutions is of considerable importance to my constituents throughout the south of Scotland. One of our flagship higher education institutions in the south-west is the Crichton campus in Dumfries. I wish to use the debate as an opportunity to highlight the very special significance of the Crichton campus for the future prosperity of the entire region.

In 2007, the newly elected SNP Government fulfilled its pledge to save the Crichton by providing additional funding. Since then, and with the support of the SNP Government, the Crichton has evolved as a dynamic and innovative model of academic collaboration, which has been to the benefit of its students and the economy of the south-west of Scotland as a whole. I congratulate everyone involved in making the Crichton campus a success. The further development of the Crichton campus should be a priority not only for the academic partners involved but for all those who, like me, want the wider regional economy of the south-west to grow and prosper.

It is incontrovertibly the case, I believe, that the presence of higher education and university facilities such as the Crichton can and does play a decisive role in raising the rate of economic growth and improving economic opportunities across an entire region. As the principal higher education cluster in the south of Scotland, the Crichton

campus is a crucial resource for equipping the young people of the area with the skills that they need to find employment. The overall regional contribution that is made by the Crichton campus extends well beyond its immediate role as an educator. Equally significant is the contribution that it makes across the south as an emerging centre of excellence for research and innovation activities. It is widely recognised that virtually all successful regional economies have at their centre a cluster of knowledge-intensive activities based around and driven by successful higher education institutions.

I want the Crichton campus to continue to develop as the regional knowledge-intensive cluster in the south of Scotland, and to act as a magnet attracting more inward investment to the region. The Crichton academic partnership is well placed to realise that potential, given the right vision and commitment.

The landscape of research funding for our universities is changing. There is a growing awareness that basic research needs to be augmented by actions that improve the dissemination of research results across industry, and that encourage firms, particularly small to medium-sized enterprises, to innovate in new technologies—and to enhance their competitiveness by so doing.

Nowhere is that trend more apparent than in the EU research funding that is targeted at the university sector. I fully expect the next EU research framework programme, FP8, to assign substantial funding to actions that target later stages in the innovation chain than the fundamental science-based research for which many of our older universities have global reputations. It is in that broad area of research and innovation activity that the Crichton has considerable potential to contribute to the local and regional economies of the south of Scotland.

I congratulate the Cabinet Secretary for Education and Lifelong Learning on the considerable work that he has done to ensure that Scotland's interests in the development of the EU eighth framework programme are being fully represented to the European Commission very early in the Brussels policy process.

I encourage all the partners at the Crichton campus, along with the local authorities, Scottish Enterprise, the Federation of Small Businesses and the wider SME population, to develop a range of activities focused on the dissemination of research and innovation, in partnership with local firms, and not only in the subject areas that are already represented on the campus; they should also develop new subject specialisms and new partnerships, which will be of benefit to the entire economy of the south of Scotland. I will be only

too pleased to support those partners in that endeavour, and I urge them to consider EU research and development programmes as a possible source of funding.

The University of Glasgow is currently reviewing the continued provision of the liberal arts degree in particular, and the related provision of liberal arts courses in general, at the Crichton campus. Axing the successful liberal arts degree programme could significantly reduce the educational choices that are available to students wishing to attend the Crichton at a time when demand is rising. It could also remove one of the few degree programmes in Scotland that is truly interdisciplinary in approach and content and which, as a result, provides students with a range of transferable skills that they can take to the labour market.

I have already written to the cabinet secretary setting out the concerns of my constituents, and I copied the letter to Professor Muscatelli. I hope that the university court will take those concerns on board when it meets on 22 June.

**Michael Russell:** I can give some reassurance to the member. I spoke to Professor Muscatelli only yesterday about the issue. Professor Muscatelli has indicated that there will continue to be access to liberal arts provision at the Crichton, although in a different way; he is very much focused on ensuring that that provision continues, and that the Crichton grows and flourishes in the way that the member indicates.

**Aileen McLeod:** I thank the cabinet secretary for his assurances—the Crichton should provide for liberal arts courses, particularly at postgraduate research level.

Universities are central to national and local economic development. The Crichton is central to boosting the growth, improving the employment opportunities, and increasing the resilience of the economy of the south-west of Scotland. Since 2007, the SNP Government has demonstrated its support for the Crichton.

I have a positive vision for the Crichton and I pledge my support to the staff, students and each of the institutions that are represented on the campus as they develop their strategies and seek out new sources of funding that will assist them in developing the research and innovation programmes that will contribute to the growth of the campus itself and contribute considerably to the wider economy of the south of Scotland.

**The Deputy Presiding Officer:** I call Anne McTaggart, who is making her first speech in our Parliament today.

10:13

**Anne McTaggart (Glasgow) (Lab):** Thank you, Presiding Officer, for the privilege of presenting my maiden speech today. Prior to addressing the chosen subject of education and lifelong learning, I will thank a few others. I thank my colleagues, both members and staff in the Parliament, for their warm reception and support to me, as a newly elected MSP. I congratulate all my colleagues in the chamber who have delivered their maiden speeches; they have set the bar really high—thanks for that, there is no pressure now. To those who are still to undertake theirs, I say good luck.

I thank the constituents of Glasgow for their faith in electing me as a representative, and I pledge to them my proactive participation at the highest level in representing their needs, issues and aspirations.

I thank my predecessor members of the Scottish Parliament who built the foundation of representation in Glasgow: Frank McAveety, Charlie Gordon, Pauline McNeill and Bill Butler. I pay tribute to their sterling efforts as Glasgow constituency candidates of great integrity and conviction.

Last but by no means least, I thank my family and friends for their uncompromising love, support and faith—and a special thank you to the chair of my local Labour Party branch and the Glasgow city party, Mr Tommy O'Connor, my great friend and mentor.

As a newly elected MSP I intend to work with a passion to pursue social justice. Glasgow is and has a history of being a city enriched by the politics and principles of fairness, with a strong sense of community. As a Glaswegian I am proud to serve the city, as I share that passion for socially enriched, sustainable and inclusive communities.

Prior to my becoming an elected member, my academic training and practice were as a community education worker, in the realms of social work. The job encompasses the privileges of responding to the diverse and complex needs of communities in the most disadvantaged areas in the west of Scotland and responding to the challenges of active citizenship, to enable and empower young people to articulate their voices. It is about the development of structures that enable communities to be central in local decision-making processes. It is about building community capacity, enhancing the local social economy and enabling communities to be self-determining and self-directing, with services provided for and by communities—something that is imperative given the prevalence of ideas about the big society and the transfer of public services. It is about the design, development and delivery of community-



based adult learning, including literacy and numeracy programmes. The aforementioned work afforded me the honour of engaging with numerous dedicated volunteers and community groups, while turning social policy into action.

Education and lifelong learning is therefore a passion of mine. I am passionate about the right of every individual to pursue their potential through education. I urge members to subscribe to an idea of education that is not merely for school-age pupils but is for a nation of ageless learners, and to acknowledge the trajectory from early years and through mainstream education to adult and continuing education, as rites of passage. Education and lifelong learning are key to economic development, employment imperatives, entrepreneurialism, active citizenship and personal, social and community development.

The current disharmony and revolt on education in rural Scotland and in our Scottish universities is manifesting itself in students' and parents' engagement in demonstrations and rallies, which have been indicative of people's passion for local, accessible schooling, the retention of university departments, the maintenance of student numbers and the preservation of jobs.

It is therefore incumbent on the Scottish Government to re-engage with COSLA on a Scotland-wide strategy for schools and to ensure that departments of, for example, sociology, art, music, geography and community education are retained. Community education departments train students who will be deployed in the most disadvantaged communities in Scotland, nurturing lifelong learning and building capacity so that services can be run for and by communities.

Widening access should be a key priority during this parliamentary session. We need an education system that is open to everyone on the basis of ability, not income or background. I urge the Scottish Government to commit to a nation of ageless learners, whether people's reasons for learning are to do with academic excellence, employment, personal or social development or entrepreneurialism—or indeed are intrinsic—because strong, empowered citizens make for effective Governments.

10:19

**Sandra White (Glasgow Kelvin) (SNP):** The cabinet secretary started by talking about the current challenges and the need to work in partnership. He was absolutely correct. There are certainly challenges in further and higher education. There are particular challenges at the University of Glasgow and the University of Strathclyde, in my constituency of Glasgow Kelvin. I will concentrate on the situations at those

universities. The cabinet secretary is aware of the concerns that have been expressed about the institutions and I thank him for the work that he has done and is doing on the matter. He has met me on numerous occasions and he has met students and staff. I think that we are moving on and things are happening, but I hope that we can push on and that the cabinet secretary can update me on what is happening.

I sincerely welcome today's announcement, which came as a real surprise, of a wider package of reforms in higher education—in particular, the very welcome setting up of a panel to review governance in universities. The issue has been at the forefront of all my discussions with university students, staff and principals at Glasgow, Strathclyde and elsewhere. I ask the cabinet secretary whether the Scottish Further and Higher Education Funding Council will be involved in the review. I know that I have sprung that question on him, but I think that the funding council has a great role to play in the courses that the higher education sector offers and I would like to know where it fits into the review.

On the situation at the University of Glasgow, I have met staff, students and the principal and I think that we are making some progress. However, there is still great concern about courses in Slavonic languages. The university court will sit on 22 June, when it will make a decision. I know that it is not in my remit or within my power to demand that courses not be axed, but I make a plea to the court to listen to all the concerns that have been expressed, not just by me but by staff and students, and to consider sincerely any changes that it is thinking of making in relation to Slavonic languages. As Scotland pushes ahead in the world with an international outlook, and given that we are one of the worst countries in the world for learning languages, it seems to be perverse that the university is talking about cutting a course that is held in high esteem. The only other such course is in London. I cannot make this plea to the cabinet secretary, but if members of the university court are listening I urge them to give serious consideration to all the issues that have been raised and not to axe the courses about which concern has been expressed.

Members have mentioned the University of Strathclyde. I have met all concerned parties—staff, students and the principal—on numerous occasions. I felt completely educated last week, because I had a meeting at the University of Glasgow on the Monday and at the University of Strathclyde on the Tuesday. As is the case with Glasgow, I think that things are moving on at Strathclyde and that partnership is developing. I sincerely hope that we move in the right direction. However, there remain concerns about proposals to cut courses; geography and sociology were

mentioned, and the faculty of humanities and social sciences is under threat, as is the community education department, which reaches out to the more deprived areas of Glasgow and beyond. We really need to look at that.

Maybe I am putting the cabinet secretary on the spot, but I wonder whether he can give us an update on what is happening at Strathclyde. As I said, I have spoken to everyone involved and we are moving in the right direction, but it would give comfort to people who are taking or applying to take courses to know what is happening.

An area that has not been covered in the debate is the situation to do with visas for overseas students, which has a direct effect on funding for our universities—I think that Liz Smith mentioned that. The UK Border Agency's actions are having a detrimental effect on the ability of overseas students to come to our universities.

As I represent Glasgow Kelvin, which contains more universities and colleges than any other constituency in Scotland, I ask the cabinet secretary whether he has had any talks about the matter with the UK Border Agency or the relevant UK ministers. The principals have told me on many occasions that they are suffering because of the position of the UK Border Agency and Westminster, which means that some foreign students cannot get visas to study here.

I hope that the cabinet secretary can respond to the questions that I have raised when he sums up.

10:25

**Alex Fergusson (Galloway and West Dumfries) (Con):** I am delighted to take part in today's debate because there is no doubt in my mind that this policy area is the most important of all the policy areas that Parliament has been discussing since the election. Without an education system that is properly suited to the needs of our people and our country, other policies areas are, frankly, of little consequence. Education is the foundation stone of our society, and we Scots are justifiably proud of our tradition in that area.

However, it is also an area that faces many great and important challenges, particularly in today's difficult times, as many speakers this morning have noted. I want to focus on one particular challenge, in which I have a considerable constituency interest as the member for Galloway and West Dumfries: the proposal by the University of Glasgow—which seems to be getting a bit of a rough time this morning—to terminate the teaching of liberal arts courses at the Crichton campus in Dumfries, whose potential was ably highlighted by Aileen McLeod earlier. I agreed with every word of her excellent speech.

The proposal to terminate liberal arts courses will be considered by the court of the university next Wednesday, and there is every indication that it will be accepted. If it is, that will be a decision that the university will come to regret, because it is widely accepted that liberal arts provide the central ethos of that unique university campus. I suspect that Professor Muscatelli's remarks to the minister reflect the fact that Glasgow university maintains that the ethos of liberal arts will remain, through the interdisciplinary nature of other courses. However, I cannot help but agree with the staff and students when they point out that the physical absence of liberal arts students will, in itself, hugely affect the atmosphere and ethos of the campus.

The staff's hastily constructed—I will deal with the reason for that haste shortly—response to the consultation says that, no matter what courses remain, the effect of removing the liberal arts students will be that

“the student experience will likely be very different and quite probably diminished.”

When that point was raised at a consultation meeting, the chair of the panel acknowledged that that was a risk that would have to be taken. That is quite an admission, because it suggests that the risk of the Crichton campus losing its distinctive liberal arts ethos is somehow worth taking, even though many who are far better qualified than I am fear that losing that distinctiveness could cost the campus its future.

An e-mail from Professor Muscatelli, sent on 8 June, states:

“the consultation is about how we ensure that our academic offerings in Dumfries meet the needs of the local community.”

That suggests that the liberal arts courses are perceived as not meeting those needs. However, as one who has, like the cabinet secretary, applauded the growth and success of initiatives such as the spring fling—the Dumfries and Galloway arts festival—over the past decade, I could not disagree more strongly. Indeed, I contend that those courses play to the strengths of Dumfries and Galloway in terms of what the area has to offer today. I believe that it would be dreadfully short-sighted to phase those courses out.

**Michael Russell:** I agree with a great deal of the member's speech, but I want to make two quick points. First, he and I have worked hard to support the Crichton campus. I did so in a previous incarnation in this Parliament and I continue to be committed to the campus and believe that the liberal arts element is important to it. Secondly, I am not an emissary for the principal of the University of Glasgow, but I believe his

assurance that liberal arts courses will continue to be offered, and that there is no threat to the university's presence. Those are important reassurances.

**Alex Fergusson:** I share the cabinet secretary's delight in those reassurances, but I am still concerned about the moves that might be made with regard to liberal arts courses.

The cabinet secretary might recall that in 2007 the Crichton Development Company commissioned a report from Cogent Strategies International in response to the University of Glasgow's plan to withdraw undergraduate courses from the campus. That report stated:

"By far the greatest economic impact of the Crichton campus will be achieved"

by increasing

"the number of young people recruited to courses and graduating, which entails broadening, deepening and lengthening the educational offering."

I contend that, without the liberal arts courses, the educational offering will be the polar opposite of broader, deeper and longer and has every chance of being narrower, shallower and shorter. That can have only a hugely negative impact on a region that already has the highest outmigration of 16 to 20-year-olds on mainland Scotland.

I do not believe that it is the role of Government to dictate what universities offer. However, I believe that Government has a role to play in ensuring that decisions of such severity and impact are arrived at only following lengthy and meaningful consultation. There is, however, every indication that this particular consultation was anything but lengthy and meaningful and that it has, in fact, allowed too little time for considered reflection. Staff received the report on 4 May, giving them only 14 days to prepare and submit a considered response to a proposal that cast doubt on some of their futures.

Further, the university has made great play of the fact that MSPs and MPs were invited to take part in the consultation. I am sorry, but I did not notice my invitation. That is, perhaps, excusable given that—as I discovered just yesterday—my invitation was issued on the first Wednesday of the short campaign for last month's elections when, I believe, I was not even recognised as being an MSP. That cannot be right, and I do not believe that the university thinks that it is right. There are myriad reasons for calling into question the consultation process but—sadly for me, but perhaps fortunately for other members—time does not allow me to list them all. However, one thing seems to be certain: this was a consultation that definitely had a predetermined outcome. I believe that that casts doubt on the university's long-term

commitment, but I accept the cabinet secretary's words in that regard.

I hope that the Government can reassure me that representations have been made, and I urge the cabinet secretary to suggest as strongly as possible that the decision be postponed by the university court until a genuinely full and open consultation has been held.

10:31

**Jean Urquhart (Highlands and Islands)**

**(SNP):** I am honoured to be here to serve the people of the Highlands and Islands. I am conscious that, when other members have risen to speak for the first time in this session or to deliver a maiden speech, they have paid tribute to the members who were here before them and wished them well in their future careers. However, I am pleased to say that, in the Highlands and Islands, none has been so displaced. I therefore acknowledge the work of the regional MSP, Peter Peacock, and two constituency MSPs, John Farquhar Munro and Jamie Stone, all of whom have retired. All that we in the Highlands and Islands have done is a kind of gentle reshuffling of the deckchairs, and three new SNP MSPs have moved in where others were before.

I enjoyed listening to the cabinet secretary's speech on the educational aspects of taking Scotland forward, but I would like to concentrate on what I consider to be education beyond school—the extracurricular activities, or education beyond that which Government and Parliament have direct control over, although we have some influence in other ways.

Everyone who has spoken has mentioned the economy. In these straitened times, we understand that it is most important that every consideration of expenditure must be about a balanced budget and ways of exerting more pressure to ensure the continuing economic development and growth of our traditional and embryonic industries. However, I suggest that we need to measure our success by more than our gross domestic product. One of the enlightened actions of the Government in the previous session was the creation of the national performance framework, which means that we consider more than economic growth in everything that we do. Properly developed, the framework will be a measuring stick for how we develop socially, for our quality of life and for our wellbeing. It will show more and more whether we are moving further from or nearer to being a more equitable society which, in turn, will bring more prosperity, as is evidenced by other nations.

Education is more than what happens in our schools. Recent events have exercised our

thinking about sectarianism, but there are a few other boils to lance. Racism, bigotry and homophobia are all contemporary ills that combine to make Scotland a weaker and less equitable nation. Although legislation is a starter for 10, I hope that the Parliament will oversee a culture change in all those ills.

I feel very strongly that, in a country that was so proud of its world-class and first-class education system, children leaving primary school with poor ability in reading and writing must become a thing of the past. Our education system is only as good as its weakest link—not its strongest.

Every parent wants their child to succeed in life—in a more equitable society it is possible to believe that that will happen. Getting it right for every child is an essential driver of that ambition.

The debate about how we achieve a better Scotland must flow furth of these walls. We do not have all the good ideas—as the First Minister said in his opening speech on the first day of the parliamentary session—which means that we want to share ideas with other members of Parliament. However, we must look beyond Parliament and the 129 people who are elected here. The people of Scotland, our philosophers and thinkers, academics and intellectuals, and the voice of civic Scotland must become involved in the quest for a better Scotland. Parliament and the Government cannot do it without them, nor should we try.

Part of our right to education is our right to know our own country—east and west, north and south, mainland and island. Too often our heroes are recognised abroad before they become familiar names here. For too long, discovering Scotland has not been a part of formal education, nor is it still. When Alasdair Gray wrote “Lanark”, which is now considered to be one of the finest books written in the 20th century, it was translated into several different languages before it was heralded and recognised in Scotland. Everyone now knows who Charles Rennie Mackintosh was and could probably identify two or three of his buildings in Glasgow, but what of today’s Charles Rennie Mackintosh? How will we know who he or she is?

The people who give our country her identity are the writers, artists, playwrights, poets, singers and philosophers. They reflect our society all the time. They are the eyes, nose and ears—the observers and critics. Earlier this week, a play entitled “Roadkill” won a critics’ award for theatre in Scotland. It is a contemporary play about a contemporary subject—sex trafficking. It packed a fair punch and Ankur Productions, which is a black and ethnic minority company, won the best production award, while Mercy Ojelade took the best female actress award. The country must be proud of those people, but we must also know who they are because they in turn become an

inspiration to every primary school child who has the chance to meet, hear and understand them.

Scotland is changing. In the Highlands and Islands of not too long ago, education was the route out—get on and get out.

**The Deputy Presiding Officer:** I would be grateful if you would close, please.

**Jean Urquhart:** That was true of Scotland as a whole for generation after generation. We declared our people to be our greatest asset and export. That is not now true for the Highlands and Islands nor for Scotland. The change is now measurable. Inward migration is growing, as is the birth rate. The rural schools closure moratorium is to be welcomed and will give reassurance to many parents in rural Scotland. The University of the Highlands and Islands was a long time coming, but it is now a reality.

**The Deputy Presiding Officer:** You must close now please.

**Jean Urquhart:** Further, higher and postgraduate studies are all available across our region. The curriculum for excellence will take Scotland forward. A national performance framework will evidence improvements in the things that matter, and extending the debate to civic Scotland will take Scotland forward, too.

10:39

**Neil Bibby (West Scotland) (Lab):** First, I congratulate Jean Urquhart, Anne McTaggart and Gordon MacDonald on their valuable contributions to the debate.

We in Parliament can all agree that education is our greatest tool for improving social mobility. Education can be the silver bullet that fulfils our aspirations and lifts the next generation up. Scots have long realised that and we have a proud history when it comes to education. From being the first country to provide universal schooling, to modern days when we have an education system that continues to punch above its weight on the world stage, Scotland has put education at the forefront of our national priorities and we have a proud record to show for it.

However, there a danger that that proud legacy could be at risk. Whether it is intentional or not, education seems to be bearing the brunt of the cuts in public sector spending. Those cuts are beginning to bite across Scotland at all levels of Scottish education—no sector is safe. For example, Renfrewshire has seen cuts in teacher and classroom assistant numbers, schools have been closed and there have even been moves to cut teaching hours. I am not here to assign blame, but the responsibility for improving the situation lies with the Government. If something is not done,

I fear that the cutbacks will not only affect children who are already at school, but could leave an indelible mark on the future of Scottish educational attainment. I do not need to remind the cabinet secretary of the outcry in Renfrewshire after the local council proposed cuts in teaching hours and up to 60 teaching posts in local primary schools. At a rally in Paisley town hall, 1,300 parents, teachers and pupils stood together to say no to those cuts and to defend the children's education. I was proud to work with the EIS and the Renfrewshire parent council forum to reverse that proposal, and I urge the cabinet secretary to consult fully with and to listen to parents in Renfrewshire and throughout Scotland when the Government proposes any further changes to our education system.

The cutbacks are not confined just to primary and secondary schools. The Government must ensure that we do not allow cuts in education to become cuts in life chances. We have all seen the reactions of students north and south of the border to cuts in colleges and universities. Staff, students and the general public have shown that they believe that there is a better way.

I appreciate that there are stark differences between the approaches of the Scottish Government and the UK Government to university education. The UK Government at Westminster is pursuing a relentless agenda of swingeing cuts to all areas of public spending, with the further and higher education sectors being early targets. In England, university budgets have been slashed by almost £450 million and student numbers are predicted to fall by more than 6,000. The UK Government believes that introducing huge tuition fee hikes will replace the funding that it has cut, but the reality is that students who have the right qualifications will be priced out of education. With many English institutions setting tuition fees at the maximum of £9,000, a funding gap between Scottish and English universities will become more apparent in the coming years. Both major parties in Parliament committed to the principle of free education during the recent election. I fully agree that tuition fees are not the answer and I am glad that the overwhelming majority in Parliament agree on that.

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** Does the member therefore regret that it was Labour that opened Pandora's box by introducing tuition fees?

**Neil Bibby:** I never supported tuition fees before entering Parliament and that is my position now.

I welcome the review of university governance that the cabinet secretary has announced. However, a question remains about how we plug the funding gap without putting a price tag on

education. Universities Scotland has said that it believes that the funding gap could rise to £202 million annually by 2014-15, although it has acknowledged that that is not a definitive figure. My concern is that it believes that the figure will end up being much larger. The Scottish Government estimates the figure to be significantly lower. I understand that the SNP manifesto put the figure at £93 million.

**Michael Russell:** The figures to which the member refers are contained in the joint report by Universities Scotland and the Scottish Government that gives a range of figures. The figures that we are dealing with were agreed with the Opposition during the process and the Labour Party also committed itself to closing the funding gap. Does the member still agree with that or does he now agree with the former Labour education spokesperson, who said that that policy is wrong?

**Neil Bibby:** It is important that we invest in education. When the minister intervened, I was just about to say that the to-ing and fro-ing on the size of the funding gap could be a distraction from the search for a solution to the problem in the short and the long term. We must tackle that head on.

We know that funding problems are not years away—they are being felt by the University of Glasgow, the University of Strathclyde and other universities across Scotland right now. Many of my constituents attend the University of Strathclyde and I guarantee that their immediate concern is not the size of any funding gap; they are concerned about their courses being shut down and their lecturers being sacked. Courses in music, education, geography and sociology departments are being cut—not in 2014-15, but now.

The Government needs to rise to the challenge that it faces. It has promised to ensure the continued provision of Scottish education at every level.

**The Deputy Presiding Officer:** I would be grateful if you would close now, please.

**Neil Bibby:** I will do so.

We will work with the Government as it does that, because Scotland's students are counting on all of us. The decisions that the cabinet secretary makes today will have repercussions for tomorrow. Our proud record is at risk, so let us find a Scottish solution that proves that there really is a better way.

10:46

**Marco Biagi (Edinburgh Central) (SNP):** When I made my first speech in the green energy debate two weeks ago, there was some criticism

that the motion was too broad. I see that, today, we have gone one step further and dispensed with a motion entirely. Two weeks ago, I said that we should try to govern in poetry as well as prose, but looking at what I have prepared, I worry that it may be more a case of governing by Excel spreadsheet.

When we hold such a broad discussion, it is important to come back to first principles. To quote a not-very-great man:

“Rarely is the question asked, is our children learning?”

George Bush is not often quoted in the Scottish Parliament, but from the mouths of babes—

We in Scotland are extremely fortunate that, in accordance with the first principle that school is for the child and what they can achieve, our attainment is high; 85 per cent of pupils go on to positive destinations. Let us celebrate that, given the current economic difficulties. There are no concerns about standards hanging over our qualifications. We see in the media reports of grade inflation, but they should carry the warning, “Not for viewers in Scotland.” In the last term, the Universities and Colleges Admissions Service uprated Scottish school-leaving qualifications against A-levels because it was felt that the grade inflation in England had closed the gap between school-leaving qualifications in England and Scotland.

However, we should not rest on our laurels. The 2009 programme for international student assessment that was carried out by the OECD, which my colleague Gordon MacDonald mentioned, is possibly the largest piece of comparative research on education across the world. It did not look only at how well students were attaining; it also gathered considerable data about their educational experiences, and it drew conclusions from that. It is the most extensive piece of research of its kind ever done, and although some of its recommendations about what is seen to improve learning and attainment may be uncomfortable for us, they are worthy of consideration. We should definitely come back to the PISA report.

Here in Scotland, we also have the 17 excellence groups, which looked deeply into the teaching of each subject in the curriculum, with a view to informing curriculum for excellence. That was sterling work, which should have been done long before our most recent Administration, because it goes to the heart of how we boost teaching and the outcomes for children that result from it.

Following a recent discussion—I might even use the word, “chat”—

**Neil Findlay (Lothian) (Lab):** One way not to boost teaching is by attacking teachers’ terms and conditions. What would the member say to my former teaching colleagues and the fantastic young newly elected—I am sorry; newly qualified teachers who cannot get jobs? Some of them cannot get on supply lists, while those who have been lucky enough to get on supply lists have been told that they must take a cut in salary for the first five days of any contract. Is it any wonder that they are threatening strike action?

**Marco Biagi:** Would the member like to have a discussion with the Labour-led Convention of Scottish Local Authorities or go back to the results of the GTCS survey about teacher employment that began in 2004-05 under Labour, which showed year-on-year declines in teacher employment then?

The education experience is not restricted to school; attainment is very much rolled up with the home experience. Children spend 30 to 35 hours a week in school, but they spend 130 hours elsewhere. Yesterday, I met Save the Children, which pointed to evidence that two thirds of low-income families report difficulties in meeting the financial costs of schooling. I do not think that we can separate the issues of inequality and poverty from education. There are two bottom 10 per cents: there is the bottom 10 per cent by income and the bottom 10 per cent by attainment, and perhaps we look too closely at one without looking at how the two interact.

The issue of the attainment gap sent me scurrying off to the Scottish Qualifications Authority’s attainment data sets, which reveal an interesting situation: for every decile one goes up, the average pupil gains two grades at standard grade. However, socioeconomics explain an extremely small proportion of the variance in results in the OECD research—only 14 per cent. What is the difference? I think that we square the circle by realising that the OECD research measures aptitude, whereas the SQA statistics measure outcomes and qualifications. Perhaps the Government and the Education and Culture Committee need to look at why pupils who are not that different in aptitude are not achieving the same qualifications. Let us work together on that, because it is something that the parties in the Parliament agree more than disagree on. We were sent here to find solutions, so let us keep working together on the crucial issue of the attainment of young people in our schools.

**The Deputy Presiding Officer (Elaine Smith):** I call Liam McArthur, who will be followed by Dennis Robertson. We are very tight for time, so members have a tight six minutes.

10:52

**Liam McArthur (Orkney Islands) (LD):** I congratulate Gordon MacDonald, Anne McTaggart and Jean Urquhart on their maiden speeches, although I take issue with Jean Urquhart's suggestion that the election process in the Highlands and Islands was a gentle one. I thank Mike Russell, Liz Smith and Ken Macintosh for their generous comments—which were welcome—about my former colleague Margaret Smith, whose contribution on education policy was significant. Her presence in our group and in the Parliament will be missed. I also congratulate the new and not-so-new members of the ministerial team, with whom I commit to work constructively as they take forward their agenda.

If we are to restore excellence in our education system, to provide the skills that our economy needs and to secure the wider benefits that education delivers, the Parliament will require to scrutinise rigorously Government proposals and its performance across the board. That is borne out by the experience of the past four years. All but the Government's most obsequious loyalist would concede that it was in the area of education that the SNP's minority Administration encountered many of its more serious difficulties. Indeed, I recall Mr Russell admitting to losing sleep over teacher numbers and teacher employment; I note that there was no such admission of insomnia this week in his response to the latest figures, which showed that a paltry one in five probationer teachers had secured reliable full-time employment.

**Michael Russell:** Those were exactly the words that I used yesterday on television—the issue still gives me sleepless nights, but we are working hard to secure teacher jobs.

**Liam McArthur:** That is most reassuring, if not for the cabinet secretary's sleep patterns.

There is no doubt that the Government has suffered from having overpromised in the past, whether on student debt, which it promised to dump, on class-size reductions or on teacher numbers, which have dropped by 3,000. Looking ahead, further bold promises have been made, in the full knowledge of the budget constraints that exist and with all the powers at ministers' disposal. Time will tell whether those promises have sown the seeds of future problems.

In the limited time that is available to me, I want to touch on some of the areas that will be of key importance over the next five years. It is not surprising that, as Marco Biagi said, there are areas on which there is significant agreement. I particularly welcome the cabinet secretary's comments on looked-after children. The Government has committed itself to a futures fund

to invest in early intervention measures—that commitment mirrors a similar one that was made by the Liberal Democrats. All the evidence shows that we achieve the greatest value from the investment that we make in the earliest stages of a child's life, and even prior to birth. That does not come cheap, and it certainly does not provide a guarantee—such guarantees do not exist—but it is probably the closest that we will get to a guarantee of securing the best possible outcomes for every child later in life.

At the other end of the spectrum, like the Government we believe that the objectives of enhancing the quality and international competitiveness of our universities while improving access can be secured without the need to go down the tuition fees route, but there is a live debate over the level of funding that that will require. That debate has real and tangible consequences, as we see from the almost weekly news of cuts to staffing and courses at many universities. It would be helpful if the cabinet secretary were able to set out more detail on how he plans to safeguard the quality and breadth of teaching and research while making progress on widening access.

It would also be helpful to get some idea of where the Government sees reform of the higher education sector going, including the structure of courses, the interrelationship with schools and colleges, and links with business and the wider community.

We were happy to work with the Government during the last budget process to secure an expansion in the number of college places and protection of bursary support. However, anyone who attended the Scotland's Colleges briefing last night knows that the sector has an obvious capacity to deliver so much more, not least in helping to deliver the skills that will enable Scotland to emerge with strength and confidence from the current difficult economic circumstances.

On schools, like Liz Smith I welcome both the Donaldson review and the establishment of the McCormac review. The reviews cover sensitive issues, of course, so any recommendations will need to be taken forward with care and proper consultation. It will not serve anyone's interests—least of all those of current and future pupils—if we help to hasten a return to the low morale and divisive industrial relations that gave rise to McCrone in the first place.

Mr Russell is right to point to the political unity around the curriculum for excellence reforms. The aims and values are the right ones and we support the roll-out from primary to secondary. However, as Stewart Maxwell alluded to, legitimate concerns have been raised about the way that that is happening.

I was particularly struck by some of the comments made by the Royal Society of Edinburgh, including concern about the

“lack of attention to knowledge ... the inadequacies in the way assessment has been addressed”

and the

“insufficient ... resources that are being made available to support this innovation”.

Those and other issues need to be addressed in the interests of a process that we all support.

There are many areas of agreement but, as I said, the Government has come unstuck in the past in matching its promises to delivery. During the election campaign, Mike Russell promised that

“young teachers coming through will be guaranteed not just probation but a job.”

The figures released this week are not encouraging. Nevertheless, I hope that there will be a commitment to that pledge and that what constitutes a job will not be redefined.

It would also be helpful to know Mr Russell's views on the relationship between national and local government in respect of education. At the beginning of this session of Parliament, there are signs that the cabinet secretary is all too happy to micromanage Scotland's schools from his office in Edinburgh. We want to see more powers for headteachers so that they can plan the development of their school, play to their strengths and meet the needs of their community. I hope that consensus may yet emerge on that issue, too.

For now, I welcome the debate and repeat my willingness to work with the Government in seeking to achieve what I truly believe are our shared ambitions for restoring the excellence in Scotland's education system.

10:57

**Dennis Robertson (Aberdeenshire West) (SNP):** Given that time is quite tight, I will do my best to be brief and concise.

I congratulate Total on its awards event at Our Dynamic Earth yesterday. It was a great privilege to be there and it was a terrific example of what our young people do. Primary school children from all over Scotland brought forward, with great enthusiasm, exciting and innovative projects on renewables, recycling and animal welfare. I pay tribute to a school from my own constituency that was represented at the event and was highly commended for its project. I congratulate Echt primary school—I should add that the people at Total and those presenting found it very difficult to say “Echt”.

I will not repeat what has already been said, but I will raise a few points. My colleague Stewart

Maxwell raised parents' concerns about the curriculum for excellence and I look forward to hearing the cabinet secretary's response.

Mr Macintosh raised concerns about bullying in schools. The getting it right for every child approach is robust and the infrastructure is in place to try to ensure that children have a route to bring forward any concerns that they have about bullying. Physical bullying is very obvious, but the psychological bullying that sometimes takes place in schools is the most difficult, the most hurtful and the most harmful form of bullying. I am sure that every member of this Parliament agrees that we have to do everything that we can to ensure that it ceases. We have to pay tribute to guidance teachers in our schools who recognise it.

I look forward to engaging with our ministers to look at other ways of trying to ensure that our young people have a route to raise their concerns, so that, if they are being bullied and cannot turn to their guidance teachers or their peer groups, some advocacy and so on can be provided for them.

It will come as no surprise to the cabinet secretary that I am going to mention rural schools. I congratulate him on calling in the proposed closure of Clatt and Logie Coldstone schools in my constituency of Aberdeenshire West, but I hope that he can give me some assurance that a decision on the outcome will be taken in the very near future. We are coming towards the end of the school term and the children, parents, teachers and communities require a decision on what the outcome will be, so that they can plan for next term. Perhaps Aberdeenshire Council will look at the example of Argyll and Bute Council and shelve its closure proposals. That might prevent the cabinet secretary from having to make a decision.

I have concerns about children who have additional learning needs. Having had additional support myself through the education system, I sometimes fear that some educational needs are not being met on a needs-led basis and that provision is often driven by financial constraints. I endorse and support integrated education, but occasionally some children with multiple or complex needs may require special education, which may be in a special school within their community or in a residential school. I hope that the Government continues to look at that issue and at the needs of children with very complex and very specialist needs.

11:01

**Jenny Marra (North East Scotland) (Lab):** The Scottish Government's policy of no compulsory redundancies in further education has recently raised some serious questions in the sector. I stress that no one on the Labour benches wants to



see compulsory redundancies. However, I put it to the cabinet secretary that further education colleges are struggling to make savings of more than 10 per cent and that in many colleges compulsory redundancies remain on the table. I also put it to the cabinet secretary that he cannot expect—I do not think that he ever did—colleges to be able to make savings of more than 10 per cent without any redundancies.

The whole line about no compulsory redundancies in the further education sector is a public relations exercise by the Government, leaving college principals and boards to clean up the mess.

In real terms, Dundee College has experienced a budget cut of 10.4 per cent, which is the equivalent of £1 million of savings, or 100 lecturers' posts at the college. I ask the cabinet secretary how a college can go about achieving cuts of £1 million without cutting the staff jobs. How can a college manage voluntary redundancies to that extent without seriously damaging its operation and effectiveness? How can it maintain the number of student places, which is one of the Government's conditions in relation to the budget reductions? What if every member of staff teaching the most popular course in an oversubscribed department applies for voluntary redundancy? These are headline policies with no planning for or afterthought given to the outcome.

Why attack colleges during a time of economic hardship? Are they not where young people learn skills for the job market? Do they not provide crucial vocational courses that train people for the workplace and provide the extra qualification that people need to get the job that they want? Is that not the most foolish place to make cuts to such an extent during a recession?

Nearly half of all college students are over 25 years of age. They have gone back into education and training seriously, after giving good consideration to their future, and they stick at it: the drop-out rate for colleges in Scotland is far below that of our universities.

Dundee College has seen applications rise by 50 per cent on last year, and has received 16,500 applicants for 5,000 places. Much of that increase has to be attributable to the economy—the lack of available jobs and opportunities—but those 16,500 people in Dundee are serious about training for work. They have made the conscious decision to go back to college, to study and train and to give themselves a leg-up into the job market, but the Scottish Government has cut that critical training by no less than £1 million in Dundee alone.

The cabinet secretary will be interested to know that the hairdressing course is oversubscribed

tenfold in Dundee. There are more than 1,000 applicants for 128 places. I understand that he has been known to scoff at hairdressing courses, but let me tell the Government that there is always work for hairdressers. A haircut is one of the little luxuries that are not greatly affected by the economic downturn, and we rarely hear of hairdressers going bust. They are skilled businesspeople, and they are entrepreneurs. They can travel with their trade, they can work flexibly, they can work from home, and they can work around childcare commitments. They can go into industry, fashion, television and film. The number of applicants in Dundee speaks for itself. People who apply to college have a closer eye on the job market than we might presume, and they know where the money is and where the jobs are.

A constituent—a young man—whom I spoke to during the election campaign had received a letter that morning to say that his music course at Dundee College had been cut and that he was not to return to college in August to complete it. He is a friend of Dundee band The View, whose members studied on Dundee College's music course before going on to great commercial success. At this juncture, I should advise the chamber that I have not been wearing the same dress for four days now—indeed, it was clean on this morning. For the uninitiated on the front benches, that was a reference to one of The View's hit singles.

Dundee College has rationalised its cuts in music because there was good provision in Perth. It has made the best of a bad job by considering employability in relation to course subjects, other local provision and application numbers. Indeed, provision has been commendably planned—but the approach was necessitated only by this Government's lack of foresight.

**The Deputy Presiding Officer:** Will the member conclude, please?

**Jenny Marra:** Yes.

I have heard from members on the nationalist benches the pledge that, if we were fully devolved, there would be a lot more money for education. I ask the cabinet secretary to present the figures for education under an independent Scotland so that the public can see for themselves what would be entailed.

Marco Biagi said that we cannot separate educational attainment from poverty, and I agree with him. Labour never has done that, which is why I ask the Government not to let down the further education sector, as we know that it gives many people the second chance that they deserve.

11:08

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** I think that we have heard from Jenny Marra a new option in the mix of available constitutional options: full devolution. Some of us call that independence, but perhaps that is a matter for another day.

I join others in congratulating the members who have made their maiden speeches today. It is clear that we have some great new talent in the Parliament. I also welcome the Government front-bench team, which has been temporarily depleted from three to two. In particular, I welcome my friend Alasdair Allan to his new role after his elevation to Government.

Ken Macintosh started by referring to the fact that this is the first education debate of the new term. The approach is different from that taken in the previous session, in which it seemed that there was an education debate every week. I am sure that the new pace will be welcomed by the front-bench education teams across the parties.

On Tuesday this week, I was pleased to go to Abronhill high school's student awards ceremony. It was clear from the ceremony that there is a great breadth of talent at the school. I reflected that there was no comparable event at my school—it was only afterwards that I thought that there might have been an awards ceremony but that I was never invited. I will not linger on that thought for too long.

At the ceremony, I enjoyed the contribution of the school's headteacher Brian Paterson. He referred to education as a battle for civilisation. That is more than just grand rhetoric; it refers back to the first principles at the heart of our civic society, which Marco Biagi talked about. The values of secular tolerance, education and understanding are vital in securing those principles. In what was a very good maiden speech, Gordon MacDonald pointed out the strong record of performance in education in Scotland, so it is clear that we are winning the battle for civilisation.

On that basis, today's education debate is important. We have seen a clear record of achievement from the SNP in government. We have seen strong investment in the higher education sector: £1.1 billion for the next academic year. That investment will lead to a strong higher education sector, and it has been welcomed not just by the sector but by the Scottish Council for Development and Industry, which said:

"The skills of our graduates and the quality of our research are key components of our international reputation as an economy and a nation. Our universities ... are an international and social strength for Scotland, creating the skills required for future economic growth."

The investment in higher education is more than worth it and is highly valued across the board.

At school level, we have heard a lot about teacher unemployment. We know that there is an issue, but we should reflect on the fact that teacher unemployment in Scotland is lower than it is anywhere else in the UK. That is an objective fact. We have heard clearly that the issue causes Mike Russell some distress, and I know that he will be working hard to secure improvements.

We have also seen class sizes at the lowest ever level in Scotland. That achievement will be maintained and built on in primaries 1 to 3, in agreement with COSLA.

I welcome the education secretary's action on rural school closures. We have seen a firm and clear commitment to try to reflect the concerns of parents of children in rural schools. Although they were not rural establishments, we have lost schools and nurseries in Cumbernauld and Kilsyth in recent years, and I know the distress that a school closure causes a local community and the impact on the wider community. I therefore congratulate the Scottish Government on its action in relation to rural schools. There is an issue in urban Scotland too—I see that the cabinet secretary agrees—and I am sure that the Government will maintain vigilance on any changes to schools in urban Scotland.

Poverty is one of the greatest challenges facing education and society more generally. The cabinet secretary talked about the advantages that education can provide for the most disadvantaged in our society. He is right, but we have to reflect on the depth of the challenge. Some members have referred to Scotland's good record of attainment, and it is right that they did so, but it is not a uniformly good record.

Marco Biagi spoke well about the differentials in attainment, and in a good briefing *Save the Children* refers to an educational achievement gap:

"There is a stark disparity between the educational outcomes of children growing up in poverty compared to their better off peers ... By three years old"—

that is, by the earliest years—

"children from deprived backgrounds are already 9 months behind the average development and 'school readiness' ... In S4, there is a huge 85 per cent difference in attainment between the poorest and best off pupils."

That manifests itself in a vicious cycle of poverty.

Some 22 per cent of school leavers from the most deprived areas in Scotland move into unemployment, compared with 6 per cent from the least deprived areas. That then affects the life chances of the children of those people, all of which results in the vicious cycle of poverty. I was

therefore very glad to hear about the new generation of family centres that the cabinet secretary referred to in his opening speech. I hope that Cumbernauld and Kilsyth will benefit—I am sure that I will discuss that with him further. Those centres could be a key component in breaking the cycle of poverty.

I had hoped to go on in some detail about the tertiary education sector but, as ever in these debates, I am running out of time. I will just let the cabinet secretary know—I do not know whether he knows yet—that I have written to him to invite him to Cumbernauld College. It is an excellent institution. It is small compared with the rest of the sector, but it has a strong record of achievement and is important to the town and the area. I hope that the cabinet secretary will be able to join me in visiting the college, and I look forward to seeing the Scottish Government's continued good work in education.

11:15

**Jamie McGrigor (Highlands and Islands) (Con):** Today's debate has been largely useful, with some good and pertinent speeches from all sides. Aileen McLeod and Alex Fergusson rightly made many good points about the Crichton campus in Dumfries, and I stress the importance of the UHI to the Highlands and Islands. I thank organisations such as Universities Scotland, Scotland's Colleges and the Alliance of Sector Skills Councils Scotland, which have provided us with useful briefings in advance of the debate.

I stress the importance of physical education in schools, particularly competitive sports. What is the point of races or games that nobody wins? That is hardly an inspiration for the Olympics. It is important that we build young people's confidence and develop in them vital transferable skills, such as team working, that are important in later life.

I listened to the admirable Stewart Maxwell's list of SNP achievements. Like him, I declare an interest, in that my daughter is studying primary teaching at the University of Aberdeen. I hope that, when she leaves, she will be one of the lucky 20 per cent who are able to get a job.

**Michael Russell:** I am sure that the member would not want to mislead the chamber. It is not a question of a lucky 20 per cent getting jobs. A number of students get full-time permanent jobs; many students get temporary full-time jobs; and, over a period of time, most people will secure a permanent job. I want more students to get permanent jobs quickly, including Jamie McGrigor's daughter.

**Jamie McGrigor:** Only one in five newly qualified teachers gets a job at the moment.

The SNP's record from its first term in government is poor because it never delivered the two hours a week of PE that was promised in its 2007 manifesto. We look forward to the present cabinet secretary doing better and we repeat our consistent call for more local authority schools' sports grounds to be opened after school hours and at weekends so that they can be used by enthusiastic youngsters who want to play and practice what they have learned.

I turn to the issue of rural school closures, specifically in Argyll and Bute. I welcomed the council's pragmatic decision on Tuesday to halt its current consultation in the light of what the cabinet secretary announced to the Parliament last week. The entire Argyll and Bute rural schools closure issue has been an unfortunate saga that has affected many communities. I congratulate the small schools for literally keeping their banners flying throughout. The cabinet secretary does not like to be reminded of this, but the fact stands that it was the then SNP and independent-led council that started it all off with its proposals to close 26 schools.

Numerous concerns have emerged as the proposals have gone forward, albeit with a reduced number of 11 schools facing closure in the most recent list. Those concerns have been varied, covering issues from the accuracy of the information that has been used by the council in closure consultation documents and how it has arrived at future roll projections, to how the council has gone about consulting individual parents, pupils and staff. Those genuine concerns are more than legitimate enough to justify the cabinet secretary's decision to call for a moratorium while key issues are addressed. Nevertheless, like Liz Smith, I question why that will take a whole year.

One message that has been sent loud and clear concerns the vital role that rural primary schools play in sustaining rural communities. Businesses, including those in the aquaculture and renewables sectors, have made the point to me that their ability to attract high-quality workers to remote areas is dependent on education provision being locally available and accessible. The purpose of the Government should be to revive rural communities, and good local schools are a way of doing that.

Before I leave the subject of rural schools, I highlight the efforts of the school community at Craignish primary school at Ardfarn in Argyll, who are this year celebrating the school's 150th anniversary. Under the excellent leadership of head teacher Anne Wilson, Craignish is an outstanding example of the kind of primary school that we want to flourish in our rural areas. The school is one of the reasons why the community of

Ardfern is one of the strongest and most genuinely independent in Argyll and Bute.

I am pleased that the cabinet secretary spoke of his support for Gaelic education. Regrettably, however, it was reported last week in McCaig's column in *The Oban Times* that a female student was unable to sit highers in Gaelic and music at Oban high school and would have to go to a school in Glasgow if she wanted to study those subjects. Yet Oban regularly hosts the Mod and the Highlands are full of ethnic musical talent. If, as the cabinet secretary says, there is plenty of money for education, why is there not enough to widen Oban high school's higher curriculum to include subjects that are truly relevant to the area? I am sure that the cabinet secretary is sincere in his wish for improvement, but seeing will be believing.

I echo the sentiments of my friend Liz Smith about the worrying statistic that only a fifth of newly qualified teachers are able to find jobs, and the concerns about the SNP's refusal to acknowledge the true size of the universities' funding gap. The cabinet secretary has a very full inbox with many and varied challenges ahead, and the Scottish Conservatives are prepared to work positively with the Government in the best interests of Scotland's pupils, parents and teachers. We will, however, vigorously oppose any moves to centralise issues. We look forward to working with the cabinet secretary.

11:21

**Claire Baker (Mid Scotland and Fife) (Lab):** I am pleased to close for Labour in this wide-ranging and thoughtful debate. I congratulate Gordon MacDonald, Anne McTaggart and Jean Urquhart on their confident maiden speeches. I echo many of Jean Urquhart's comments on Scotland's culture. Members may know that today is Bloomsday, which is an important day in Ireland's literary calendar. We could do more in the Scottish education system to recognise and celebrate Scottish literature and culture.

I congratulate Angela Constance on her new role and Alasdair Allan on his appointment to the ministerial team—I wish them both well. I welcome Liam McArthur to the education debate and look forward to his contributions. I am pleased to be on the Education and Culture Committee, along with several members who have spoken in the debate. I keep hearing that last session's Education, Lifelong Learning and Culture Committee had a bit of a reputation and I hope that this session's committee strengthens that reputation for holding the Government to account. In a majority-led Parliament, it is important that the committee is fair, constructive and not wary of being critical

when it believes that the Government would benefit from some advice.

The Scottish Government faces big challenges in its education and lifelong learning portfolio and, in talking about them, I will try to reflect this morning's debate. I do not think that the cabinet secretary could miss the pressing issue that several members have raised regarding further and higher education, highlighting the pressure that they face in their constituencies. Alex Fergusson, Aileen McLeod, Sandra White, Neil Bibby and Jenny Marra all focused on the issue. University funding remains a challenge for the Government and there is a broad consensus in the Parliament on the way forward in Scotland. We have an opportunity to take a different approach in Scotland and we will work with the Government to achieve that, but we need some detail on issues such as the fees for students from the rest of the UK and the service charges for EU students.

**Liz Smith:** For clarity, I ask the member what the Labour Party's policy is on higher education funding.

**Claire Baker:** The Labour Party stands by its manifesto and is signed up to the National Union of Students pledges for no tuition fees and no graduate contributions in education. We are prepared to work with the Government over the next five years to ensure that those pledges are delivered on. We fully recognise the serious challenges to doing that, but we are prepared to be constructive.

I am also keen to work with the Government on student support issues and would appreciate the opportunity to discuss Labour's college maintenance allowance proposal, which builds on the successful EMA scheme. Last session there was an annual furore over bursary pots running dry, to which the Government would respond. I am sure that the new minister would appreciate a more planned approach to the bursary system, as would I and thousands of Scottish students.

The employment of probationary teachers continues to be a challenge. We can all produce statistics to justify our positions, but the fact remains that there has been a decrease in the number of those with permanent full-time or part-time employment contracts and an increase in the number of those who are on supply or temporary contracts. In the short term, the Government is committed to providing teaching posts for all probationers this summer. We need to know how that can be delivered and, in the long term, we need clarity on workforce supply.

Ken Macintosh focused on the implementation of curriculum for excellence. The Government needs to recognise that there is still a level of uncertainty about that, which must be addressed,

as Stewart Maxwell acknowledged. The EIS has confirmed that it will hold a ballot in November on boycotting some development work on the new curriculum, which is very concerning news. That decision is driven by worries that the changes are being brought in too quickly, increasing workload and damaging pupils' learning. The Government needs to respond to those concerns.

Last session, Labour drove the literacy commission. We welcomed working with the Government on that and the work that led to the literacy action plan. In our manifesto, we proposed

"up to 1000 teachers, to drive up standards in literacy and numeracy across Scotland".

That is a concrete proposal for moving the agenda forward. The Scottish Government shares the goal of eradicating illiteracy and innumeracy, and I welcome Jean Urquhart's comments on that. We all appreciate the huge disadvantages that accompany an individual who fell through the cracks at school and never gained those basic skills. We all want real progress in this session of Parliament.

That brings me to my final point. Devolution has brought many significant changes to Scotland. The Parliament has been radical at times but has always, regardless of party affiliation, been about effecting positive change for Scotland. Nonetheless, we can all be frustrated that the pace of change is too slow for those who, I argue, need it the most. We all acknowledge that many children in Scotland achieve exceptionally well, but we know that the country's educational attainment gap remains stark—a point that Marco Biagi highlighted well.

Children who grow up in poverty do significantly worse at school than others do. The lack of positive educational outcomes closes off opportunities and ingrains poverty in some families. The situation is further complicated for many looked-after children. Labour will closely examine the educational outcomes report that is due at the end of the month, but we will see from today's report by Butt UK the extent of children living with kinship carers and the level of poverty that they experience.

A number of members mentioned the Save the Children report. As Save the Children highlighted, an educational gap opens even before children reach school and widens in the following years. By the time children reach school leaving age, there is a huge, 85 per cent gap in attainment between the poorest and the better-off among them. Those figures are unacceptable. They were unacceptable under previous Governments and they are unacceptable under this one.

I welcome the emphasis that the cabinet secretary placed on early years in his opening

speech and I welcome Angela Constance to that responsibility, which will be increasingly important in this session.

There must be greater investment in early years—additional support for pupils as well as greater family and parental investment and engagement. I look forward to the Government's legislation on that but, if it places new duties on authorities, it must ensure that financial support accompanies those new responsibilities. It can be difficult to make the transformational change that we all want without the necessary resources.

Liz Smith made some pertinent points on the operation of the concordat. We must all recognise that there is a real danger that, if authorities are to concentrate resources on statutory delivery in early years, resources will then be cut from non-statutory delivery. Members will have local examples of third sector organisations that are under extreme financial pressure now, but those organisations often deliver vital support to vulnerable children and their families, as Anne McTaggart made clear when she talked about community engagement and community education. It is also important that they deliver services in a way that some families find much easier to engage with than dealing with authority. That matter was highlighted in the recent report "Growing up in Scotland: Parental service use and informal networks in the early years".

There are many positives to recognise and celebrate in Scotland's education, from the Secret Garden Outdoor Nursery in Fife, which nurtures young minds, to the most advanced research that our world-class universities deliver and share with the rest of the world. Our job as a Parliament is to provide the right circumstances for everyone—regardless of their postcode or surname—to make their way in the world successfully, with confidence and hope.

11:29

**The Minister for Children and Young People (Angela Constance):** There is nothing more important than ensuring that our children and young people get the right and the best start in life. Therefore, it is a privilege to follow in the footsteps of my predecessor, Adam Ingram.

This morning, I also have the great opportunity to get the last word in at the first education debate in the new parliamentary session. However, this discourse is much more than a debate on education: it is a debate about how we as a nation improve the short-term, medium-term and long-term prospects—the life chances, if you like—of all Scotland's young people.

The Government's challenge and promise are to translate words into actions. The challenge for the

Parliament is to show leadership on what we will and will not tolerate for our children, our young people and their families in 21st century Scotland.

A number of maidens spoke, the first of whom was Gordon MacDonald. I know him well. He always tells it how it is, and I was struck by his speech on how free education had transformed his and his family's prospects.

I was also struck by Anne McTaggart's speech. I am sure that she will bring her skills as a former community education worker to the Parliament and I note her interest in widening access.

Jean Urquhart, our other maiden, spoke about education being more than what happens in schools. That is oh so true.

A variety of members from all parties sought answers or reassurance on a number of specific points. I will do my best to attend to those, but first I give Dennis Robertson my personal commitment to ensuring that the legislation on additional support for learning is fully implemented. He should also expect a decision on the schools in his constituency that he mentioned to be made next week.

John Park has always made an impassioned plea for the skills agenda. We agree with him that the focus has to be on 16 to 19-year-olds in the crucial transition from school to the world of work. However, I also reassure him that the Government has also asked Skills Development Scotland how we can target a proportion of modern apprenticeships on that age group.

If I had to answer all Sandra White's questions, I would be here all day. I am assured that the cabinet secretary will write to her at length. However, on the most important issue that she raised, I say to members that the Government will continue to press the United Kingdom Government on the visa issue.

I welcome Stewart Maxwell to his new role as convener of the Education and Culture Committee. By way of a backhanded compliment to him, I reassure Claire Baker that I have no doubts that he will give the Government the appropriate amount of challenge.

I reassure Mr Maxwell that we have been working hard with the national parent forum on producing a range of material on the curriculum for excellence. Much of that should be available in schools and the cabinet secretary recently wrote to parents with children who are undergoing that other difficult transition from primary 7 to secondary school.

**Ken Macintosh:** I ask the minister to clarify a further question related to the point that Stewart Maxwell raised: will students sit five, six, seven or eight exams in fourth year?

**Angela Constance:** Mr Macintosh should know better than that because he, along with other then Opposition spokespersons, attended a meeting about it last year. There is no limit on the number of exams or courses in which students in the senior phase can participate. It is a matter for schools, parents and the children. If children want to do more than five courses, we will do our best to ensure that they can achieve that aspiration.

Let me get on to Mr Bibby's reference to the inevitable cuts across the public sector as a result of the Con-Dem policies south of the border. I say to him that this Scottish Government has protected student numbers; this Government has retained the education maintenance allowance; and this Government has led the debate on retaining free higher education in Scotland.

**Ken Macintosh:** Will the minister take an intervention?

**Angela Constance:** I wish to make progress, Mr Macintosh.

I will temper the debate about the funding gap. The Parliament might be interested to note that the University of Glasgow apparently has a surplus of £18 million.

I was struck by the tone—until now—of the front-bench speakers. When I heard Mr Macintosh's opening speech, I thought that he had returned to the Parliament with positivity and a spring in his step, following his decisive win in Eastwood, which was against the national trend and against all the odds. I look forward to continuing to work with him.

Elizabeth Smith always makes thoughtful and measured contributions. The one point of hers with which I take issue is that we cannot have both autonomy in the higher and further education sectors and a guarantee on the types and numbers of courses. The Government has put its money where its mouth is by guaranteeing student numbers.

We cannot let the debate end without focusing on teachers and teacher numbers. For the first time, the SNCT has safeguarded teacher numbers. Enough places are available for every probationary teacher to apply for. I assure members that the Government put in £15 million extra to help with the negotiations between local authorities and the teaching unions, £11 million of which was used to secure an agreement to limit changes to terms and conditions.

**Jamie McGrigor:** Is it not true that the Scottish Government promised probationary teachers that, after their year's probation job, they would get a proper job?

**Angela Constance:** The Scottish Government promised that the money would be made available

for every newly qualified teacher—for every probationer—and some more, to eat into teacher unemployment. Mr McGrigor might be reassured to know that jobseekers allowance figures show that teacher unemployment in Scotland has fallen by 6.8 per cent in the past eight months—it stands at 4.2 per 1,000, which is the lowest rate in the UK. In England, the rate is 15.8 per cent.

**Neil Findlay:** Will the minister take an intervention?

**Angela Constance:** Not just now—I am summing up; I apologise to whoever that was. I am keen to say something about the early years before 11.40.

It is clear that we have a collective commitment to and consensus about the value and importance of investing in the early years and having a philosophical shift towards early intervention and prevention. I look forward to the Parliament's support and challenge when the education ministerial team presents early years legislation. I am patently conscious that people have only one childhood. That places an imperative on the Government and the Parliament to improve the prospects of all our children.

We have mentioned poverty throughout the debate and I was struck by the work of Frank Field on that. In his report, he says that what matters most is

“a healthy pregnancy; good maternal mental health; secure bonding with the child”,

parental education, good parenting, good old-fashioned love,

“responsiveness of parents along with clear boundaries”

and opportunities for the child to learn and to develop their cognitive, language, social and emotional skills. All those issues are highlighted in the early years framework, which is our platform for tackling poverty and low educational attainment. I look forward to returning to the chamber in due course—hopefully soon—with our plans to improve the prospects of all Scotland's children.

## Scottish Executive Question Time

### General Questions

11:40

#### Fuel Poverty (Impact of Price Increases)

**1. Bob Doris (Glasgow) (SNP):** To ask the Scottish Government what impact it considers the recently announced increases in domestic energy prices will have on its efforts to eradicate fuel poverty. (S4O-00022)

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** Price increases such as those that Scottish Power announced last week could undermine the Scottish Government's commitment to eradicating fuel poverty by 2016 as far as is practicable. In Scotland, 770,000 households are in fuel poverty. Despite the successes to date in helping more than 200,000 people to improve the energy efficiency of their homes through the Scottish Government's energy assistance package and home insulation schemes, it is estimated that as many as 46,000 more households—2 per cent of households—will be pushed into fuel poverty every time energy prices rise by 5 per cent.

**Bob Doris:** I am sure that the minister agrees that, without the power to regulate our energy market, what our Scottish Government can do to tackle fuel poverty is restricted. However, given the clear success—which he mentioned—of our groundbreaking energy assistance package, which focuses Scottish Government support on those who are most at risk of being in fuel poverty, what further steps will the Government take to continue to target support on those people and to mitigate where possible the worst effects of the unacceptable price hikes?

**Fergus Ewing:** Bob Doris is right to make his point. Many people in Scotland are struck by the contrast between an energy-rich Scotland and the price hikes that severely affect many of the vulnerable in Scotland.

The energy assistance package is aimed at a much broader range of people who are in fuel poverty than the previous central heating programme was. The EAP provides support to pensioners and families who live in the most energy-inefficient housing. Recently, eligibility has been extended to support the most vulnerable disabled people, and we will shortly extend it further to include the most vulnerable carers.

### **Commuter Rail Services (Fife)**

**2. Roderick Campbell (North East Fife) (SNP):** To ask the Scottish Government what discussions it has had with First ScotRail regarding the provision of commuter rail services in Fife. (S4O-00023)

**The Minister for Housing and Transport (Keith Brown):** Transport Scotland meets First ScotRail regularly to discuss matters that relate to rail services, including those in Fife. The issue has also been raised at general meetings that I have held with Steve Montgomery, First ScotRail's managing director.

**Roderick Campbell:** The minister will be aware that the CrossCountry Trains daily 7.35 service between Dundee and Edinburgh was withdrawn from 23 May, which has resulted in overcrowding on southbound ScotRail services—especially the one that calls at Leuchars at 7.20 and Cupar at 7.28—and has created a gap of more than an hour in the timetable of trains to Edinburgh. Will the minister intercede with the management of CrossCountry Trains, perhaps through Transport Scotland, with a view to having them reconsider the withdrawal of the 7.35 service?

**Keith Brown:** I assure Roderick Campbell that Transport Scotland officials will continue discussions with the Department for Transport next week about options for providing additional cross-border train capacity through Fife into Edinburgh in the mornings. ScotRail has monitored patronage on its remaining morning peak services between Dundee and Edinburgh and will continue to monitor the demand for those services, so that it can present proposals to manage overcrowding by the end of July.

Roderick Campbell is aware that the situation results from the decision by CrossCountry Trains. Lord Adonis wrote to my predecessor, Stewart Stevenson, about the proposals back in 2009, when we said that any diminution of cross-border services would be unacceptable. I have also written to the Minister of State for Transport, Theresa Villiers, and received a more positive response. Discussions will continue to try to address the implications for Scottish services of the changes that have been made.

**Murdo Fraser (Mid Scotland and Fife) (Con):** When the minister meets First ScotRail, will he raise the question of capacity on the Fife commuter line? Even before the service to which Roderick Campbell referred was cancelled, peak-time services could be extremely overcrowded, as I am sure you know, Presiding Officer.

**Keith Brown:** I am more than happy to do what Murdo Fraser has asked. Indeed, if he provides specific details of the affected services, I will be happy to look into them. Although ScotRail should

be doing that anyway, things are made difficult when services are changed by rule of the Department for Transport. Such moves have implications for Scottish services and it is very hard for ScotRail to fill in the gaps; indeed, there is also a cost attached to that. We are trying to pursue the matter and if we get a good response from the United Kingdom Government on the implications of its changes, it will be easier for us to deal with overcrowding on existing services.

### **A77 (Improvements)**

**3. Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** To ask the Scottish Government how much it has spent on improvements to the A77 south of Ayr since 1999, how much it plans to spend in the future and what it considers the economic benefits of such expenditure to be. (S4O-00024)

**The Minister for Housing and Transport (Keith Brown):** Since 1999, a total of £32.2 million has been spent on delivering schemes on the A77 trunk road south of Ayr, £30.3 million of which has been delivered by the Scottish Government since 2007, and we are currently progressing schemes worth an estimated £23.5 million of future investment in that key route.

The economic benefits are substantial. These investments help to improve access to the south-west of Scotland, which supports long-term sustainable economic growth and improves reliability for companies and individuals using the ports at Stranraer and Cairnryan.

**Adam Ingram:** I thank the minister for that detailed answer. Earlier this week, during his visit to Maybole, the First Minister expressed his support for a bypass for the town and suggested that acquiring additional borrowing powers from Westminster could provide a potential solution to a current funding problem. Will the minister agree to review the priority status of the bypass project, the need for which will become ever more pressing in light of the fact that traffic flows on the A77 are set to increase by up to 30 per cent as a consequence of the new Irish ferry services becoming operational later this year? Is he willing to visit Maybole with me so that he can increase his understanding of the issue and meet local campaigners?

**Keith Brown:** I certainly agree that increased borrowing powers will make a major difference, particularly with regard to infrastructure projects. This is the time to invest in transport, housing and other such matters, given that at this stage of the economic cycle we can do things much more cheaply.

That said, I recognise the importance of the Maybole bypass to Maybole residents and



businesses and for wider links with the Loch Ryan ports, and I will be very happy to accompany Mr Ingram on the visit that he has suggested.

**John Scott (Ayr) (Con):** As the minister knows, the strategic transport projects review identified the considerable benefits of dualling the A77 around Ayr and grade-separating local junctions on that section of the carriageway. Given those clear benefits, which include reduced journey times, additional capacity for traffic—which is required to allow the town to expand—and improved access to the ports on Loch Ryan and Stranraer, will the minister confirm that the Scottish Government intends to proceed with those interventions and is he able to offer a timescale for their commencement?

**Keith Brown:** John Scott must acknowledge that our budget has just been cut by £1.3 billion, £800 million of which is capital funding, and that such a cut puts a strain on the STPR. We would like to progress many of the projects in the review right now but cannot do so because of finance. However, I take his point and assure him that we are looking at the situation. As soon as we have the money to take forward the scheme that he has referred to and, indeed, other schemes, we will do so.

**The Presiding Officer (Tricia Marwick):** Before we come to question 4, I just want to say that I would like to make a bit more progress and, as a result, I ask members for short questions and ministers for short answers.

#### **Severe Winter Weather (Damage to Roads)**

**4. Nigel Don (Angus North and Mearns) (SNP):** To ask the Scottish Executive what progress is being made towards reinstating roads damaged by severe winter weather conditions. (S4O-00025)

**The Minister for Housing and Transport (Keith Brown):** Recognising the impact of last winter's severe weather, the Scottish Government gave local authorities an extra £15 million—three times the previous year's level—and Transport Scotland an extra £4 million to allow works to be programmed to address sections of road most in need of repair. On trunk roads, we have now completed 96 per cent of permanent winter pothole repairs.

**Nigel Don:** The minister will be aware that the section of the A90 between the north and south Brechin junctions in my constituency is constructed of concrete, which makes it a great deal more difficult to repair. Even the small holes that are left will become cracks in next winter's freeze-thaw cycles.

**The Presiding Officer:** Can we have a question please, Mr Don?

**Nigel Don:** Will the minister take specific notice of the fact that that particular section needs to be dealt with differently?

**Keith Brown:** We are aware of the defects on the A90 Brechin bypass concrete carriageway and in the past have found a flexible asphaltic material for pothole repairs to be very effective. The potholes are monitored and repaired as necessary following weekly inspections. However, because that carriageway is made of concrete, larger-scale repairs are generally gathered together into a single repair programme carried out later in the year. If Mr Don so wishes, I am happy to discuss this particular issue with him.

#### **Early Years Framework**

**5. Kenneth Gibson (Cunninghame North) (SNP):** To ask the Scottish Government how it plans to take forward its early years framework. (S4O-00026)

**The Minister for Children and Young People (Angela Constance):** Since its publication in December 2008, we have made excellent progress on implementing the framework and over the next five years we will build on the legacy of the previous parliamentary term and continue to push forward with our ambitious early years programme.

**Kenneth Gibson:** Does the minister agree that preventative spending in early years is crucial in ensuring that vulnerable and disadvantaged children secure a good start in life? If so, how will the Scottish Government progress that?

**Angela Constance:** I certainly agree with the member. There is very compelling evidence that every £1 spent on the early years saves £9 later on. Of course, there is a moral as well as an economic imperative to early intervention and, as Mr Gibson may know, the Government is committed to introducing legislation and a £50 million change fund.

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** I recognise the minister's personal commitment to the early years agenda. She will acknowledge that, just before the election, considerable momentum built up in the Parliament with regard to preventative spending, particularly in the first three years of life, but how will she ensure that the priority that the Government and Parliament have attached to the agenda is translated into action by local authorities throughout Scotland? Does she think that there needs to be more central direction to ensure that the priority is implemented throughout Scotland?

**Angela Constance:** I thank the member for his interest in this issue. He is right to highlight the importance of the very early years. First and foremost, the Government intends to take the

matter forward with its local government partners through dialogue; nevertheless, we have made a very clear commitment to bringing forward early legislation to embed the early years framework and getting it right for every child throughout Scotland. I am more than happy to have a more detailed conversation with Mr Chisholm on the matter.

### **Social Housing (Rural Communities)**

**6. Mike MacKenzie (Highlands and Islands) (SNP):** First, I should declare the interest noted in my register of interests.

To ask the Scottish Government how it will ensure that provision is made for extra costs associated with social housing in fragile rural communities. (S4O-00027)

**The Minister for Housing and Transport (Keith Brown):** We are making a decisive change in our support for new housing developments by using Government funding to lever in maximum investment from other sources and thereby maximising construction. Housing association bids to the new innovation and investment fund will be assessed against a benchmark of a £40,000 subsidy per unit, but we have also made it clear that we retain the flexibility to consider higher subsidies where, for example, projects require additional support to reflect the challenges in some remote and rural locations.

**Mike MacKenzie:** The minister has partly answered my supplementary, but is he aware that the reduction in the affordable housing grant has made it very difficult for housing associations and other organisations to consider building houses in the most fragile rural areas in the Highlands and Islands region? These are often the most remote communities where, although building costs are the highest, sustainability can be assured by the construction of a very small number of houses.

**Keith Brown:** I am aware that the reduced subsidy for affordable housing will increase the challenges of building in our more remote rural communities. To assist such development, we have made it clear that, in assessing submissions to the innovation and investment fund for projects in more remote and rural communities, we will retain flexibility in considering the levels of subsidy. I should tell the member that the assessment process has only started and that announcements on the bids will be made in the autumn but, nevertheless, I am happy to discuss the matter further with him if he so wishes.

**Linda Fabiani (East Kilbride) (SNP):** Does the minister recognise that in certain urban communities the concept of the balanced community is also very fragile? In East Kilbride, for example, that manifests itself in a critical lack of

social rented housing. Will the minister commit to meeting me and appropriate representatives from East Kilbride soon to discuss this increasingly concerning situation with a view to considering the kind of viable solutions that he has just outlined in some measure in his response to Mr MacKenzie?

**Keith Brown:** Of course, I am unable to wish away these particular budget pressures. However, I am aware of the challenges facing different communities and am more than happy to meet the member to discuss the matter.

### **Asylum Seekers (Education)**

**7. John Wilson (Central Scotland) (SNP):** To ask the Scottish Government what statutory duties local authorities have for the provision of education for those seeking refugee status. (S4O-00028)

**The Minister for Children and Young People (Angela Constance):** Under the Education (Scotland) Act 1980, local authorities have a duty to provide adequate and efficient provision of school education for all children residing in their local area. That duty does not distinguish between children and young people on the basis of their asylum or refugee status.

**John Wilson:** Can I ask that next time the minister—or the Cabinet Secretary for Education and Lifelong Learning—sends round a circular to the heads of education in local authorities, reminds heads of education of their duty to provide education for all children throughout Scotland, particularly those seeking refugee status, and that vulnerable minority groups be treated with dignity and respect in relation to placing requests?

**Angela Constance:** If Mr Wilson thinks that that would be helpful, I am sure that the cabinet secretary and I would be happy to oblige.

### **Civil Law (Representation)**

**8. Stuart McMillan (West Scotland) (SNP):** To ask the Scottish Government what support is available to members of the public who are unable to obtain legal representation in a civil law case. (S4O-00029)

**The Minister for Community Safety and Legal Affairs (Roseanna Cunningham):** The Scottish Government is committed to ensuring that people get the support they need in the civil courts. Members of the public are supported in finding a solicitor by means of telephone and web-based advice services provided by the Scottish Legal Aid Board and the Law Society of Scotland. We are also providing £1.3 million of funding in 2011-12 for a network of civil legal assistance offices in particular areas of Scotland and £1.8 million for both solicitor and lay advice services and a network of in-court advisers. Finally, we

legislated in 2010 to give the Scottish Legal Aid Board responsibility for monitoring the availability and accessibility of legal services in Scotland.

**Stuart McMillan:** I have some constituents whose lawyer is no longer practising—the firm is no longer practising—and who have been through a myriad of organisations to try to get a lawyer to take on their case. Bearing in mind the information that the minister has provided, will she please meet me to sit down and discuss providing further information or assistance to my constituents?

**Roseanna Cunningham:** If a legal firm representing someone has ceased to operate for whatever reason, the Scottish Legal Aid Board would not terminate an existing grant of civil legal aid—I assume that that has not happened. In such circumstances the person concerned would obviously have to find a new solicitor to represent them but, as I indicated, they would be able to draw on the support of the Scottish Legal Aid Board and the Law Society of Scotland in doing so. I am happy to sit down and discuss with Stuart McMillan how successful or otherwise his attempts thus far have been. I am not sure whether the roll-out of the civil legal assistance offices is a help in this particular case, but we are also targeting funding programmes that could provide assistance to a person lacking representation. I am happy to discuss all that with the member.

### **Social Care and Social Work Improvement Scotland (Budget and Staffing)**

**9. Jackie Baillie (Dumbarton) (Lab):** To ask the Scottish Executive for what reason the budget and staffing for Social Care and Social Work Improvement Scotland have been reduced. (S4O-00030)

**The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon):** Social Care and Social Work Improvement Scotland is a new organisation with a new budget. In creating the new organisation from the previous bodies—primarily the Scottish Commission for the Regulation of Care and the Social Work Inspection Agency—efficiencies have been made in administrative and management costs and in rationalising certain aspects of inspection activities.

The reduction from the combined budgets of SCSWIS's predecessor bodies in 2010-11 to the SCSWIS budget for 2011-12 is from £35.894 million to £35.444 million, a reduction of £0.45 million, or just over 1 per cent. The allocation for future years will be set in the context of the forthcoming spending review.

**Jackie Baillie:** The cabinet secretary knows that the overall reduction in the budget is 25 per

cent. Does she consider that a reduction of almost 20 per cent of staff in the care inspectorate, the majority of whom are front-line inspection staff, is in keeping with securing the highest possible standards of care?

**Nicola Sturgeon:** As we discussed in a debate last week, Jackie Baillie will know that, although she is insinuating that there has been a 25 per cent reduction in the budget this year—if that indeed is what she is doing—that is absolutely not the case.

I am under no illusions—I am sure that no member is under any illusions—about the fundamental, critical importance of a robust inspection agency. This Government will always take all steps necessary to ensure that we have that system in place to protect the interests of the most vulnerable in our society.

## 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. (S4F-00047)

**The First Minister (Alex Salmond):** Immediately after First Minister's questions I, in conjunction with the Opposition party leaders, will be meeting some of Scotland's unpaid carers, who are in the Parliament to mark carers week. I am sure that the whole chamber will join me in expressing our thanks to Scotland's unpaid carers. Today, the carers are visitors to the Parliament, but I hope that they will soon be here on a more formal basis, as we take forward our proposal for a carers parliament to ensure that the views and needs of Scotland's carers properly inform the work that we undertake in government and in the chamber. [Applause.]

**Iain Gray:** Yesterday, we saw another attack by the First Minister on one of Scotland's most senior judges. The political editor of *The Times* commented on Twitter:

"Going by Salmond attack on Lord Hope, the First Minister has finally lost the plot."

Well, has he?

**The First Minister:** No.

**Iain Gray:** That of course was one of the milder comments that followed on from the First Minister's comments in his *Holyrood* magazine interview. At the very least, the First Minister is in danger, if not of losing the plot, then of losing any argument that he might have by prosecuting it in that way. This morning, Jim Sillars, the former deputy leader of the Scottish National Party, called the First Minister's remarks "undignified", "foolish" and "juvenile". In the remarks that the First Minister aimed at Lord Hope, he said:

"At least I went to the bother of getting elected."

That is true, but those crass personal attacks demean the office to which he was elected. Will he retract them?

**The First Minister:** I conducted the interview with *Holyrood* magazine two weeks ago, when we were engaged in a vigorous debate on these matters. Since then, I have appointed a panel of people of eminence and expertise under Lord McCluskey to advise the Parliament. Their views will then be debated in the Parliament so that we can address the underlying issue. That is how we should proceed, and I look forward to the McCluskey report.

When Iain Gray asked that earlier question, it struck me that there was something about this losing the plot business. Just by happenstance—I had no prior knowledge of Iain Gray's question—I came across a quote in *The Guardian* of 15 May 2003 from David Blunkett, the Labour Home Secretary at the time. The report said:

"David Blunkett's spat with the judges over their sentencing powers plumbed new depths yesterday when he accused a ... high court judge of not living in the real world and the leader of Britain's barristers of 'losing the plot'."

We all have the right of fair comment. I am interested that Iain Gray's memory of his colleagues in London and the various political ramifications of judicial decisions is not so perfect, if he repeats their language but does not remember the case.

**Iain Gray:** My view that the remarks were inappropriate is not one that I alone hold. We have seen comments that the First Minister's statements were crude, ignorant and embarrassing. That is not my judgment; it is the judgment of commentators and the legal establishment. It is no answer for the First Minister of Scotland to say, "This is something I said two weeks ago when I was in a bad mood." The truth is that the issue has spiralled out of control. It started with the usual constitutional grandstanding and led to gratuitous attacks on judges, courts, lawyers and even newspapers that dared to question the First Minister. That has brought us to an extraordinary joint statement from the Faculty of Advocates and the Law Society of Scotland, which described the situation as

"a challenge not only to the courts but to the rule of law."

The First Minister is now taking the advice of the editor of *The Scotsman* to "Calm down, Alex, dear", but he must also grow up, own up and apologise so that the debate can move on and be conducted in the way that it should have been from the word go. Will he apologise?

**The First Minister:** No, I will go forward—as I think the Parliament should go forward—on the basis of looking at the expert views of Lord McCluskey and his panel. There has been a general welcome for that approach. Let the Parliament debate those views and get to the underlying issue. Iain Gray cites in his favour a range of figures, so I will cite figures who have spoken out and said that there is an issue of concern that must be addressed. They include Paul McBride QC, an adviser, at one stage at least, to the Conservative Party; Ian Smart, former president of the Law Society of Scotland and a founder of Scottish Labour Action; and Lord Fraser of Carmyllie, who said that Alex Salmond is "spot-on." There is also Elish Angiolini, the former Lord Advocate, and the Scottish judiciary in their

submission to the Advocate General for Scotland's review of devolution issues.

There is an issue that requires to be addressed. The interaction of the judiciary and parliamentary comment is of course age old. The independence of the judiciary is guaranteed in the legislation that we passed in the Parliament in 2008. However, it is not just about a right of free speech, which everyone in this debate should have—including Lord Hope, who exercised his. I have made no complaint about that, just as I make no complaint about the right of anyone to exercise their right of free speech. However, when you are First Minister of Scotland, or for that matter an Opposition leader, you have to address matters of key public concern.

The integrity of the criminal law of Scotland is a matter of public concern. It was never meant to be second-guessed in the way that is happening at present. It is an issue of public concern that compensation payments are paid to criminals in Scotland under a liability that does not exist in any other jurisdiction. Those are points of public concern. As well as a right of free speech, we have a duty as parliamentarians to articulate the public concerns and try to bring proper remedy.

**Iain Gray:** The First Minister cites some important principles that underpin our democracy. The problem is that his public statements to the press and otherwise undercut those principles, and that is what his critics are saying to him.

Let us examine some of those fundamental principles. The First Minister attacked a lawyer for representing people because they are vile. His justice secretary threatened to cut off funding from a court because he did not like its judgments. I do not like some of its judgments either, but vile people having rights is the price that we pay for us all to have those rights. Vile people being properly defended in court is the price that we pay for our right to be defended too. Yes, we make the laws, but the independence of the judiciary is the price that we pay for the freedom to do that. Does the First Minister agree? Will he retract his statements, which undermine those principles of the Parliament?

**The First Minister:** It was this Administration that underpinned our commitment to the independence of the judiciary in statute, through the Judiciary and Courts (Scotland) Act 2008.

I am afraid that Iain Gray misrepresents the issue in the Somerville case. The issue was not one of human rights in respect of what the Scottish courts laid down when they said that people had a human right to proper sanitation in the Scottish prison estate. It was that the Somerville judgment extended the liability for that not by one year,

which would have been the same as in every jurisdiction in Europe, but back to 1999.

We could take the view that the people responsible for that potential liability were the people who were in office in 2001-02: Lord Wallace, who was the justice secretary in this Parliament, and Iain Gray, who was the deputy justice secretary. We might say that they should have had the foresight to ensure that sanitation was proper. Alternatively, we might say that the issue was not the fact that the Scottish courts directed the correction in that situation, which was done, but whether our liability as citizens should extend back to 1999, which offered a potential legal bill of £50 million or, according to one estimate, £100 million.

That is an issue of huge public concern. It is not, as Iain Gray represents it, about whether everybody should have human rights. It is about whether this Parliament, this jurisdiction and this legal system stand in equality with every other jurisdiction in western Europe. If Iain Gray is going to stand on the argument that, regardless of the bill of liability to honest, decent, law-abiding people, we should respect it back to 1999 and make compensation payments to the vilest members of society on that basis, I think that he will stand in a very lonely position indeed.

### Prime Minister (Meetings)

**2. Annabel Goldie (West Scotland) (Con):** To ask the First Minister when he will next meet the Prime Minister. (S4F-00042)

**The First Minister (Alex Salmond):** I met the Prime Minister last week and have no immediate plans to meet him again.

**Annabel Goldie:** The First Minister's interview with *Holyrood* magazine amounted to an extraordinary rant that was characterised by bile, intemperance, provocative personal insults and a sneering disregard for the independence of the judiciary and the rule of law. No one denies that there is a serious issue with how the Supreme Court engages with Scots law in determining human rights issues. It is right that the mechanisms be looked at. However, the First Minister's blustering, bellicose outburst has totally obscured the real issue, made a laughing stock of Alex Salmond and, most serious of all, diminished the office of First Minister. Will he now apologise for bringing the office of First Minister into disrepute?

**The First Minister:** No.

**Annabel Goldie:** Just over a month ago, the First Minister said that he does not have a monopoly on wisdom—that is self-evident. Unfortunately, as characterised by his answer to my first question, he seems to have a monopoly

on bombast, arrogance and conceit. Just to bring him back down to earth and to remind him, once again, that the judiciary is independent of Government, I point out that there is still a good old Scottish criminal offence called murmuring a judge. Rather than run the risk of the Lord Advocate having to prosecute the First Minister, would it not be easier for the First Minister to eat humble pie, admit that he botched this whole issue and apologise to all concerned?

**The First Minister:** For many years, Annabel Goldie has been saying that I did not give direct answers to direct questions. She asked me a direct question and I gave her a direct answer, but it is now suggested to me that I should speak at greater length.

If I can speak at greater length on this second question, then let me say this: I am delighted that, after several weeks of being in denial, Annabel Goldie now recognises that we are dealing with a serious underlying issue. [*Interruption.*] I see that Conservative members are suggesting that that is not true. Can I read what Paul McBride, the legal adviser to the Conservative Party said about this issue? I apologise if any of this language is intemperate. He described Annabel Goldie's position as "beyond ludicrous" and warned that Tory hostility to the Scottish National Party was getting in the way of sensible policy making and that

"The Scottish Conservatives need to explain what their policy is".

What is their position on the Supreme Court being able to take cases without leave to appeal being granted by the Scottish courts and on Scottish judges being outnumbered by English judges? If that is what is said by the legal adviser to the Conservative Party in Scotland, then why on earth does the leader of the Conservative Party in Scotland not suggest that there is a real underlying issue? If that is the language that the legal adviser uses about the Conservative Party's policy, then perhaps Annabel Goldie would be better to address that policy issue, rather than just asking the First Minister for direct answers to questions.

**Annabel Goldie:** Mr McBride is not an adviser to the Conservative Party. He is just one of the litany of names quoted by the First Minister. What the First Minister does not get is this: judges apply the law and lawyers advise on the law. If politicians such as Mr Salmond do not like that, they should not batter judges round the head—they should change the law. [*Interruption.*]

**The Presiding Officer (Tricia Marwick):** Order, order.

**The First Minister:** I would be delighted. It is only a few short months ago that Paul McBride

was cited by Annabel Goldie in question after question as having great wisdom. I agree. He is a Scottish lawyer of great distinction, in my opinion. However, to answer Annabel Goldie's second point, yes, indeed, I would love this Parliament to be in a position to change the law, so that it is as it was always meant to be and our criminal cases are decided in Scotland. That is how it was always meant to be, and I want to change the law in that direction. I would love to change the law to make absolutely sure that we in this jurisdiction are in an equal position with any other jurisdiction in Europe and that we do not get into the ludicrous position of having to pass emergency legislation to avoid multimillion-pound payouts to some of the vilest prisoners in our society.

**The Presiding Officer:** I will take a constituency question from Christine Grahame.

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** I refer the First Minister to the lead story in today's *Scotsman*, which casts doubt on the viability of the Borders railway. As the constituency member—indeed, as the founder member of the cross-party group in the Parliament for the Campaign for Borders Rail in 1999—I ask the First Minister to give me a categorical assurance that the Government is fully committed to the reinstatement of the line, which is essential to the economy of my constituency.

**The First Minister:** Changes to groupings and consortia during procurement are not uncommon, especially for large-scale projects. The Borders railway will go ahead. I hope that the constituency member takes comfort from the second part of the story, which discussed the M74 contract and showed how a single bidder for that completion contract demonstrated the ability to deliver a bid not just on time—indeed, ahead of time—but under budget.

**The Presiding Officer:** David Stewart—very briefly.

**David Stewart (Highlands and Islands) (Lab):** There are concerns in the north that the strategic defence and security review could result in the Ministry of Defence closing Fort George barracks, home to the Black Watch, and breaking the link between the Army and the Highlands that goes back to the 1700s. Will the First Minister agree to make urgent representations to Liam Fox to keep the base open, and to meet the chief executive of Historic Scotland to ensure that a survival plan is prepared to save Fort George as a premier league tourist destination?

**The First Minister:** I have done so and done so again. I signed off our final submission to the defence review this morning. As I mentioned to another constituency member last week, that did

two things. First, it argued why it would be unreasonable for two air bases—66 per cent of our air base capacity—to close in Scotland. Secondly, it concentrated on the maximum redeployment of the Army from Germany back to Scotland. The Army is currently working on the principle of its coming home—of home basing. On that principle, not just Fort George but some of the other key Army bases in Scotland should be entitled to receive substantially more home-based soldiers, as the Scottish army is brought home.

### **Cabinet (Meetings)**

#### **3. Willie Rennie (Mid Scotland and Fife) (LD):**

To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00045)

**The First Minister (Alex Salmond):** Issues of importance to the people of Scotland will be discussed.

**Willie Rennie:** The First Minister's refusal to withdraw is embarrassing for him, for the Parliament and for Scotland. He is creating a needless division between the Government and our independent justice system. I want to give him another chance—one final chance. Will he withdraw his outrageous remarks against our senior judges and lawyers?

**The First Minister:** The answer is the same as the one that I gave to Annabel Goldie a few minutes ago.

**Willie Rennie:** I must say that I am not surprised, because the First Minister has a certain degree of arrogance about these remarks. No First Minister of Scotland should behave in this foolish manner. It is simply outrageous. Instead of attacking judges, is it not high time that he spent his time on something more constructive? For example, if he cannot get the basics right at Cornton Vale, how on earth will he make prisons a place for rehabilitation? If he cannot even provide every prisoner with a bed, how can he expect prisoners to get a route out of crime and to stop them being professional, lifetime offenders? Is it not the case that, after two years of inaction, Scotland's communities are less safe because his Government will not take seriously the failings at Cornton Vale?

**The First Minister:** Willie Rennie has asked a range of questions. I am interested in his selective interpretation of language. He is a supporter of the present coalition Government. Two days ago, the Prime Minister described a Supreme Court judgment as "offensive". I do not know whether that comes into Willie Rennie's lexicon of unfortunate language, but the reality is that there is public and political comment on judicial decisions that is quite proper to be made. The

independence of the judiciary is guaranteed by statute in the Parliament.

I return to the member's extraordinary remarks. There have been a number of improvements to Cornton Vale. The solution is to have fewer people on short sentences in prison. That policy was supported by Willie Rennie's predecessor in the Parliament. It has successfully stabilised and, hopefully, is now reducing the Scottish prison population. There is a particular issue in the rise in the number of female prisoners, which is much greater than the rise in the number of male prisoners. I do not think that the solution to that is to embark on another prison building programme. I think that the solution is to find alternative means of punishment and sentencing. Until now, I thought that that policy was supported by the Liberal Democrats, too.

On the point about Scottish society being safer, people will note the 30-year low in recorded crime, the most important aspect of which has been the 1,000 extra police patrolling the communities and streets of Scotland. Unfortunately, although most Liberal Democrats acknowledge the 30-year low in recorded crime, they did not support the 1,000 extra police who were required to bring about that better position.

### **Oil and Gas Industries**

**4. Maureen Watt (Aberdeen South and North Kincardine) (SNP):** To ask the First Minister what action the Scottish Government is taking to support the oil and gas industries. (S4F-00052)

**The First Minister (Alex Salmond):** North Sea oil and gas make a huge contribution to both the Scottish and United Kingdom economies, providing jobs, investment and the majority of our fuel needs. It supports about 200,000 jobs in Scotland. This year, the Treasury expects to secure tax revenue of £13.4 billion, which is a record high in nominal terms.

The Scottish Government wrote to the Chancellor of the Exchequer on Tuesday this week, with the support of the Labour Party in Scotland, on the decision to increase the supplementary tax on North Sea oil and gas producers, with a paper analysing and highlighting the risks that are posed and suggesting solutions to safeguard the viability and continued development of the most technically challenging and mature fields in the North Sea.

**Maureen Watt:** I thank the First Minister for his answer.

"The Chancellor's short term focus on squeezing the maximum amount of revenue from oil and gas is putting at risk the investment we need in order to get the most out of the North Sea ... He's more interested in cash today than investment tomorrow."

Those are not my words but the words of the chancellor George Osborne himself, when he was in opposition. Although many of my constituents who work in the oil and gas industry warmly welcome—

**The Presiding Officer:** A question, Ms Watt.

**Maureen Watt:** —the sensible suggestions that have been put forward, does the First Minister not agree that the incident highlights why it would be far better for the taxation of the oil industry to be in the hands of an experienced former oil economist, rather than in those of a distant Government whose sole interest is to slash the budget deficit?

**The First Minister:** Yes, I will rise to that challenge. If called, I will serve.

Maureen Watt is quite right to quote George Osborne. I remember it—it was in 2007, shortly before the election of that year, if I remember correctly. George Osborne was arguing for stability in the oil tax regime in a way that reflected the challenges of marginal fields, heavy oilfields and gas fields. We reminded George Osborne of that at the meeting that was held with him about two weeks ago.

I have some anxiety about the issue, which affects about 15,000 people in Scotland. It is estimated that there will be 15,000 fewer jobs in Scotland in 10 years' time than there would be if these changes had not been proposed in the manner that they were. I have gratefully accepted the support of the Labour Party in Scotland on the issue, as has been said to the chancellor in our submission.

Above all, three detailed points have been advanced for improving jobs prospects in Scotland. I hope that the whole Parliament recognises the importance of the industry in our economy, and the crucial importance of 15,000 jobs. Whatever difficulties there are with the Liberal-Tory coalition, I hope that the Scottish Parliament can put the interests of Scottish workers at a paramount level and support those three initiatives to bring stability and to ensure that investment in the North Sea is not interrupted.

**Lewis Macdonald (North East Scotland) (Lab):** Does the First Minister recognise the further concern in the oil and gas industry regarding the chancellor's proposals to tax helicopter journeys to and from work in the North Sea on the same basis as journeys by luxury business jets? Does he support the representations that were made this week on the matter by business and local government in the north-east? If he agrees with those representations, what action will he take to support them?

**The First Minister:** Yes, I agree with them. I understand that that proposal is in the process of being reinterpreted, which I hope represents progress. However, is this not another argument for air passenger duty being devolved to this Parliament? Here, we would recognise the importance of helicopter flights to and from North Sea installations, would we not?

**The Presiding Officer:** If members keep their questions short and the First Minister keeps his answers short, we will get through all the questions and—I hope—include everyone who wants to ask a question.

## Fuel Poverty Budget

### 5. Richard Baker (North East Scotland) (Lab):

To ask the First Minister whether the Scottish Government will review its changes to the fuel poverty budget in light of the announcement of price increases by Scottish Power. (S4F-00051)

**The First Minister (Alex Salmond):** The issue of price increases is very serious. The Cabinet Secretary for Finance, Employment and Sustainable Growth met the chief executive officer of Scottish Power energy wholesale and retail on Tuesday and reiterated the Scottish Government's concern about the proposed price rises.

Scottish Government programmes to improve energy efficiency and address fuel poverty for Scotland's households through advice and new installations and heating systems will be supported by a budget of £48 million this year. The equivalent spend in 2006-07 on installation of central heating was £45.8 million.

**Richard Baker:** Does the First Minister agree that the most substantial contribution that energy companies can make to tackling fuel poverty is through exercising restraint on prices, particularly given that the increases hit poorest households the hardest? Given the reduction in fuel poverty spending in the Scottish Government's most recent budget, does he agree that the next budget should include appropriate investment in tackling fuel poverty and making more homes energy efficient?

**The First Minister:** I will say two things. I just mentioned the figures, which indicate that, even in these incredibly pressing times, the budget is higher than the one that we inherited in 2006-07. Also, the member should know that, in his talks with Scottish Power, the finance secretary identified £10 million of unspent expenditure through the Scottish Power scheme, which we can now discuss with our local authority partners, to see how it can be deployed to help people further with energy efficiency.

I know that Richard Baker would be the first to acknowledge that Brenda Boardman, a fellow of



the University of Oxford, who established the definition of fuel poverty, said of the Scottish energy assistance package:

"This is the best UK exemplar in terms of providing both a comprehensive approach ... and to linking ... assistance to the energy inefficiency of the home."

**Stuart McMillan (West Scotland) (SNP):** I am concerned that the price rise will add to the 50 per cent of senior citizens in Inverclyde who already live in fuel poverty. Does the First Minister agree that the estimated extra £20 million in VAT receipts would be far better spent on tackling fuel poverty in Inverclyde and throughout Scotland, as opposed to topping up the Treasury's coffers?

**The First Minister:** Yes, I do. John Swinney identified £10 million of expenditure. He has also referred the matter to the Office of the Gas and Electricity Markets, the energy regulator.

It is true that, even at 5 per cent, the additional revenue from the energy price increases, if they were repeated across the sector, which unfortunately seems likely to be a trend, would bring in another £20 million to the Exchequer. At the very least, the additional VAT as a result of the price rises that energy companies are proposing should be devoted to further bolstering the energy efficiency and fuel poverty programmes in Scotland and throughout these islands.

### Global Entrepreneurship Monitor

**6. Gavin Brown (Lothian) (Con):** To ask the First Minister what the Scottish Government's position is on the findings of the global entrepreneurship monitor's report for Scotland 2010. (S4F-00044)

**The First Minister (Alex Salmond):** The GEM report is a useful contribution to our understanding of individuals' entrepreneurship ambitions and perceptions about starting a business in Scotland, but it is, of course, a survey of aspirations. On the statistics, I know that Gavin Brown will recognise that, pre-recession, there was a higher increase in new business registrations in Scotland and that, although there has been a decline since the recession, the decline in registrations in Scotland has been less than the decline across the United Kingdom as a whole.

**Gavin Brown:** Some Governments like to gloss over bad news more than others do—and then there is the Scottish Government. The GEM report showed that we have a low rate of entrepreneurial activity. Our rate is significantly lower than the rate in England, lower than the rate in Wales and lower even than the rate in the arc of prosperity.

At the weekend, five enterprise groups called for a national entrepreneurial action plan. Will the First Minister pledge to deliver that plan and will he

pledge that it should be directed by a respected business leader?

**The First Minister:** There were some good ideas in the suggestions that were made by the business organisations, and we will certainly be giving them the closest examination.

I have to say that for a supporter of the Conservative-Liberal coalition in Westminster to talk about glossing over bad news is quite remarkable. I accept that one swallow does not make a summer and one set of statistics does not make a recovery; we need a run of statistics, such as the six-month fall in unemployment in Scotland, which will be welcomed across the chamber. Further, Gavin Brown might have noted in the statistics that were published yesterday that self-employment in Scotland stood at 388,000, which is a 6 per cent rise on this time last year. Those figures are for only one quarter but, nevertheless, they are a firm indication of a significant and positive trend with regard to self-employment in Scotland.

12:30

*Meeting suspended.*

14:15

*On resuming—*

## Scottish Executive Question Time

### Finance, Employment and Sustainable Growth

#### Onshore Wind Farms (Guidelines for Local Authorities)

**1. Alex Fergusson (Galloway and West Dumfries) (Con):** To ask the Scottish Executive whether it plans to produce new guidelines for local authorities on the siting of large-scale onshore wind farms. (S4O-00032)

I should probably refer members to my entry in the register of interests.

**The Minister for Local Government and Planning (Aileen Campbell):** Scotland's national planning policy and spatial strategy for onshore wind energy are set out in national planning framework 2 and Scottish planning policy. That is supported by online renewables planning advice, which was launched in February this year and which includes specific advice for preparing spatial frameworks for large-scale onshore wind farms in development plans and for considering detailed siting matters in determining planning applications for wind turbines.

**Alex Fergusson:** I hope that I can be excused for welcoming the minister to her post. This is the first opportunity that I have had to do so.

I do not know whether the minister is aware that Dumfries and Galloway Council is consulting on the drawing up of its own guidance for the siting of wind farms to take account of the growing concern at the lack of local democracy in the planning process. Can the minister assure me that, in future, the Scottish Government will respect and adhere to local authority guidance in the event of a developer appealing to the Government following the rejection of any application by the local authority, based on its own guidance?

**Aileen Campbell:** I thank Alex Fergusson for welcoming me to my post.

I am aware that Dumfries and Galloway Council is consulting on the draft interim planning policy for wind energy development, and I understand that that consultation will run until 22 July. I propose that, if Mr Fergusson has concerns, he should fully engage in that consultation process. Local authorities are, of course, the main planning authorities and their decisions should be respected. However, I would not want to comment

on any planning applications that may come before me as minister, in case I prejudice the case.

**Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** I, too, welcome the minister to her new post.

The minister will be aware that there is significant wind farm activity in the south Carrick area of my constituency. There has also been a surge in applications for single turbines—so much so that cumulative impact is coming to the fore as a live issue. Guidelines on cumulative impact are not hard and fast. Will the minister consider introducing a more scientific and standardised approach to the assessment of cumulative impact in a given area?

**Aileen Campbell:** Cumulative impact is considered, and Scottish planning policy provides specific planning direction on the siting of wind farms. Local authorities should support the development of wind farms in locations where the technology can operate efficiently and cumulative impacts can be addressed satisfactorily. However, I take on board Adam Ingram's points, and will consider them fully.

#### Living Wage (Public Sector Staff)

**2. David Stewart (Highlands and Islands) (Lab):** To ask the Scottish Government what progress has been made in extending the living wage across the public sector. (S4O-00033)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Addressing low pay is a key objective of the Scottish Government, and our current public sector pay policy requires employers to introduce a Scottish living wage at the level recommended by the Scottish living wage campaign. That is currently set at £7.15 an hour. I can confirm that public bodies that are covered by the 2011-12 public sector pay policy are in the process of meeting that requirement in respect of 2011-12 pay settlements. I can also confirm that, from 1 April 2011, all national health service staff in Scotland earn above our Scottish living wage threshold of £7.15.

Local authorities are self-governing bodies that set the terms and conditions under which staff are employed. However, I welcome the fact that a number of them have already introduced a living wage. The Government will continue to press all public sector employers to introduce such a Scottish living wage.

**David Stewart:** Will the cabinet secretary consider the situation of agency staff, such as security personnel at Highlands and Islands Airports Ltd, who have recently been offered an increase only up to £6.85 per hour, so that they

can be on the same terms and conditions as directly employed mainstream Highlands and Islands Airports Ltd employees?

**John Swinney:** If I am correct, the pay offer to which Mr Stewart refers relates to 2010-11, not 2011-12, which is the point at which the Scottish living wage commitment enters the Government's pay policy. Dialogue on the issue is continuing between the management of Highlands and Islands Airports Ltd and the relevant trade unions.

As I said, all public bodies that are covered by the pay policy have been reminded of the importance of meeting the Government's commitment. I am sure that Highlands and Islands Airports Ltd will follow the guidance that the Government has given.

### **Arm's-length Organisations (Paid Directorships)**

**3. James Dornan (Glasgow Cathcart) (SNP):** To ask the Scottish Executive how much council tax payers in Glasgow will save through the ending of paid director positions on arm's-length external organisations. (S4O-00034)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** According to the Scottish Local Authorities Remuneration Committee 2010 review report, 40 Glasgow City Council councillors were in receipt of payments totalling approximately £260,000 for serving on arm's-length external organisations.

Amendment regulations that were laid in Parliament on 2 June will—subject of course to parliamentary approval—stop councils allowing bodies that are within their control, such as arm's-length external organisations, to pay councillors for serving on their boards. The reallocation of the funding is a matter for those organisations, but the money that is saved could provide additional funds for front-line services.

**James Dornan:** Given yesterday's announcement that some of the council's ALEOs are being closed down, amalgamated with other ALEOs or possibly brought back into council control, does the cabinet secretary agree that it is clear that the primary purpose for the creation and continuation of those bodies was to reward and control Labour councillors and not to benefit the council tax payers of Glasgow? Does he share my view that the money, possibly running to millions of pounds, would have been much better used to protect Glasgow's charities and carers, and that a full independent investigation should be carried out into Glasgow's misuse of public funds to ensure that the people of Glasgow are never ripped off in such a fashion again?

**John Swinney:** We must separate the issue of arm's-length external organisations from the question of remuneration of directors of arm's-length external organisations. There is a case for such organisations to function. There are good examples throughout the country in which the approach has protected the delivery of elements of public services. However, to get to the nub of Mr Dornan's question, there must be a proven need and requirement for those arm's-length external organisations. If Glasgow City Council can operate without that range of organisations, that certainly raises questions about why they were there in the first place.

On remuneration of directors of arm's-length external organisations, the Scottish Local Authorities Remuneration Committee was crystal clear with me that remuneration for directors of such organisations that was additional to the councillors remuneration framework served to undermine the strength of the local authority remuneration framework. For that reason, I have taken action to close the arrangement and to ensure that there is no additional remuneration beyond the remuneration framework that Parliament put in place and which is clearly appropriate for local authority service.

### **Finance, Employment and Sustainable Growth Directorates (Accountability and Transparency)**

**4. Margaret Mitchell (Central Scotland) (Con):** To ask the Scottish Executive what action it takes to ensure the highest level of accountability and transparency in its finance, employment and sustainable growth directorates. (S4O-00035)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Accountability and transparency are essential features of the duty of best value that is placed on accountable officers and applied throughout the Scottish Government directorates and designated by the permanent secretary, in his statutory role as principal accountable officer for the Scottish Government. The implementation of the duty of best value is subject to scrutiny by the Auditor General.

**Margaret Mitchell:** How does that objective equate with the Scottish Government spending an estimated £53,000 to £103,000 of taxpayers' money to suppress a freedom of information request relating to the costs that were associated with the Government's policy to introduce a local income tax? In the interests of openness, transparency and accountability, will the cabinet secretary confirm the actual cost to date of suppressing that information, and tell us whether he considers that to be value for money and a good use of taxpayers' money?

**John Swinney:** I will deal with the first misnomer in Margaret Mitchell's question, which is the notion of "suppressing" a freedom of information request. A freedom of information request was made to the Government, which took the view that the release of the requested information would breach the legislation that this Parliament put in place.

The fact that the Scottish Information Commissioner may take a different view is a matter for debate, but the Government is perfectly entitled to exercise its judgment when it receives freedom of information requests if any of the exemption tests are met. It is the Government's firm view that the exemptions enabled us not to release that information, because it constituted advice to ministers that they are perfectly entitled to receive.

The second misnomer is that somehow all information must be released. I venture to suggest to Margaret Mitchell that if we do not have exemptions—which Parliament put in place—ministers may not be on the receiving end of the most comprehensive, open and transparent advice from civil servants that we could get on particular issues.

The issue is vested in those two clear points. Ministers considered whether it was appropriate to release information, and we will of course keep Parliament updated on any issues that arise in that regard. I say to Margaret Mitchell that I am absolutely certain that the Government was entitled to spend the public money that it spent in defending the law that this Parliament has passed.

**Richard Baker (North East Scotland) (Lab):** Will the cabinet secretary ensure that his directorates enable greater scrutiny of Government spending by Parliament by publishing figures at level 4 detail in his draft budget this September?

**John Swinney:** We make available level 4 information in many areas of policy, as requested by parliamentary committees. I certainly recollect that the Justice Committee has asked us for level 4 information, as I am pretty sure the Economy, Energy and Tourism Committee has done, and the Government has provided it.

We have been reluctant to provide level 4 detail in the published budget document because it might turn out to be something of a heavier tome for Mr Baker to wander up to the railway station clutching in his briefcase. I am always concerned for the welfare of Mr Baker and the heavy briefcase that he has to carry. I will consider the issue that he has raised, because ensuring that a sufficient level of financial information is available to members of Parliament for the scrutiny of the

budget process and for on-going priorities is an important consideration for me.

### **Tourism (Cumbernauld and Kilsyth)**

**5. Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** To ask the Scottish Government what steps it is taking to support tourism in Cumbernauld and Kilsyth. (S4O-00036)

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** In common with localities throughout Scotland, Cumbernauld and Kilsyth benefits from VisitScotland's significant national investment in marketing, information provision and quality assurance. In addition, VisitScotland works hard to boost tourism at a local level by actively providing advice and support to partnership bodies such as VisitLanarkshire and the Lanarkshire area tourism partnership.

**Jamie Hepburn:** I thank the minister for that answer and welcome him to his new role. He may be aware of the Duncarron fort that is being built in the Carron valley by the Clanranald Trust for Scotland. Russell Crowe recently visited the site, and I am sure that a visit from the tourism minister would add further glamour; he is welcome to come any time.

Will the minister set out the additional support that the Scottish Government could give to this important local project? It could be a great tourism project for the area.

**Fergus Ewing:** I am aware of the excellent work by Charlie Allan to develop Duncarron fort, and I wish the Clanranald Trust every success with that exciting and innovative project. I am happy to take on many roles in life, but I have not and do not expect to be asked to take on the role of a "Braveheart" extra, no matter how well suited I may be to it.

### **Crichton Campus (Jobs and Economic Benefits)**

**6. Joan McAlpine (South Scotland) (SNP):** To ask the Scottish Government how many jobs have been created in Dumfries and Galloway and what other economic benefits have arisen as a result of the University of Glasgow's Crichton campus since 2007. (S4O-00037)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** The only available study that addresses Ms McAlpine's question is a local government-funded study that found that the impact of the universities brought in £10 million per year and supported more than 450 jobs across Dumfries and Galloway. There are obviously additional benefits brought by other campus partners, such as Dumfries and Galloway College and the Crichton Carbon Centre. To realise those

benefits, we are currently providing £1.5 million to ensure a vibrant and sustainable long-term future for the campus.

**Joan McAlpine:** Does the cabinet secretary agree that the threat to the liberal arts subjects at the Crichton is of great concern, given the economic contribution of the campus to the area—which he has described—and given the importance of the creative industries in particular to the economy of Dumfries and Galloway?

**John Swinney:** The university is currently consulting on the future of the liberal arts. I understand that the court of the University of Glasgow will meet on 22 June to consider proposals. At this stage, no final decisions have been made.

I made it clear in my earlier answer that the work of the Crichton campus has been enormously significant in encouraging economic regeneration in the south-west of Scotland. It provides a broadly based educational opportunity for a range of citizens in the area. To ensure that that can continue, broad propositions must be made to those people on how they can pursue their academic interests.

I am sure that the University of Glasgow will be aware of Joan McAlpine's strong views on this issue. I am sure that it would be willing to engage with the member.

**The Presiding Officer (Tricia Marwick):** I will take a supplementary question from Mr Fergusson, if he keeps it brief.

**Alex Fergusson (Galloway and West Dumfries) (Con):** Of course I will, Presiding Officer. I would not dream of doing anything else, as you well know.

I hesitate to correct the cabinet secretary, but the consultation has been completed. Next Wednesday, I understand that the court of the University of Glasgow will take a decision on whether to close down the Liberal Democrats—*[Laughter.]*

That was a Freudian slip and wishful thinking, Presiding Officer.

Does the cabinet secretary agree that the decision to phase out the liberal arts degree courses, if taken, can only have an adverse effect on the local economy, given the recent growth in arts-related economic activity in the region? Will he urge the court to postpone the decision until a proper, genuine and open consultation has taken place? To date, that has not happened.

**John Swinney:** I am tempted to say to Mr Fergusson that he was right the first time, but I do not want to offend my Liberal Democrat friends.

As I said to Joan McAlpine, the University of Glasgow is consulting on this issue. It meets on 22 June to consider its position; it has not yet taken any final decisions.

The importance of the Crichton campus cannot be overstated. In the south-west of Scotland, it offers opportunities for economic benefit and educational attainment. There is proven evidence that accessibility to institutions such as the Crichton campus can change people's decisions on whether they should study locally or should travel elsewhere. I hope that the university will listen carefully to the representations that have been made. As I have said, it will be important to have a broad educational proposition available at the Crichton campus.

**The Presiding Officer:** Question 7 was not lodged.

### Living Wage (Local Authority Staff)

**8. John Mason (Glasgow Shettleston) (SNP):** To ask the Scottish Government what discussions it has had with the Convention of Scottish Local Authorities regarding the implementation of a living wage for staff across local authorities. (S4O-00039)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Local authorities are self-governing bodies and set the terms and conditions under which staff are employed. I have had a number of discussions with COSLA on pay issues and I welcome the fact that a number of local authorities have already introduced a living wage. The Government will continue to press all public sector employers to introduce the Scottish living wage.

**John Mason:** Does the cabinet secretary agree that if the minimum wage is kept as low as it currently is there will continue to be a longer-term problem, because local government is paying a higher wage rate than the private companies that are competing with it? Will he join me in expressing disappointment with both the Labour and the Conservative Governments at Westminster, which have refused to raise the minimum wage?

**John Swinney:** There is always a challenge with regard to the level at which the minimum wage is set. That must take into account a range of factors, not least of which is the economic circumstances and conditions within which we currently operate. The Scottish Government is trying to ensure that, across the public sector, we respond to the importance of tackling the problem of low pay in our society and give individuals appropriate remuneration for the important tasks that they carry out in our public services. The Scottish Government will take that approach

consistently across the pay remits for which we have responsibility and will continue to argue for the living wage to be applied across all public bodies in Scotland.

### **Local Government Finance Formula**

**9. Marco Biagi (Edinburgh Central) (SNP):** To ask the Scottish Government when it will bring forward details of changes to the local government finance formula. (S4O-00040)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** Details of any agreed changes to the distribution formula will be brought forward in time to inform the statutory consultation on the 2012-13 local government finance settlement, which will be announced later this year.

**Marco Biagi:** Does the cabinet secretary agree that, with financial and management decisions being at the forefront of local authorities' minds right now—because of my constituency interest, I am concerned principally with the City of Edinburgh Council—it would be helpful to have indications of the direction of any change as soon as possible? Does he accept that this is a matter of some urgency?

**John Swinney:** The Government tried at all stages during its previous term of office to ensure that local authorities were advised of the details of the funding settlement and distribution arrangements as early as possible. The Government has made a number of commitments in relation to local government finance, not least of which is the provision of a floor for the financing of individual local authorities. We will bring forward our proposals in that respect as part of the preparations for the local government finance settlement. I expect the details of the shape of local authority finance to be set out in the budget statement that will come to Parliament in September and the specific allocations to individual local authorities to come later in the year, probably in early December.

**Liam McArthur (Orkney Islands) (LD):** Marco Biagi makes a valid point about the need of all councils, including Orkney Islands Council, for certainty so that they can plan ahead. The cabinet secretary will be aware that, over a lengthy period, there have been concerns in Orkney about the discrepancy between the settlement per head of population for Orkney and the settlements for Shetland and the Western Isles. As part of the development of his thinking, will he commit to meeting representatives of Orkney Islands Council to discuss ways in which the issue can be addressed, either through the formula or by some other means?

**John Swinney:** I acknowledge Mr McArthur's point. Over many years, Orkney Islands Council has made a number of representations about the difference in per capita allocation between the Orkney Islands, Shetland and the Western Isles. As Mr McArthur knows, the formula specifically takes into account island status, and the per capita funding settlements for the three exclusively island authorities are the highest in Scotland. It is perfectly proper that that issue should be taken into account. However, within that judgment is an assessment of relative need. The formula takes into account the different circumstances on the different islands.

I would be happy to discuss the issue with Orkney Islands Council. As I said in my answer to Mr Biagi, we will bring forward our proposals in good time, to enable local authorities to do the appropriate financial planning.

**Alex Johnstone (North East Scotland) (Con):** Will the cabinet secretary go further and use the handsome mandate that the Scottish people granted to the Government to move away from relying on the Convention of Scottish Local Authorities to set the proportion of support for local authorities, to ensure that in future Aberdeen City Council and Aberdeenshire Council are not exposed to the vested interests of their peers?

**John Swinney:** We have had a fascinating question time session this afternoon, with glamour for Mr Ewing and handsome mandates for me. That has certainly put a bit of extra colour into the afternoon.

I hear Mr Johnstone's point. To some extent, I draw on the answer that I gave to Mr McArthur: these issues are essentially driven by an assessment of need, which underpins the distribution formula. We said in our election manifesto that we would ensure that no local authority's per capita allocation fell below 85 per cent of the Scottish average. We will take that commitment forward in the 2012-13 settlement. It is important to continue to have dialogue with COSLA and local authorities to come to agreed positions, working collectively and collaboratively.

### **Planning Regulations (Green Belt Land)**

**10. Gordon MacDonald (Edinburgh Pentlands) (SNP):** To ask the Scottish Government whether it plans to relax the planning regulations relating to land designated as green belt. (S4O-00041)

**The Minister for Local Government and Planning (Aileen Campbell):** The Scottish Government's policy on green belts is set out in the Scottish planning policy that was published in February 2010. There are currently no plans to revise it.

**Gordon MacDonald:** Is the minister aware of the master plan for the 650 acre Murray Estates site to the west of Edinburgh, which envisages the building of 3,500 family homes and a new sports complex? Constituents from the surrounding areas have raised concerns about the potential development, which they reckon would be detrimental to the communities of Baberton, Hermiston and Juniper Green. Does the minister agree that the green belt enhances the quality, character, landscape setting and identity of towns and villages, and that it should be protected?

**Aileen Campbell:** I am aware of the proposals by Murray Estates for development to the west of Edinburgh. They have been submitted to the strategic planning authority for Edinburgh and south-east Scotland, and they will be considered through the development plan process. SESplan's proposed plan will be published for consultation towards the end of this year. If Mr MacDonald's constituents are concerned about the situation, they should raise their concerns during the consultation period.

Green belt policy is set out in the Scottish planning policy, and green belt designation is a strategic planning tool. As Gordon MacDonald has stated, green belts enhance the quality, character and landscape of our towns and cities and give access to open space.

#### **School Building Programme (Costs)**

**11. Ken Macintosh (Eastwood) (Lab):** To ask the Scottish Executive what estimate it has made of additional costs to local authorities in moving from capital grant to revenue funding for the school building programme. (S4O-00042)

**The Minister for Local Government and Planning (Aileen Campbell):** The Scottish Government has indicated to local authorities that, under revenue-funded projects, their total funding contribution towards the design and construction of schools will be no more than it would have been under capital-funded projects. Therefore, there will be no additional costs for authorities in moving from capital grant to revenue funding for the school building programme.

**Ken Macintosh:** That was an interesting response, given that ministers and Scottish National Party back benchers have repeatedly made claims about the cost of public-private partnership programmes compared with traditional procurement. North Lanarkshire Council, whose area is one of those affected, suggests:

"The most significant change resulting from the change to revenue funding support is that Hard FM and Lifecycle must be included in the project but these costs will not be funded by the Scottish Government."

Is that the case? Will the Scottish Government not make up any shortfall? Does it expect councils to do so, or does it expect schools to reduce the facilities that are planned?

**Aileen Campbell:** Local authorities have been provided with the outline detail of the funding model by the Scottish Government and the Scottish Futures Trust. Local authorities will be in a no better, no worse situation compared with the position of schools that were funded by capital grants. Regardless of how a building is funded, maintenance still needs to be covered. That is good practice for ensuring that substantial investment is not wasted.

As for a comparison with the private finance initiative, I remind Ken Macintosh that, under the present model, authorities will not pay the sort of credit card repayment rates that applied to local authorities under PFI.

#### **Mass Waste Incinerators**

**12. Jackson Carlaw (West Scotland) (Con):** To ask the Scottish Executive what it considers constitutes a mass waste incinerator and what factors it may take into account when considering applications for these. (S4O-00043)

**The Minister for Local Government and Planning (Aileen Campbell):** There is no precise definition of mass waste incinerator. The zero waste plan policy is to recycle 70 per cent of waste by 2025. Forthcoming regulations to restrict inputs to energy-from-waste plants will make the mass incineration of unsorted or untreated waste less of an option in future. The development plan, national planning, waste and energy policy and the views of consultees and local communities would be among the factors to be taken into account when considering applications.

**Jackson Carlaw:** The minister may be interested to know that in its state of the nation report today, the Institution of Civil Engineers ruled out any place, need or demand for mass waste incinerators. However, there is a certain confusion in the mind of the public about what is a waste incinerator and what is a mass waste incinerator. Would she consider it reasonable, for example, to regard the processing of 1 million to 1.5 million tonnes of waste as constituting mass waste incineration? Can she confirm that I have been thorough in my researches when I assert that no Government paper or planning policy favours mass waste incineration or has determined the need for such projects, or can she point to something that contradicts that assertion?

**Aileen Campbell:** The Scottish Government and the Scottish Environment Protection Agency have a general presumption against large-scale, inefficient energy-from-waste facilities. It is not

possible to comment on the proposal at Newton Mearns, which will come before Scottish ministers for determination, but I will look at the document that Jackson Carlaw referred to in his question.

**Elaine Smith (Coatbridge and Chryston) (Lab):** With regard to the proposed pyrolysis incinerator for Coatbridge, what specific factors were considered when the Scottish Government decided not to refuse the application on appeal, which would have been within its power under paragraph 3 of schedule 4 to the Town and Country Planning (Scotland) Act 1997? The views of the community and the local authority did not seem to be a factor.

**Aileen Campbell:** In practice, the decision-making function in relation to appeals is delegated to reporters acting under delegated powers. That is the situation under the Town and Country Planning (Scotland) Act 1997.

**Stewart Maxwell (West Scotland) (SNP):** The Cabinet Secretary for Rural Affairs and the Environment stated in this chamber:

"the Government is opposed to large, inefficient energy-from-waste plants."—[*Official Report*, 24 January 2008; c 5494.]

Jim Mather, the previous energy minister, stated:

"I reaffirm that the Scottish Government's position remains that we do not support large-scale, inefficient energy-from-waste facilities."—[*Official Report*, 10 March 2011; c 34244.]

I invite the minister to confirm that the Government's policy on that matter remains as stated by Richard Lochhead, and again by Jim Mather just before the election.

**Aileen Campbell:** As I said in my reply to Jackson Carlaw, I confirm that, on incineration, the Scottish Government and SEPA have a general presumption against large-scale, inefficient energy-from-waste facilities. SEPA defines large scale as being more than 300,000 tonnes annual capacity.

### Public Contracts (Small Companies)

**13. Kevin Stewart (Aberdeen Central) (SNP):** To ask the Scottish Government what support it gives to help small companies bid for public contracts. (S4O-00044)

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** The easier it is for Scotland's small businesses to bid for public sector contracts, the greater the economic impact across the land. We continue to work with the supplier group chaired by Liz Cameron of the Scottish Chambers of Commerce to ensure that all Scottish businesses have fair access to public contracts. That will build on the success of public contracts Scotland—the single online portal for

finding contract opportunities from the Borders to the northern isles. Of the 53,000 suppliers that have registered for free on public contracts Scotland, 84 per cent are small and medium-sized enterprises and more than 90 per cent say that it is now easier to bid for contracts.

**Kevin Stewart:** I thank the minister for his response and welcome him to his post.

The Government needs to do everything possible to allow small companies to access public contracts. Are there regular discussions with the Federation of Small Businesses on some of the difficulties faced by businesses?

**Fergus Ewing:** I am grateful for the member's good wishes, although it feels as if I have already been in post for quite a long time. Back in the early days, I met the representative of the FSB. I will most certainly continue to work with Colin Borland and his colleagues, who so well represent small businesses in Scotland. He knows that three quarters of the contracts that are advertised on public contracts Scotland go to small and medium-sized enterprises. In the United Kingdom, only 25 per cent of contracts go to SMEs. We intend to remain well ahead of the UK in that regard.

### Meetings (Skills Development Scotland)

**14. Tavish Scott (Shetland Islands) (LD):** To ask the Scottish Executive when the Cabinet Secretary for Finance, Employment and Sustainable Growth last met the chief executive of Skills Development Scotland and what matters were discussed. (S4O-00045)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** I last met the chief executive of Skills Development Scotland at the national economic forum on 15 December 2010. The discussion at that event centred around building a stronger economic future for Scotland.

**Tavish Scott:** When the cabinet secretary next meets Skills Development Scotland will he raise with it the bureaucratic hurdles that many training providers feel it puts in the way of their performance? Many believe that the SDS is a middle man that gets in the way of delivering the vocational training that this Parliament wants to be delivered. In particular, will he look into the case that train Shetland raised with me concerning its 2011 marine vessel deckhand apprenticeship programme, which is being stopped by Skills Development Scotland and is therefore stopping two school leavers getting into jobs?

**John Swinney:** If Mr Scott sends me the details of that case, I will be happy to take it up with the chief executive of Skills Development Scotland.



The objective of Skills Development Scotland is to ensure that the training interventions that Mr Scott quite properly says this Parliament wishes to be made can be delivered effectively and efficiently in all communities throughout the country.

### **Council Tax Freeze (Charges for Council Services)**

**15. John Pentland (Motherwell and Wishaw) (Lab):** To ask the Scottish Executive what the average change in charges for council services has been for households since the introduction of the council tax freeze. (S4O-00046)

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** The setting of charges for council services is a matter for individual local authorities, but as the council tax freeze has been fully funded by the Scottish Government it should have had no direct impact on charges for council services.

**John Pentland:** Does the minister recognise that the underfunded council tax freeze provides little or no benefit to those who rely most on council services, because cuts in services and increases in charges for services such as home care can easily outweigh any benefit? What is the Scottish Government doing to address the regressive nature of the tax freeze?

**John Swinney:** I will make three points to Mr Pentland. The first, which concerns regression, is that analysis shows that the council tax freeze represents a more significant proportion of the income of those on lower incomes than those on higher incomes.

The second point is about whether the council tax freeze is fully funded. I put in place the resources to fully fund the council tax freeze over the past four years, and I intend to do so in the years to come.

The third point is that I am bewildered that the Labour Party is again raising with me the council tax freeze when, just a few weeks ago, it was committed to the maintenance of the council tax freeze for a two-year period. Before the election, I was a bit sceptical about the suggestion that there had been a wholesale and universal conversion to the council tax freeze by the Labour Party, and I am now beginning to feel that my suspicions were securely founded, and that the move was just an electoral gimmick that unfortunately—or should I say fortunately—did not work.

### **Microgeneration (Support)**

**16. David Torrance (Kirkcaldy) (SNP):** To ask the Scottish Government what measures it is taking to support microgeneration. (S4O-00047)

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** Our ambition is for more householders, public sector organisations and businesses to generate their own energy from microrenewables, and we will publish a microgeneration strategy by the end of the year. It will set out our plans to build on the range of support that is already available, such as the energy saving Scotland home renewables advice service, action on skills and accreditation, and maximising investment in Scotland from the feed-in tariff and the renewable heat incentive.

**David Torrance:** Does the minister agree that a more streamlined and quicker planning process for small microgeneration providers would be desirable?

**Fergus Ewing:** There is already much progress in that regard. Permitted development rights apply to domestic microgeneration equipment, and were introduced in 2009 and 2010. Permitted development rights for non-domestic microgeneration equipment were introduced in March this year.

Permitted development rights remove the requirement for planning permission for specified equipment that falls within set thresholds, which speeds up matters considerably. However, we are also considering what more might be done to support the renewable energy industry and planners to facilitate technology that requires planning permission through the planning application process.

**Gavin Brown (Lothian) (Con):** How much electricity is generated annually by microgeneration on Scottish Government buildings?

**Fergus Ewing:** We retain a lot of statistics in our brains, but that is not one of the statistics that I have in my frontal lobes.

I can share with Mr Brown the very good news that 1,300 microgeneration installations in Scotland benefited in the first year of the feed-in tariff, delivering 7.5MW of capacity. In 2011-12, we expect 2,600 householders to take up energy saving Scotland's free service. A great deal of progress is therefore being made. If the requested information is held centrally, I will endeavour to get it to Mr Brown.

## Scottish Broadcasting and the Scottish Digital Network

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-00308, in the name of Fiona Hyslop, on Scottish broadcasting and the Scottish digital network.

14:55

**The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop):** I welcome Patricia Ferguson and Ruth Davidson to their front-bench positions. I look forward to working with them and other MSPs to support culture in Scotland.

This is a crucial time for digital technology and broadcasting in Scotland. Eight days ago, the pilot project to deliver next-generation access broadband to the Highlands and Islands entered its procurement phase. On the same day, BBC Alba was made available on Freeview—the first time ever that a channel featuring primarily Scottish content has been universally available in Scotland. It has already made accessible a major event—the RockNess festival—which other channels would not have been able to find time to cover. We are also in the final week of the digital television switchover. By 22 June, all viewers in Scotland will have entered the age of multichoice viewing, which many people have taken for granted for years.

There could not therefore be a better time to debate broadcasting. In addition to setting out the challenges that we still face, it is fair to reflect on some significant achievements that we have shared during the past four years.

Four years ago, the Scottish Government decided to establish the independent Scottish Broadcasting Commission. Chaired by Blair Jenkins, the commission included leading broadcasting and creative industries experts, such as Elaine C Smith, as well as respected members of major political parties, such as Chris Ballance, Lord Fraser, Henry McLeish and the late Baroness Michie.

The commission's final report highlighted low and declining levels of commissioning by United Kingdom television networks, a lack of plurality in Scottish public service broadcasting, a strong desire from audiences in Scotland for more Scottish programmes, and concerns about the range and quality of the current radio and television services in Scotland. It also presented 22 recommendations for addressing those issues.

In the past four years, much has changed for the better, often because of the strong parliamentary consensus around the commission's

report. BBC Alba is an obvious example. Parliament consistently and unanimously supported its availability on Freeview. Indeed, the BBC trust explicitly referred to that support when it decided to place BBC Alba on Freeview. Last week marked the culmination of a long process in which the chamber played a full part, and which will benefit viewers throughout Scotland.

Network commissioning is another example. In 2008, 3.7 per cent of BBC network television commissioning came from Scotland. In 2010, the figure was more than 7 per cent. In the same time period, Scotland's share of Channel 4 television commissions increased from 1.5 per cent to more than 4 per cent, in addition to its digital media and film investment. More can and should be done, but those increases, if they are maintained, will be worth approximately £30 million annually to the Scottish economy.

The Scottish public sector is also now more active in developing and supporting our television production industry. Major investment has been made in skills. Scottish Enterprise account manages 18 television production companies; and during the past year, Creative Scotland has developed partnerships with the BBC, MG Alba, STV and Channel 4. During the past year, the UK Government also took constructive steps on accountability structures in relation to the BBC trust member for Scotland and the board of MG Alba. We expect to see that reflected in the Scotland Bill.

That demonstrates the value of the consensus on broadcasting at Holyrood, which has given added authority to the Scottish Government's dialogue with broadcasters, the Office of Communications and the UK Government.

However, significantly more can and must be done.

When Jeremy Hunt launched the UK Government's local media action plan in January, I was struck by his recognition of the "painful truth" that the UK probably has

"one of the most centralised media ecologies of any developed country."

That truth resonates especially painfully here in Scotland. My view is that the current framework for accountability in broadcasting contributes directly to the centralisation that Jeremy Hunt condemned.

The main evidence for that is the current fate of the Scottish Broadcasting Commission's key recommendation on the establishment of a Scottish digital network. That recommendation was based on the crucial importance of ensuring sufficient competition with the BBC for Scottish public service broadcasting content. It was also firmly based on the evidence that the commission

had taken from viewers, which convincingly demonstrated the appetite for more quality Scottish content.

It was unsurprising, therefore, that the idea of a Scottish digital network was explicitly welcomed when the Parliament unanimously endorsed the commission's final report in October 2008. In March 2009, Ted Brocklebank went as far as to say that the establishment of such a network was the "settled will" of the Parliament.

Earlier this year, we received the findings of the Scottish digital network panel, a group of experts that I set up to investigate how a network could be established and, more importantly, funded. The panel—which, like the Scottish Broadcasting Commission, was chaired by Blair Jenkins—set out the many benefits that a digital network could bring, including greater opportunities for our creative economy, greater accountability for devolved institutions and, significantly, greater choice for viewers in Scotland. Importantly, the network's online content would boost digital connectivity in Scotland. As the panel's report says,

"New and attractive forms of Scottish content could drive take-up just as the Scottish Government is seeking to lead the UK in connectivity."

**Ruth Davidson (Glasgow) (Con):** Does the minister agree that we have a problem with take-up in certain parts of the country, particularly in my part of Glasgow, which, despite having some of the best digital infrastructure in Scotland, has a broadband participation rate of 53 per cent, which is lower than the Scottish average? Does she agree that making the supply available does not always lead to a big take-up?

**Fiona Hyslop:** I fully agree. Indeed, that point was made in the Government's digital strategy, which we launched in March of this year. The member is absolutely right. We can provide a supply, but if the demand is not there, we face another challenge. Improving the content, particularly the Scottish content, would help in that regard, particularly in areas such as Glasgow and Lanarkshire, where the issue that needs to be addressed is not availability but take-up.

The panel reached the firm conclusion that a fairer redistribution of television licence fee income would be the most appropriate method of funding a new network but, in the event that it proved impossible to reopen the current licence fee settlement, it proposed an alternative, interim funding mechanism, which would involve a ring-fenced share of revenues from the auction of cleared spectrum after digital television switchover has been completed throughout the UK in 2012. We have proposed both methods to the UK Government, and we will continue to press the issue of spectrum auction revenues, in particular,

but, so far, we have not been able to make any progress on that important recommendation.

I want to highlight two other areas in which I believe that our lack of power over broadcasting has had, or could have, damaging consequences. The first of those is the television licence fee. In October of last year, the UK Government negotiated a licence fee agreement with the BBC trust that will last until 2017. That agreement will have long-lasting consequences in the devolved nations, beyond the budgetary constraints that it will impose on all BBC services. In Wales, it implemented a new method of funding the Welsh language channel, S4C, through the licence fee. Among other things, the new arrangement will ensure that S4C in Wales will receive £95 million a year of support from licence fee payers from 2013 onwards. The equivalent figure for BBC Alba is only £8 million a year. For Scotland, the settlement had the effect of closing off a possible source of funding for the digital network for the next five years. It is unfortunate that last year's licence fee agreement was negotiated over a period of a few days behind closed doors. Nobody outside the BBC trust or the UK Government even knew that the discussions were taking place.

The final area that I want to talk about is local television. Current UK policy on local television is a bit unclear, following an apparent reversal of direction two weeks ago. We are still waiting for further details, which we expect to get towards the end of July. However, as things stand, the UK Government can make decisions on local television in Scotland that would have a major impact on Scotland's media scene without any discussion with the Scottish Government or the Scottish Parliament. As members have raised previously, that could have a knock-on impact on advertising revenue and the viability of Scottish newspapers. We have had meaningful discussions with Jeremy Hunt, Ed Vaizey and Sir Nicholas Shott, as he wrote his report. The UK Government may choose to consult us, but it is not required to do so, and discussions to date have been at the initiative of the Scottish Government. As we have an interest in the Scottish media scene, our media companies, the newspaper industry in Scotland, advertising revenue and availability in that market, it is concerning that we might not have any right to consultation.

**Ruth Davidson:** Is the cabinet secretary criticising the Scottish Government for consulting her when it does not need to? That sounds a little like what she is doing, which is bizarre.

**Fiona Hyslop:** I am not criticising the Scottish Government because we are the Scottish Government.

**Ruth Davidson:** I meant the UK Government.

**Fiona Hyslop:** We went proactively to the UK Government when it was making its local television proposals and said, "Look, the Scottish digital network could sit within that." At one point, the question was whether there could be a mixed or private market. Those are exactly the discussions that we had with Sir Nicholas Shott. We want to continue to engage with the UK Government on the subject, which is why we are approaching it. We think that it is important that it consults us on such issues.

The issue is about not just the availability of local television in Scotland but the economic impact that it might have on Scottish companies in other media, whether that is newspapers or other media companies. There must be a dialogue about the issue, because it is not black and white; it is not just about what is reserved and what is devolved. That is why, in our motion, we call for an investigation of the options to transfer some powers, even if that is just consultation on the issues. It is very important that Scotland has a voice in relation to local television.

The past four years have demonstrated conclusively that this Parliament can use its influence, if not its power, to change broadcasting in Scotland for the better. I have set out examples of that. However, I believe that further changes to how broadcasting decisions are made are now necessary. The minimum steps would be the welcome provisions on the BBC trust and MG Alba, which are already likely to be included in the Scotland Bill at the request of the Scottish Parliament and Scottish Government. There are, however, other areas in which broadcasting issues need to have further Holyrood input.

We need to be able to ensure the establishment of the Scottish digital network as a public service broadcaster with a remit within Scotland and with guaranteed spectrum that can make it available to everyone in Scotland. We need to be consulted on subsequent television licence fee settlements and the use of that revenue when it has knock-on impacts on Scotland's media scene. We could have a responsibility for, or at least an involvement in, decisions made by the UK Government about local television stations that will broadcast within Scotland. Any such stations could have an impact on the viability of Scottish media companies, as I said—for example, when they compete for a limited advertising market. Those were the clear conclusions of the Scottish digital network panel and Sir Nicholas Shott. They are important live issues. I hope that the Parliament comes together with the UK Government to support the investigation into how we can exert influence, whether that is through transfer of powers or other options in the areas that I outlined.

Broadcasting's cultural importance is a key reason why, during the 1990s, so many of the proponents of devolution from all parties believed that broadcasting should be a devolved issue. In 1995, the final recommendations of the Scottish constitutional convention envisaged a significant role for this Parliament in relation to broadcasting. Now is the right time to renew the dialogue on whether Scotland should have more responsibilities for broadcasting.

I acknowledge that our motion stresses investigation into more powers; but it does not commit this Parliament to support full devolution of broadcasting—although we might want it to do so, those are not the terms of the motion. I have proposed three sensible and proportionate measures that would do much to improve the current accountability framework for broadcasting in Scotland. In the near future, we will publish a paper setting out those proposals in more detail and highlighting other areas in which a consensus might be achievable. For example, it is surely appropriate for devolved Administrations to have a say on the list of sporting events that must be shown live on free-to-air television. There is also a strong case for Scottish ministers to be consulted on local cross-media mergers. Let us remember the economic importance of that for different communities and sectors in the economy. I hope that other parties, and the UK Government, will contribute proposals of their own.

Scotland needs to have a stronger voice in discussions on broadcasting and it needs to have powers to address matters such as the digital network that are a priority at Holyrood, but which may not be a key focus for Westminster. The consensus on broadcasting at Holyrood so far has served us well during the past four years. I look forward to hearing from all parties this afternoon, and afterwards, so that we can build on that in the coming session.

I move,

That the Parliament welcomes recent developments in digital infrastructure and broadcasting in Scotland, such as BBC ALBA becoming available on Freeview and cable, the introduction of the final stage of digital television switchover in Scotland and the success of the bid led by Highlands and Islands Enterprise for UK Government funding to pilot the introduction of superfast broadband roll-out in rural areas; recognises that much more needs to be done, particularly to realise the vision for a Scottish Digital Network as set out by the Scottish Broadcasting Commission in 2008, which would make quality public service content available to all of Scotland on television and online; welcomes the work undertaken by the Scottish Digital Network Panel to explore options for the funding and establishment of a Scottish Digital Network, and encourages the Scottish Government to continue to explore opportunities with the UK Government to deliver a digital network and to investigate options for transferring further responsibilities for broadcasting to the Scottish Parliament and the Scottish Government.

15:10

**Patricia Ferguson (Glasgow Maryhill and Springburn):** I thank the minister for her good wishes. I hope that she will not mind my saying that it is good to see culture back at the Cabinet table. It has languished a little in the past number of years.

I am pleased to open this debate on broadcasting and the digital network for Scottish Labour. As the minister said, our dialogue and debate are timely given that much of Scotland is moving over from analogue to digital. I am sure that I am not the only one in the chamber this afternoon who has unexpectedly lost channels along the way. So far, I have managed to retrieve them, and I hope that that is the case for everyone else, too.

Technology is moving quickly. The opportunities before us are many, and it is right that we reflect on them at the beginning of this parliamentary session. Speaking as someone who is old enough—just, I hasten to add—to remember the advent of BBC 2 and a time when the top prize in a game show could be the much-sought-after colour television, I find that it is sometimes hard to keep up with the changes that are happening and with the technology that we now use.

I suspect that in the near future—in fact, it may already have happened—the television in the corner of the sitting room will become a thing of the past. Of course, it is already possible to watch television on one's MP3 player or phone, and broadcasters will be quick to try to capture the market in personalised television, in which people can choose to watch what they want, when they want, on the device of their choosing.

As I have said, we are almost there now with the advent of the BBC iPlayer and its equivalent on other channels, but it is not just television that is affected—radio is, too. One advantage of a digital network is that it can work across the various platforms that exist. It is important that we do not become too fixated with television, important though it is.

In its report, the Scottish digital network panel quoted Scottish Enterprise, which stated in 2009 that the introduction of the Scottish digital network, combined with the envisaged increase in network production in Scotland, could result in a doubling in the number of people who work in the sector in Scotland. That would, of course, be a very welcome achievement.

We must use the skills that already exist, but it is also vital that we train people in new skills and new technologies. Scottish Labour's amendment seeks to highlight that necessary part of the discussion. Indeed, the digital network panel itself

recognised that there was a skills gap and shortage in the sector.

My colleague David Stewart will talk in more detail about broadband, but we all know that good, reliable broadband access is vital to encourage economic growth and to improve digital inclusion across the country. The work done by Highlands and Islands Enterprise in securing £10 million from the UK Government to improve the broadband infrastructure and its speed is worthy of note, and I know that the Government supports the idea of other local communities and local authorities applying for some of the money that the UK Government has available. However, I wonder whether the minister could outline what shape she believes that Scottish Government support should take. Similarly, could she provide the salient points and timeline that will ensure that the Scottish Government's target of everyone having access to superfast broadband by 2020 will be achieved?

**Fiona Hyslop:** That is a very important point. Our digital strategy, launched in March, set out that we want to see significant progress by 2015. We also have a commitment for a fund to help with infrastructure. We are supporting the south of Scotland communities in particular for the next level of bidding, and Richard Lochhead convened a summit for rural communities to take forward that issue. My colleague Alex Neil will lay out the plans for roll-out in the near future.

**Patricia Ferguson:** Given the publication of the strategy in March, I was going to ask the minister what steps had been taken thereafter to make it a reality, so that intervention was helpful.

As others have said—Ruth Davidson mentioned this in her intervention—we know that broadband take-up is low in Scotland. In my home city, it is lower even than the Scottish average. It seems to me that we have a chicken-and-egg situation. People will not be tempted to receive their programming from broadband if it is as slow, weak and unreliable as mine often is, but without a critical mass of users we will not get the quality content that people want.

If we are ambitious for broadcasting in Scotland, as I believe that we all are, we must produce good-quality material, and the Government, through its agencies, must support those producers who share that ambition. In its submission to the Scottish digital network panel, Creative Scotland stated:

"Our key message is that a digital network could be transformational—for the cultural sector and for the engagement of audiences, but the key will be investing in content."

I am sure that none of us would disagree with that. That investment must be targeted not only at the bigger companies, but also at the smaller ones,

which must be supported. We have a breadth of talent in our creative industries but it all needs support to help it to thrive and develop.

Scottish Labour supports the idea of a Scottish digital network, but we strongly believe that quality should be the driving force of the network and we do not believe that it should be introduced at the expense of existing channels. Any strategy for the network has a delicate balance to achieve if it is to be successful.

The Scottish digital network panel also seemed to talk only of Scottish content and the opportunities to promote that content around the world. I sincerely hope that that was not what it was suggesting. Our culture and our people benefit from and are stronger because of their exposure to other countries over the years. Surely, we want to ensure that we have access to what other countries have to offer. The joy and the success of events such as the Edinburgh international festival exist in the coming together of cultures from around the world and the opportunity that we are given not only to see new performances by our own companies, but to experience the very best that the world has to offer. I believe that a digital network should be no different.

I am delighted that BBC Scotland has now exceeded its own interim target for production in Scotland, but I am even happier that much of that production has been good-quality drama and interesting and insightful documentary programmes that have attracted audiences both in Scotland and throughout the UK. I am sure that many of those programmes will go on to be sold abroad, too. However, although the BBC has made significant progress, it still has work to do to meet the 8.6 per cent target that the Scottish Broadcasting Commission suggested and, unfortunately, other broadcasters do not seem to be making the progress that the BBC has made, which is a bit disappointing.

As someone who was there at the beginning, I am very pleased that BBC Alba is now on Freeview. I have also watched with pleasure the growth in the range of programming that that service now offers. When I watched RockNess the other weekend, I was particularly interested to see the way in which the broadcasters were able to switch languages and bring us in and out of the culture, which I thought was very clever.

The minister talked about local TV, and I am interested in the point that she makes. I refer back to the draft culture (Scotland) bill, which became the Creative Scotland Bill. In England and Wales, local authorities can broadcast some limited information about the services that they offer and the work that they do. The original draft bill contained that provision for Scottish local

authorities; unfortunately, it was then stripped out by one of the minister's predecessors. I realise that that is not what the minister is talking about today, but that might have given us a foot in the door and made that part of the debate a little bit easier.

Members might be interested to know that it looks as though Brad Pitt may make his next film in Glasgow and that the next Batman movie may also be filmed there. I am sure that the Presiding Officer is a big Batman fan. If those projects go ahead, they will provide a real boost for the city and will reward the good work that is being done by the city council and its partners in attracting such high-profile work to Glasgow. Other local authorities working with Scottish Screen and now with Creative Scotland have had similar successes. That is to be welcomed and supported because it brings money into our economy and further enhances our reputation as a tourism destination. Nevertheless, we could do more and I hope that Creative Scotland will prioritise that area.

I look forward to the rest of the debate and to the speeches that colleagues around the chamber will make. I confirm Scottish Labour's support for a Scottish digital network and our belief that it should offer content of the highest quality and that its establishment should not be at the expense of existing channels. We must invest in the skills and training that will allow Scotland to be a destination of choice for programme makers.

I move amendment S4M-00308.2, to leave out “, particularly” and insert:

“and the need to invest in skills and training to maximise opportunities for the industry and”.

15:19

**Ruth Davidson (Glasgow) (Con):** I thank the cabinet secretary for her good wishes to me on taking up my new post as the culture spokesperson for the Conservatives. I also welcome the ascension of the post of Cabinet Secretary for Culture and External Affairs to the Cabinet of the Scottish Government.

I also thank the cabinet secretary for her speech about the Scottish digital network. As one of the many newbies in the Parliament, I recognise the amount of work that was done on the matter by members in the previous session of Parliament, particularly by my former colleague Ted Brocklebank. That work was impressive, but we need more information, particularly following the cabinet secretary's speech.

First, we need to hear more about the framework and vision for a digital network. Are we talking about linear or online programming? Would it be on demand or a mixture? How would it

happen? What would the progression be? How would we future proof the content that would be sent out across the nation?

We have issues surrounding the funding and timeline for establishing such a network. We also have grave questions about the impact on our current broadcasting output in Scotland, particularly concerning BBC Scotland, the jobs there and Gaelic broadcasting.

I will get on to those issues in a moment. My colleague Alex Johnstone will talk in some detail about the boy side of it: the nuts and bolts, the heavy engineering and the pipes that will take all the content into people's houses. Before that, I will come back on some of the points that the cabinet secretary raised.

When we talked about the problem with the take-up rate for digital broadcasting, particularly broadband and the infrastructure that is at the crux of the debate, the cabinet secretary suggested that there was a deficiency of content and that, if we improved content, we would improve the take-up rate. The problem with that argument is that, in Glasgow—my area and Patricia Ferguson's—the take-up rate is low. That is nothing to do with how Scottish or Glaswegian the available content is, because Glasgow is best served of all the areas of Scotland by an identifiably Glaswegian and Scottish television output. It is where the major two networks are based. It is where the jobs are. It is where many of the dramas, such as "Lip Service" and "Taggart", are based. People there see themselves represented on the screen, but we still see a low take-up rate.

I am not sure that content is the problem. The problem is that the digital network report and the cabinet secretary have conflated what is free and what is not. Glasgow has a low take-up rate because it has areas of great poverty. It has a low take-up rate because of the economics, not because of the programming and the output. The problem is that, although a digital network may be funded centrally, people would have to pay for the facility to have it in their homes. They would still pay for their broadband.

**Fiona Hyslop:** Ruth Davidson talks about future proofing and price. Surely a publicly funded Scottish digital network, with free access to all and available on television and online, would be a helpful development in that regard.

**Ruth Davidson:** That is where the conflation and confusion are. We have always installed the strategic hardware centrally. That is fine, but if somebody uses their personal computer to access the digital pipes that we lay, they still pay whoever runs the software on it to connect to the internet.

I have digressed slightly, so I will move on.

We need structure and clarity on the proposed television channel. Part of the remit of the report from Blair Jenkins was inclusion for all. One great way of achieving that is on a platform such as Freeview. Like many other members, I welcomed the coming of BBC Alba to Freeview so that more people could watch it. However, I worry that BBC Alba will be the Government's chosen method of transmission for the new content. If there was a business and political case for a Gaelic channel three years ago, where has that case gone if the channel is now to be used for English-language broadcasting? I would like some clarity on that.

**Fiona Hyslop:** It is a very important point. I refer the member to the evidence that Blair Jenkins gave to the Education, Lifelong Learning and Culture Committee in the previous session of Parliament, in which he said that any suggestion of the use of BBC Alba would have to be by invitation, not instruction. I strongly support that view, so I reassure her and the Parliament on the point.

**Ruth Davidson:** I am glad of the reassurance that such a development would be by invitation. I worry about protecting a service for which members of the Parliament fought hard.

My main problem is that there will be an impact on people. I have spent 10 years of my working life in broadcasting across Scotland—in the BBC, the commercial sector and the independent sector. Particularly with my most recent former employer—the BBC—I have seen job cuts in the past few years. In the three-year redundancy rounds between 2005 and 2008, 3,500 jobs went in the BBC in the UK; 700 journalists across the UK went, and Scotland was affected proportionally.

The people who left the BBC—such as me and many of my colleagues who chose to take redundancy—did not stay in broadcasting in Scotland. When people leave the sector, they often go off to do other things. My problem with the Government's proposed funding structure—top-slicing the BBC's licence fee—is that it will have consequences, including for BBC Scotland. I want it to be protected.

I hope to hear more from the cabinet secretary on all those issues in her closing speech.

I move amendment S4M-00308.1, to delete from "and encourages" to end and insert:

"without compromising existing broadcasting capability."

15:26

**Clare Adamson (Central Scotland) (SNP):** I am delighted to speak in the debate as we examine the plans for broadcasting in Scotland

and the proposals to establish a Scottish digital network.

In 2008, the Creative Scotland Bill sought to establish the structure and organisation through which Scotland could promote the understanding, appreciation and enjoyment of the arts and culture for all people in Scotland. Creative Scotland seeks to increase the number and range of people who use and enjoy the creative arts. In addition, it seeks to identify, support and develop talent and excellence in the arts and, in so doing, to realise the benefits—economic and otherwise—of the arts and culture.

There can be no doubt that the achievement of those objectives would be greatly helped and underpinned by the establishment of a Scottish digital network. Such a network would consist of a dedicated television channel that would be available to all and supported by a large range of content on broadband. A dedicated channel for Scotland could inform, engage and entertain Scottish viewers, but that would not be in a parochial way. It would open an opportunity to establish Scotland's culture, sporting achievements and participation, business and civic life in a European and world context. In doing so, it would showcase our talents in all those areas. A Scottish digital network could be of the highest quality of public service broadcasting. It would be independent of the Government and impartial, and it would offer an alternative to the BBC, but would not diminish the BBC as an organisation.

For our culture, we could envisage greater coverage of our festivals, not least of which is the Edinburgh international festival. In sport, we might have more coverage of events such as the Melrose rugby sevens or local coverage of the Fort William mountain bike world cup. The network would offer an opportunity that was not previously available to showcase the likes of handball and sailing, in which Scotland excels but which rarely receive coverage.

In news broadcasting, we could see greater emphasis on reporting from a Scottish perspective. National reporting frequently fails to place news items in their Scottish context, which leads to confusion among the public about devolved issues. In an earlier debate today, Marco Biagi suggested that news items should come with the warning, "Not for viewers in Scotland".

**Patricia Ferguson:** I gently suggest to Clare Adamson that much of that has to do with editorial practices in programming situations. For example, if she casts her mind back to the success of the Commonwealth games youth team several years ago, on the day when it came home with a huge haul of medals that had never been surpassed, "Good Morning Scotland" on BBC Radio Scotland covered the elephant polo championships.

**Clare Adamson:** I agree that the broadcasting opportunities that a Scottish digital network would bring would allow far more of those kinds of events to be covered and to be accessible to the public through their televisions and online.

Only yesterday morning, I watched a report on BBC's "Breakfast" on proposed increases to the Humber bridge tolls. After saying that, if accepted, they will be among the highest in the UK, the reporter then listed toll charges throughout England and on the Severn bridge, which links Wales with England. During this breakdown of what were described as "UK figures", no one mentioned that tolls in Scotland had been scrapped by an SNP Government, or presented that model or the buyout of bridge contracts as an alternative perspective. It is inconceivable that a Scottish public sector broadcaster would have failed to establish the Scottish context of that report and I believe that on that occasion the BBC let down every viewer in the UK.

A consistent finding of the research that was commissioned by the Scottish Broadcasting Commission in 2008 and the Scottish Government in 2009 is that Scottish viewers want more choice; indeed, since 2008, there has been consensus in the Parliament on the need to establish a Scottish digital network. The results of that research will come as no surprise when we look at the figures. Although in 2008-09 Scottish licence fee payers accounted for £300 million, of the total only £140 million was spent in Scotland, which demonstrates a substantial shortfall in investment.

**Ruth Davidson:** Does the member acknowledge that the amount of UK network programming that has been commissioned, executed and filmed in Scotland and which has been shown to the entire UK audience has increased by 150 per cent over the past two years? By its very nature, such programming would not be available on a digital network.

**Clare Adamson:** Of course I welcome that; indeed, the cabinet secretary has highlighted the progress that has been made in such areas. However, we still have some way to go.

In such challenging economic times, the funding of the Scottish digital network will be key to when it is established and I agree with the recommendation of the Scottish digital network panel that was established by Blair Jenkins, that it be funded through an allocation of the licence fee. As the cabinet secretary has pointed out, the Welsh broadcaster S4C is to receive £76 million annually; in Germany, the regional public service broadcaster for Hesse, which serves six million people, receives £170 million of public funding; and in the Spanish region of Valencia, the public service broadcaster, which serves five million people, receives £150 million. The amounts that



we are looking for are quite in line with those that are being allocated in the rest of the Europe.

Given that Scotland had no voice in the negotiation of the current settlement, I urge the BBC to revisit the six-year licence fee, which will run until 2017. If that is not possible, the potential funding gap could be filled with a share of the proceeds from the sell-off of the cleared spectrum following the digital switchover. In 2010, Germany raised £4 billion from a broadly similar auction.

I support the motion.

15:33

**James Kelly (Rutherglen) (Lab):** I welcome the opportunity to take part in this afternoon's debate, first and foremost because in my years as an MSP this is the first time I have spoken about broadcasting, and because I welcome the chance to speak about and gain knowledge of new areas.

Broadcasting and the digital network are very important issues for Scotland in the 21st century. Indeed, they are particularly significant for Scotland; after all, John Logie Baird invented TV, which has come to dominate so many of our lives. I grew up in the TV age and iconic images such as the first man on the moon, the freeing of Nelson Mandela and the election of Barack Obama as the first black US President, which came to us through our TV screens, illustrate how powerful the technology is. We should be thankful that it is a Scottish invention.

I support the creation of a new Scottish digital channel, as other members do. With the greater Scottish input and diversity that would occur, it would present tremendous opportunities for those who work in the Scottish broadcasting and digital industry, and give great opportunities to expand the range of programmes and therefore provide greater entertainment to communities throughout Scotland. The tools that would be at the disposal of a new broadcasting channel in Scotland would allow significant expansion. The minister mentioned Creative Scotland and Skills Development Scotland, and gave examples of work that has already been undertaken. Those bodies can do much to underpin the work in the existing broadcasting infrastructure and in a new digital network.

As we expand the network, it is important that we get a proper balance and do not compromise on quality in considering the programme set-up. It is important to make the most of opportunities.

A number of members have spoken about cost issues; it is clear that there are cost issues—there are issues to do with how we derive £75 million. It is essential that we do not compromise the

programming ability of existing channels in doing so, particularly in relation to Scotland.

**Fiona Hyslop:** I agree with all the comments that the member has made, but it is important to accentuate the fact that the Scottish digital network is not just about programming and television channels; there are also great opportunities for public service delivery. That is where future proofing and considering how we want to include participation, which has already been mentioned, come in. There is a wider avenue than just programming.

**James Kelly:** I agree that it is not purely about TV programming. There are important technological opportunities, which I will come to later in my speech. As well as public service issues, there is a clear link to the economy—there is an economic opportunity for Scotland.

I support the previous Scotland Bill Committee's calls for a BBC trust member for Scotland. That is logical. Such a member would ensure that Scotland had a strong voice on that trust.

I welcome some of the recent developments relating to the BBC, such as the new headquarters at Pacific Quay, and developments relating to BBC Alba. Ruth Davidson mentioned a 150 per cent increase in programming. It is clearly important that we get to the 8.6 per cent production figure that has been stipulated. The meeting of the interim 7.4 per cent target for Scottish programmes is to be welcomed, but we must be vigilant about quality. It is not just a case of churning out programmes; it is important that we get appropriate Scottish quality.

There is a real opportunity with broadband and technology in general. Things have moved on. Those of us who are old enough to have done so used to watch flickering black-and-white TVs with four buttons that sometimes had to be pressed and held in to get the right picture. Youngsters like my kids now have small devices that generate all sorts of information through social networking, and people can watch TV programmes on them. There has been a big move in technology even in the past 20 years, and it is important that we are able to tap into the benefits of that.

Broadband expansion is one way of doing that. It is important that we be able to expand broadband coverage to all areas of Scotland, but it is not just a matter of covering rural communities. There is a high number of pensioners in my constituency and it is important that we allow pensioners to tap into the technological revolution, because there are great advantages in being able to access entertainment through broadcasting and to communicate with others.

The debate gives an opportunity to present important arguments in support of the Scottish

digital channel. It also allows us to highlight the opportunities that are presented by the expansion of broadband and improvements in technology, the knowledge and information that those can give people of all ages and the benefits that they will have for the Scottish economy.

15:40

**Joan McAlpine (South Scotland) (SNP):** I draw members' attention to my entry in the register of members' interests, which shows that I have a background in the media, that I receive continuing remuneration from the print media and that I am participating in a programme for STV this autumn.

It is encouraging to have such consensus across the chamber on the issue. In particular, there has been a lot of consensus on making network programmes from Scotland and the progress that has been made on that. Several members have referred to the fact that the number of network TV hours that are made by BBC Scotland has increased by 150 per cent in two years. The briefing from BBC Scotland suggests that it is on target to meet the 8.6 per cent minimum provision by 2016, which is good from an economic point of view, as it will bring technical and production jobs to Scotland and build capacity. However, I sound a note of caution on that subject. Through speaking to prominent journalists in our broadcasting institutions in Scotland, I know that they are concerned about the emphasis on making programmes for the network. Many of the shows do not contribute particularly to our culture and there is a feeling that many of them are box-ticking exercises.

**Ruth Davidson:** Is the member suggesting that, for example, "Lip Service", a network programme shown on BBC 3 and set in Glasgow, featuring a bunch of Glaswegian lesbians, was in any way just a box-ticking exercise rather than a fine piece of programming that was set in Scotland and designed for the entirety of the UK?

**Joan McAlpine:** I have not seen the show, but I have heard that it is an excellent piece of programming. I certainly would not include it in my comments, but we have made shows here that do not necessarily fulfil the remit of addressing our needs in Scotland. For example, when "Question Time" moves up here, David Dimbleby will remain ensconced in London.

Broadcasting is not about the number of widgets that are produced from a particular cost centre; it is about reflecting the richness of our culture. The broadcast media are just as important as literature, painting and theatre and provide the culture with which most people in the country engage. Broadcasting is hugely important for our

national life, for scrutinising our democratic institutions, for offering a forum for debate and for promoting understanding of our country.

I draw members' attention to research that has been uncovered by former BBC journalist Kenneth Roy, which shows that the amount of English-language programming that is made in Scotland and is about Scotland has fallen in the past few years. In 2004, £72 million was spent on such programming, but by 2009 the figure was £50 million. It is fantastic that we are building up technical capacity by making shows such as "The Weakest Link", "The Old Guys" and "The National Lottery: Secret Fortune", but that is a real problem if it is done at the expense of programmes that address important issues in our culture. I am not knocking the BBC—I happen to think that the BBC is a fine institution that produces fantastic quality and breadth.

Nationally, the BBC has a huge range of news and current affairs platforms. We have highbrow programmes such as "Today" and "Newsnight" and we have Radio 5 live and youth programmes such as "Newsbeat", all of which are excellent. However, they do not have capacity to address Scottish news and current affairs, and I am not sure that it is reasonable for us to expect them to do that, because 90 per cent of the people who watch and listen to those programmes are in other areas of the UK. Although they might be interested in what happens in the chamber from time to time, they are not going to demand the level of detail that people in Scotland would. That is why it is important that we focus on improving the quality of programmes made in Scotland for Scots, and I am hopeful that the Scottish digital network will do that.

This is by way of illustration. We have just been through an election campaign and, as a member of the winning party, I perhaps should not complain about the coverage that we got. However, it was disgraceful that BBC Scotland, as the public service broadcaster, managed to do only one leaders' debate that was broadcast late at night, whereas STV, which is not subsidised to the same extent, managed two at prime time.

During the general election last year, there was a huge lead-up to the leaders' debate, which engaged people in the democratic process.

**Ruth Davidson:** In the lead-up to last year's general election there were a number of Scottish debates, which involved the Secretary of State for Scotland, the shadow Scottish secretary and Alistair Carmichael from the Liberal Democrats—but not Alex Salmond, who seemed to be complaining about leaders' debates. He had four opportunities to speak up in 2010, but he chose not to use them.

**Joan McAlpine:** That is wrong: we were excluded from those debates. I could say a great deal about those debates, which completely ignored Scotland and in which we were not able to engage in talking about Scottish issues, but that is another subject entirely.

The fact is that we do not have a public service broadcaster that allows us properly to scrutinise events in this chamber, which should concern members on all sides. We might have good coverage on “Newsnight Scotland” and for people who are particularly concerned about politics—the political anoraks, if you like. However, when it comes to popular television and engagement, which the BBC does very well nationally through Radio 5 live and “Newsbeat”, we just do not do that for Scottish issues. I hope that the Scottish digital network will address that. However, I sound a note of caution: the digital network should not let our current public service broadcasters off the hook on this matter.

15:47

**Helen Eadie (Cowdenbeath) (Lab):** Like the minister and many others who have spoken in the chamber today, I welcome the huge improvements that have been made to Scotland’s digital infrastructure over the past 25 years. The pace of change has been breathtaking, and the ability to stream digital content—whether audio, video or even cloud computing applications—has certainly changed how we all live and work.

Many members will remember not only dial-up internet access, but black-and-white television. Speaking as one of them, I am firmly of the opinion that we must support innovation to drive even better digital services across our country. The motion that is before us today mentions many of the innovations that are on-stream, such as BBC Alba, which has joined the absolute mainstream ubiquity of Freeview—as Ruth Davidson and others have said—and the digital switchover that has happened in my constituency very recently.

The motion refers also to the pilot of superfast broadband in rural areas, which would bring many of the innovations that I mentioned in my opening remarks to virtually the whole of Scotland. Alongside that comes the call for a Scottish digital television network and another bid for the transfer of powers.

There is a great deal of agreement among members on the aspiration for more plural media in Scotland. It is a fair and desirable aspiration, but the question remains about how we would achieve that greater choice and content for Scottish citizens.

The creation of a Scottish digital channel has a great deal to recommend it. It would be a Scottish channel that would have Scottish content and be a proving ground for new talent in front of the camera and behind the scenes. As the cliché goes, what’s not to like?

The Scottish Broadcasting Commission estimated that a digital channel would cost between £50 million and £75 million, which is a tidy sum at any time, let alone in these financially straitened times. The SNP Government has considered various ways of funding that aspiration, but it keeps returning to the concept of taking money from the BBC licence fee to pay for such a channel. I do not think that that is a sensible way forward. It would be wrong to diminish BBC services for the creation of a new channel. The BBC has already experienced a substantial cut in its budgets, and we have all seen the redundancies and cuts here in Scotland. The changes to “Scotland at Ten”, for instance, might mean a slightly earlier night for MSPs as the programme is largely pre-recorded, but there is no doubt that the cuts that we have already experienced have had a deleterious effect on some aspects of political coverage.

**Mark McDonald (North East Scotland) (SNP):** Does Helen Eadie accept that the amount of money that is raised through the licence fee in Scotland is much greater than that which is returned to Scotland and that there is therefore a perfectly justifiable argument that more of that money should come to Scotland to fund broadcasting?

**Helen Eadie:** Robbing Peter to pay Paul is not the right way forward. If there is to be a Scottish digital channel, it should not be at the expense of existing channels. Some will feel that a less ambitious and hence cheaper channel would still be desirable but—again—that just does not stack up.

The goal must be to have more plural media, and that needs high standards and not cut-price television or journalism. Scottish journalism is integral to the entire debate. The media landscape in Scotland is in a state of flux. The recently announced push for 90 redundancies at the *Daily Record* and *Sunday Mail* has been decried by Labour and the other political parties. It is a short-sighted move that will damage not just Scottish journalism but debate and politics in Scotland. I wish the National Union of Journalists and its members the very best as their discussions with management continue.

The cuts at Trinity Mirror follow those at other media organisations in Scotland. When we think about new services, we should be careful not to forget the print, online and broadcasting operations that we have already. There is no

doubt that local newspapers, with which I have great involvement as a backbench MSP, are struggling as the expansion of the digital world challenges their revenue models. Members who served in the third session of Parliament will remember the spirited campaign, which was backed by Labour, against proposals to drop recruitment and other advertising from local newspapers. SNP ministers saw sense on that occasion and dropped the plans. Similarly, the possible consequences of the establishment of a new channel, including how it might impinge on existing commercial products, need to be fully examined.

I have wished at times that the BBC would reflect Scotland better in its coverage. However, there have been efforts to ensure that, when news reports highlight policy, the differences between Scotland and the other parts of the United Kingdom are explained properly. Despite occasional howlers, the changes that are due to devolution are now better reflected than they were a number of years ago.

We all wish to see active media in Scotland that reflect the views and hopes of its citizens. A Scottish digital channel could play a role in achieving that goal, but ministers must explain how they will fund that aspiration without removing resources from elsewhere. There is always room for improvement, and if the Scottish Government or even the Scottish Parliament had the authority to appoint a BBC trust Scottish member, that might concentrate minds at the BBC even further.

15:53

**Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP):** I note with some irony that the Scottish Parliamentary Corporate Body has more control over the state broadcaster than the Scottish Government does. As members will know, the corporate body can exercise some control over the broadcast output from this fine building, but no Scottish Government minister has any say over what should be broadcast in Scotland. There is no proper Scottish public control over broadcasting, no proper public scrutiny of whether what is broadcast in Scotland properly serves Scotland and no control to ensure that Scotland's diverse cultures and communities get what they need from our airwaves and digital networks.

I congratulate the cabinet secretary on her work to help to address those issues and I congratulate the Scottish Broadcasting Commission on its work. It was a sterling piece of work by a distinguished group of individuals that encompassed a great deal of knowledge of, and experience in, broadcasting and digital media as well as a broad range of personal experience and political views.

They produced what should be a route map for the future of broadcasting and digital media in Scotland. As Helen Eadie has just said, the pace of change is fairly rapid, and the commission's report may need to be updated sooner than we might have expected. However, it is a solid platform on which to build a basis for debate, and it should be a catalyst that allows and empowers progress. In and of itself, it is not the final picture, and no one would argue that it should be, but it is a good start.

The report notes:

"Television is the dominant platform for public access to news and information in Scotland, being regularly used for that purpose by more than 80% of the population",

and that there is a

"lack of opportunity for serious and in-depth examination of important public policy issues."

That is part of an important greater whole.

There is a recurrent, confusing and, perhaps, dangerous habit in news organisations of seeing the UK news as the news and any Scottish news as little more than a local opt-out. We can continue to retread the "Scottish Six" arguments and to see the metropolitan sneer of broadcasters such as wee Jeremy Paxman, looking down on "Newsnight Scotland" as being the kailyard rather than the grand stage of current affairs. We can continue to be a bit chipper about whether "Good Morning Scotland" can bear up to the "Today" show, but that misses one important point. Clare Adamson touched on it, and I want to go into it in more detail.

In what could most charitably be described as a series of cases of accidental misinformation, UK news channels refer merely by their titles to English ministers whose writ does not run in Scotland; the BBC and ITN do it, and so does Sky. Broadcast audiences in Scotland hear that the health minister has decided to cut services, the justice secretary has decided to increase sentences or the local government minister has decided to cut the number of councils. The impression that is created is that that is happening here, when in reality it is not—it is happening in England, not in Scotland.

That may sound like a petty point, but it is not. I have with me a press release that the Scottish Cot Death Trust issued on Tuesday, after BBC's "Breakfast" television programme broadcast about Government withdrawing the literature about cot death. That change applies only in England; the Scottish Government is continuing to provide the advice and support literature to parents here, but that was not made clear. As a result, the Scottish Cot Death Trust spent the whole day fielding calls from distressed parents of cot death children who want the literature to continue to be available.

Unnecessary distress for those parents and unnecessary work for a busy charity was caused by a failure to make clear the geographical extent of the area to which the news item applied. It may be thought that that is not the worst thing that can happen to bereaved parents and to the charity; I agree. The confusion and distress of Scots may not be much of a concern for broadcasters, but other possible complications from a similar action could be much worse.

The episode also calls into question whether the actions of the broadcasters contribute to or damage the public knowledge of current affairs in Scotland. Joan McAlpine has already raised that issue.

**Ruth Davidson:** Does the member have any statistical analysis to show that, on the two major networks that she mentions, the audience is not the same when a UK news bulletin is followed by a Scottish news bulletin or, in the case of STV, a Scottish news bulletin is followed by a UK news bulletin—in other words, that people do not choose to watch both because they want to hear from both?

**Christina McKelvie:** I admit to the member that I do not have such evidence on me, but it is probably a great topic for the Education and Culture Committee to consider.

If confusion is sown about the various Government departments, people across this nation are being misinformed about what their ministers are doing and broadcasters are not clearly enunciating the public debate, there is a danger that public debate will not keep up with political events. If that happens, there is a danger that we will find that there is a disconnect between politics and the people. Are we in danger of seeing a democracy deficit open up before our eyes?

We need greater confidence in our people, our nation and our sense of self. We need to engage all our media in the debate, and they need to engage Scotland with accurate and intelligent work. We need fresh respect for Scotland from our broadcasters and other media, and fresh respect for public debate. We need control of broadcasting to be brought back home. We need to reinvigorate and reinvent our nation. We need to do that starting here, in this chamber.

**The Deputy Presiding Officer (John Scott):** I remind members once again that they should switch off their electronic devices, please.

16:00

**Alex Johnstone (North East Scotland) (Con):** Usually when I stand up to speak in a debate in the chamber, I have a clear idea of what I want to say and how I intend to say it. Today is different: I

know what I want to say, but I am not convinced that it will be easy to express. What I have heard in the debate so far is all well and good, but all members who have spoken so far have failed to look far enough ahead and understand the scale of the opportunity and ambition that technology now affords us.

Yesterday afternoon, Elaine Murray, Paul Wheelhouse and I visited the Royal Society of Edinburgh. We appeared on a panel to discuss how scientists might better communicate with members of Parliament. Before we left, we were accosted by a gentleman who wanted to talk to us about the provision of digital broadband networks in Scotland. I wish that I had asked the gentleman his name, but we were in such a hurry to get a taxi that I cannot give him a namecheck today. He wanted to emphasise—and it is emphasised in the Royal Society's report, "Digital Scotland", which he provided to me—the fact that no one has yet placed adequate importance on the scope of the provision of good-quality broadband networks across the whole of Scotland. It becomes clear in "Digital Scotland" that there is an opportunity that we have not yet understood.

Many members will be aware of Moore's law, which relates to the development of all information technology. It states that the capacity of IT equipment or computers rises exponentially. I am now also aware of Nielsen's law, which suggests that, every 20 months, the capacity of broadband will double, with a 64-fold increase in the next decade. That means that, as we work towards achievements in increasing the capacity of broadband networks such as that in the Highlands, which has been praised, the idea that somewhere along the way we might get to where we want to go is an idea that we cannot afford to follow.

**David Stewart (Highlands and Islands) (Lab):** I agree with the member that the RSE report is excellent. Does he agree with the conclusion that we really need a fibre optic backbone, similar to a trunk road or electricity network, across Scotland?

**Alex Johnstone:** Yes, because I believe that whatever we do to increase the capacity of the digital highway will never be adequate. As the capacity increases, we will find new uses for it that are far beyond anything that we can imagine today. It is important that we take the opportunity to ensure that whatever we do produces a system that is capable of perpetual upgrading.

We in Scotland have a slightly more difficult situation when it comes to the provision of technology compared with other parts of the United Kingdom. Our population is smaller and is more sparsely spread over large areas of the country. As a consequence, the market-led approach, which is successful in many areas, will inevitably fail to provide equality of service across

Scotland. That is why it is important for Government, nationally and here in Scotland, to ensure that support is given where it is possible to give it.

**Fiona Hyslop:** Will the member give way?

**Alex Johnstone:** I need to make progress—I am sorry.

The problem is that, if we take the low-hanging fruit and invest where the returns are best, the next low-hanging fruit will be in exactly the same place as the previous lot was. Investment will continue to be made where the service is best and where the population density is greatest. The greatest benefit to society as a whole, however, will be achieved where the population is sparse and distances are greatest.

I wish to tie those points back into the concept of broadcasting, which many members have discussed. We do not have enough of an understanding of the rate at which broadcasting and its characteristics are changing. The pace of that change is increasing, not diminishing.

As we heard from the minister this week, we have reached the end of the process of converting to digital terrestrial broadcasting in Scotland, yet we have seen a pattern emerge: as the number of channels increases, that variety means that audiences are smaller. [*Interruption.*] I believe that the opportunity presented by high-quality digital networks will accelerate the pace of change and that we will see more and more input into that broadcasting system and a much more decentralised approach.

Already we have seen the effect on the print media. The average circulations of our major newspapers are dropping daily, while the BBC website, and now the STV local websites, are increasingly providing the kind of content that our newspapers used to provide. It is a reasonable expectation that, with the availability of technology and the improvement of networks, the broadcast media will begin to behave similarly.

Just around the corner is a new concept: we may find individuals broadcasting to individuals—one-to-one broadcasting. When we get to that stage, there is nothing that members, I, the Government or anyone will be able to do to influence whether the content will be Scottish. We have, with this technology, created a monster that, although it delivers enormous opportunity, delivers a pace of change that few of us are able to encompass or understand. However, we will have to understand it because it will only increase. That is the challenge that we face.

**The Deputy Presiding Officer (Elaine Smith):** I ask members to turn off their mobile phones and BlackBerrys because they interfere with the sound

system. It is discourteous to speakers to leave them on.

16:06

**Mark McDonald (North East Scotland) (SNP):**

I am disappointed to note that there are no members from the Liberal Democrats in the chamber because I was hoping that I could put to them the suggestion that we dedicate a couple of programmes in the digital Scottish network to them, namely “Total Wipeout” followed by “Party of Five”. Nonetheless, I am sure that their absence from the chamber in no way diminishes their dedication to the cultural agenda in Scotland or their devotion to the establishment of a Scottish digital network.

We need to ensure that we shake off some of the cringe that all too often dominates our attitude to Scottish televisual and cultural output. I have to be honest and say that that cringe emerged somewhat during Helen Eadie’s contribution when she spoke about low production values and discount programming. That is unhelpful, because all too often, we have an entirely unjustified cringe about productions that come out of Scotland.

We need to celebrate more what we do culturally and our televisual output.

**Rob Gibson (Caithness, Sutherland and Ross) (SNP):** rose—

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

**Mark McDonald:** I would like to make some progress, but I thank both members for taking an interest.

I am glad that Ruth Davidson has lost none of the characteristic feistiness that she used to show when we debated against each other at university. I note a certain irony in the fact that a member of the party that advocates competition in almost every facet of public life is concerned about the prospect of a little competition for the BBC. Competition in broadcasting is to be encouraged and could be healthy.

With that in mind, I reiterate my point to Helen Eadie that there is a deficit in Scotland’s share of the licence fee. Scotland puts about £300 million into the licence fee pot; according to 2008-09 figures, we received less than half of that back. Even if we take into consideration the fact that a Scottish digital network would cost in the region of £75 million to establish, that still leaves £80 million to £85 million unclaimed, as it were, for Scottish output.

**David Stewart:** If we take the example of broadband, there was competition throughout the United Kingdom. There were 60 bids, and the best

bid was from Highlands and Islands Enterprise, which won over areas throughout the UK. I do not follow the member's logic that we are down on a pro rata basis. HIE has shown the way. It can win bids in competition with England, Wales and Northern Ireland.

**Mark McDonald:** I am not for one second suggesting that what I propose should necessarily be done on a purely pro rata basis, but what we pay in we should at the very least expect back, whether or not that is done on a pro rata basis.

I do not disagree with the member that the roll-out of high-speed broadband, particularly in rural areas, is to be welcomed. Indeed, at yesterday's meeting of the Rural Affairs, Climate Change and Environment Committee, we highlighted the roll-out of rural broadband as something that we want to focus on. It is great that the Government is investing via mechanisms such as the next generation digital fund, but we have to ensure that, following that investment and the establishment of the infrastructure, the service providers match that by providing services along those lines, and at a reasonable rate, so that people can afford to access services via broadband.

There has been some talk about television programmes' often UK-centric editorial positions—they do not always take account of the different flavours of devolution that exist in the UK. Ruth Davidson was perhaps a little too harsh on Joan McAlpine in relation to her suggestion that, all too often, the focus does not take account of Scotland. There can be no better example of that than that of our Deputy First Minister being chastised on "Question Time" for referring, in Glasgow, to a specific Scottish issue and being told that she should not do so because a wider UK audience was watching the debate. That happened even though, week after week, the programme features discussions on areas that are devolved to this Parliament, such as health, and speakers are at no point told that they should remember that there are viewers watching the programme in Scotland.

We have to ensure that, when editorial focus on Scotland is required, we can reflect that. We can do so through a Scottish digital network, which might enable more Scotland-focused political programming. That could be more accessible to the Scottish people on a regular basis, as opposed to the occasional arrival in Scotland of "Question Time" or other such UK programmes for a discussion of political events. I hope that that approach can be considered.

Local television output has been mentioned. As I am a north-east MSP, people might expect me to start banging the drum to bring back Grampian Television, but I will not do that at this stage. It is important to note that local television and radio have served as an important nurturing ground for

future talent, which moves on elsewhere. For example, Isla Traquair started on Grampian Television and eventually moved to Channel 5, and I understand that Ruth Davidson made a transition from Kingdom FM to the Tory front bench. From such small acorns do large oaks grow.

It is important that we recognise that talent exists in Scotland, and we need to ensure that we develop and nurture that talent. There is talent not only in front of the camera or behind the microphone but in the back rooms, among the production staff, make-up artists, writers and so on. We have to try to create opportunities for Scottish talent to be retained—but not necessarily kept—in Scotland and at least to be given the opportunity to develop. The more opportunities that we can provide for young talented people to get into the industry and develop themselves at an early stage—and then look to move on elsewhere, if that is what they wish to do—the better. I think that the Scottish digital network provides that opportunity.

**The Deputy Presiding Officer:** I call Angus MacDonald, who is making his first speech.

16:13

**Angus MacDonald (Falkirk East) (SNP):** This is, indeed, my maiden speech—better late than never. I have an excuse for not having spoken before today. I had intended to contribute to the debate in the chamber last Thursday, but we had the small matter of a local government by-election in Bo'ness that day, which required my attention. I am glad to say that we kept up the by-election tradition in Falkirk district by securing more than 55 per cent of the vote. I congratulate the new SNP councillor for Bo'ness, Councillor Sandy Turner, on his sensational result.

I thank the people of Falkirk East for voting SNP in such large numbers at the by-election and at last month's Scottish election. It is, of course, an honour and a privilege for me to serve the people of Falkirk East, and I will do my utmost to serve them to the best of my ability.

While I am discussing Falkirk East, it would be remiss of me not to pay tribute to the work of my predecessor, Cathy Peattie, who represented Falkirk East for 12 years. As a Portonian—someone who hails from Grangemouth—she was in tune with the issues affecting the constituency, and was easily accessible to all her constituents. I intend to be just as accessible, but there are some of Cathy's attributes that I will find it impossible to emulate. I can confirm that there is no truth in the rumour that, as the member for Falkirk East, I will stand in for her by singing Burns songs at the members' Burns supper. Nothing would guarantee

a mass exodus more than me singing “Ae Fond Kiss”, although I have to admit that I have given “Scots, wha hae” laldie a few times.

I hope that my thanks to Cathy Peattie on behalf of the people of Falkirk East are duly placed on record. I also place on record my thanks to the team that works behind the scenes in Parliament: the unsung heroes who keep this place ticking over and who have been extremely helpful to all the new kids on the block over the past few weeks.

I turn to the substance of the debate. It is worth recognising the success of the recent campaign for the establishment of a dedicated Gaelic channel, BBC Alba, and, as we saw two weeks ago, the success of the campaign to have the channel made available on Freeview and cable. I congratulate everyone who lobbied to ensure that that happened. It was a sign of what can be achieved in Scotland through cross-party consensus, and I acknowledge the support of retired MSPs John Farquhar Munro and Ted Brocklebank.

BBC Alba was launched in September 2008, a couple of weeks before the successful Royal National Mod, of which I was the convener, was held in Falkirk. The event gave Falkirk district a major cultural boost and attracted more than £1.5 million of spend into the local economy, just when the economic downturn was beginning to kick in. I would therefore like to think that BBC Alba and Falkirk have a special bond through the 2008 Mod. I am sorry to see that Derek Mackay has left the chamber because I was going to wish him good luck for the Mod in Paisley.

**George Adam (Paisley) (SNP):** Thank you.

**Angus MacDonald:** I thank George Adam.

As we have heard, when the Scottish Broadcasting Commission reported back in 2008, it recommended the establishment of a Scottish digital network. With the same cross-party consensus that surrounded the establishment of BBC Alba, a new Scottish digital network could be operational within a few years. The suggestion is that the channel could cost in the region of £75 million per year, which should come out of the licence fee or spectrum fees; most certainly, it should not be commercially funded, although that is the favoured option of the UK Government at the moment.

It is clear that commercial broadcasters within and outwith Scotland have found their financial situations to be fairly precarious recently, so it should be a given that, in a similar way to how other European public service broadcasters are funded, the Scottish digital network be publicly funded. Helen Eadie said earlier that that would be

“Robbing Peter to pay Paul”.

She fails to grasp the argument that we are entitled to the funding from the licence fee in the first place.

I know that SNP members often use Norway as an example of many things. As a regular visitor to Norway, I can say that we would do well to emulate its local digital network, particularly the local outputs, which are second to none. Of course, Norway is an independent, oil-rich country with the funding to create world-class broadcasting, and it is now one of the countries at the forefront of digital technology.

From 2013-14, UK licence payers will spend £95 million per year supporting public service broadcasting on S4C in Wales, in addition to the money that is spent on BBC Wales programming. The level of support that is provided by UK licence fee payers for broadcasting in Scotland, in addition to BBC Scotland's programming, will be £8 million. Surely that is not fair in anyone's book, particularly when local digital networks in other parts of Europe regularly receive in excess of £150 million per year.

It is not as if the SNP Government is not putting its money where its mouth is. The intention is to create a next generation digital fund at a cost of £50 million, to be made available from the Scottish futures fund. The fund will accelerate the roll-out of superfast broadband to rural Scotland. That is all thanks to the £250 million that was saved through sensible procurement of the new Forth crossing.

With cross-party support and consensus, we can have the will to get a Scottish digital network up and running in the near future, with funding from the licence fee. That will be the first step towards fully devolving responsibility for broadcasting to Scotland, with the knock-on benefit of more jobs. It is now for the UK Government to work with the Scottish Government to establish a digital network for Scotland that is funded from the licence fee, as S4C will be from 2013-14, or from the sale of spectrum, which will accommodate more localised broadcasting. I urge members to support the motion.

16:19

**David Stewart (Highlands and Islands) (Lab):**

I congratulate Angus MacDonald on his excellent maiden speech. He is clearly a member to watch. His speech was well structured with a lot of humour, and I was touched that he mentioned my colleague Cathy Peattie.

I welcome the opportunity to contribute to this important debate. I will concentrate my remarks on the roll-out of superfast or next generation broadband in rural areas. However, I first place on



record my welcome for the developments that are mentioned in the motion, such as BBC Alba becoming available on Freeview and cable, the work of the Scottish digital network panel, and the Scottish Government's report, "Digital Future". Although "Digital Future" is a good report, I have a few technical issues to raise with the cabinet secretary on areas such as targets, broadband speed and funding.

Patricia Ferguson rightly mentioned the important role of film in Scotland and how excellent revenues can be generated from film tourism. In the past, I was closely involved with the BBC's "Monarch of the Glen" series, which many members may recall. At its height, it had 9 million viewers across the UK. I confess that, because it was filmed in my local area, I was once an extra for a day, the whole of which I spent watching what was going on. I can reveal that my left foot was shown for only a millisecond—even my mother did not recognise me when the episode was shown. Perhaps I have the best-known left foot in the chamber.

I acknowledge the work of my former colleague Peter Peacock, who, as members will know, has retired from Parliament. He was an early advocate and pioneer of broadband in rural areas, both as education minister, through the development of the pathfinder network, which connected rural schools and libraries throughout Scotland, and through his campaigns, speeches and research, in which he sought to add to the development of superfast broadband in rural areas.

What is meant by "next generation" or "superfast" broadband, and why is it important for rural areas in particular? As the Scottish Government's "Digital Future" report rightly says, there is no fixed definition of what speed constitutes next generation broadband, but the European Commission has set a speed of 30Mb as a minimum target, and Westminster aims to achieve the best next generation broadband in Europe, taking into account factors such as speed, coverage, price and choice.

As we all know, the Scottish Government target is for NGB to be delivered to all by 2020. Will the cabinet secretary confirm what the minimum speed will be for that target to be achieved? I accept that other issues will be taken into account and that meeting the target will depend on more than just speed, but it is clear that too low a speed causes problems for businesses and domestic users. The other Scottish Government target is for "significant progress" to be made by 2015. What is meant by that?

**Alex Johnstone:** Does the member agree that a significant issue for the provision of broadband now and in the future is the fact that upload speeds are as low as 5 per cent of available

download speeds? With the advent of new technology and new opportunities, it is essential that we up the upload speeds as well as the download speeds.

**David Stewart:** I thank the member for that highly technical intervention; perhaps he will explain to me what it meant later on. It was extremely worthy, nonetheless.

High speed digital connectivity is perhaps the single most important tool to battle geographic exclusion, to improve access to services and to stimulate the rural economy and sustain tourism. As many members have said, it is crucial that the digital divide is tackled but, as has also been said, we have a particular problem in Scotland. As the Scottish Government's report mentioned, Ofcom reports that broadband use in Scotland is the lowest in any nation in the UK.

Within rural Scotland, the divide is stark. For example, a resident of the Isle of Eigg, which is in the Highlands and Islands region that I represent, conducted a survey of all users on the island, looking at broadband speed, service reliability and cost of service. On all three aspects, there was massive dissatisfaction. However, there is good news. Following the survey, the same resident, working with representatives of the University of Edinburgh, developed and established an alternative service for Eigg. A letter that was sent to my office said:

"This is acting as a pilot project for the wider roll-out of the network over all the Small Isles, Knoydart and Loch Hourn area, for which we have yet to achieve any funding. The Eigg network is now almost fully operational, with over 20 households currently connected. For Eigg alone, when 40 subscribers are connected, the total net cost will have been less than £200 per household, although this excludes any labour element—it has been done entirely by voluntary effort.

Our network is a terrestrial wireless system, and is capable of 'super-fast' broadband speeds of over 100 Mbps. It is limited only by the non-availability of suitable backhaul on the mainland."

As I said in my earlier intervention, I congratulate HIE on its first-class, successful bid to Broadband Delivery UK to implement one of the four UK superfast broadband pilots. The project has now gone to procurement under European rules.

**Fiona Hyslop:** I, too, congratulate HIE on the Highlands and Islands pilot.

Does the member agree that the fibre optic backhaul that Alex Johnstone referred to is exactly what is being put forward in the HIE pilot, as advocated by the Royal Society of Edinburgh?

**David Stewart:** I absolutely agree with the cabinet secretary. We had a briefing from HIE last

night and heard that that is a key element of the proposal.

Will the cabinet secretary also support the Highlands and Islands receiving new rounds of funding under the intermediate category of structural funds, which can be used for broadband projects in the future?

Superfast broadband is a transformational product for the Highlands and Islands. What is required is collaboration between the public sector and the private sector to ensure that we reach the most remote and isolated parts of rural Scotland.

Let us not ignore the voices of dynamic local communities, such as the community on Eigg, which are using initiative and innovation to develop community information technology projects with existing LEADER resources.

16:25

**George Adam (Paisley) (SNP):** I am the last speaker in the debate. In media terms, I believe that that means that I am either top of the bill or the warm-up man for the cabinet secretary.

I will go over some of the issues that came up during the debate. James Kelly mentioned some of the momentous television events that have happened over the years, such as the moon landings—one that he did not mention was the assassination of JFK. Two of the momentous occasions that happened recently were Alex Salmond winning the Scottish parliamentary elections not once but twice, which I will not forget in a hurry.

I want to dwell on the moving issue that my colleague Christina McKelvie highlighted to do with charities in Scotland. Because they hear the news from the UK hubs, they think that what the UK health spokesperson is saying is what is happening here and will affect the charity or the people involved with it. That got me thinking.

This week is national carers week. I met Sandra Webster, a young woman who has two autistic boys for whom she cares. She is a playwright and occasionally watches television. She asked me what I would be talking about today and I told her that I would be talking about broadcast media in Scotland. She said that television is her window to the world when she is at home with the boys and asked why she could not get television that affects her and her community. I thought, "Why can't she? Why can't Sandra get that media? Why can't she get a localised news network?" I am not talking about just putting a see-you-Jimmy bunnet on the network but about having a localised news network or television output. That is the main issue that has come out of the debate.

Even yesterday, when I was going home to the centre of the universe that is Paisley—I thank Angus MacDonald for the good will that he showed towards Paisley when he wished us luck for the Mod in 2013—I saw that in Glasgow Central station there is a massive television screen, which broadcasts programmes from a satellite broadcaster, which is not a local broadcaster. Why is local news not getting shown in one of the largest railway stations in the country? Why are we not shown Scotland-based news?

The cabinet secretary is correct to say that we are in a multichoice, multiplatform time when we can choose what we wish to watch and how we go about it. It is about Scottish broadcasting.

BBC Scotland provides a very good service, in as much as "Good Morning Scotland" is a radio show that broadcasts out; it looks out at what is happening in the world and broadcasts it to a Scottish audience. It tells us what is happening internationally. That is a good example of a publicly funded Scottish show.

BBC Alba has set the template for TV in Scotland. I for one am happy, because we get Scottish Premier League football shown free—it can be watched through delayed transmission. I have the misfortune of being a St Mirren fan, so I watch the game during the day and go back and put myself through the pain again later.

**David Stewart:** As an Inverness Caley Thistle fan who often watches my team on BBC Alba, I wonder whether George Adam agrees that your team can be rubbish in two languages. [*Laughter.*]

**George Adam:** Given that I have a majority of 248 in Paisley, I should possibly not answer that question. St Mirren have had a bad season and I have had to watch some pretty dreadful games.

The problem that we have with the media is that a lot of it is London-centric. Production in the BBC has moved to Scotland and is worth £20 million a year to Scotland's creative economy. Again, it is more about the output and how we can put it to a Scottish audience. We have to look at what our commercial operator—STV—has broadcast. In a very competitive market, it has managed to put out more Scotland-based output than has been the case for a number of years. It is important that we consider that, because it shows why we need licence fee money to pay for the Scottish digital network. We would be putting pressure on our current commercial supplier. That is extremely important.

Scottish licence fee payers are not currently getting value for money. Even with the changes, it is still not enough. What is important is the governance of broadcasting. As the cabinet secretary said, there has been some movement

on the issue. It is important that we have representation in the governing structures of television and the UK network.

In effect, Scotland created the television industry, and it is an industry that we can lead once again in this modern age. On the whole, we are in agreement that there is a need for a Scottish digital network. We may disagree on how we get there, but the benefits to our nation far outweigh an individual's own opinions. We are here to serve the people of Scotland. Let us have a digital network that will serve the people of Scotland.

**The Deputy Presiding Officer:** We turn to the winding-up speeches with the luxury of a few minutes in hand, so interventions may be accommodated. I call Ruth Davidson, who has about seven minutes.

16:31

**Ruth Davidson:** Thank you for your generosity, Presiding Officer. I never need a second request to keep my mouth open and my gums flapping for longer.

I start my closing speech by congratulating Angus MacDonald on his maiden speech. It was a thoughtful and dignified speech on an issue on which there has been broad agreement in the chamber. We are all supportive of a Scottish digital network, and I hope that the cabinet secretary has seen the questions that have been raised from the Labour and Conservatives benches as ones in which we have looked for clarification rather than just provided criticism.

Looking across the chamber, I see the Labour members, and I appreciate their nostalgia for how far back they can remember, through all the progression that we have had to digital television. Helen Eadie and James Kelly talked about their flickering black-and-white cathode ray tubes, and Patricia Ferguson remembered the days before BBC 2. As a shameless copycat, I will mention the quirk of fate that means that I was born in the same week as BBC Radio Scotland as it grew out of the home service. In the past couple of years, we have both had a rather significant birthday, which I think we would both rather forget.

There are two sides to the debate in hand. One is about broadcasting: television, content, what we want to see, the context we want to see it in, who it is available to, and how they get it. The other side is the infrastructure: the pipes that are laid, who gets what, how fast and whether they can upload and download, and how the technology and infrastructure are used to help ordinary Scots up and down the country.

Let me turn first to the meat and two veg of broadcasting—the content. We have heard a lot from SNP members about having Scottish broadcasting in a Scottish context. In her contribution, Joan McAlpine basically said that, although she enjoyed watching networked BBC programming, she was upset that Scottish issues were not put in a Scottish context and that the programmes that she chooses to listen to on Radio 5 live and Radio 4 perhaps do not get it.

First, we must consider what we mean when we talk about the BBC. We are not just talking about broadcasting and programming that is played across all four of the home nations; we are talking, too, about our own content. It is remiss of the member, when she talks about Scottish public service broadcasting and Scottish news and current affairs in particular, not to mention programmes such as “Good Morning Scotland”, “Call Kaye”, “John Beattie”, “Newsdrive”, “Scotland at Ten”, “Newsweek Scotland”, “Shereen”, “Reporting Scotland”, “The Politics Show Scotland”, “Newsnight Scotland” and “Frontline Scotland”. Those are just the BBC shows that I could think of while she was speaking. It is unfair to say that we in this country have a politics and news agenda that is unexamined.

**Fiona Hyslop:** I appreciate the point that the member makes, but does she not recognise that there must be another broadcaster with a public service remit so that the BBC does not have a monopoly of public service broadcasting? In the years ahead, we will have negotiations on channel 3. Does she not recognise that it is an important democratic aspect of broadcasting anywhere in the world that no one provider has a monopoly of public service broadcasting?

**Ruth Davidson:** People who work for STV news, for “North Tonight” and in commercial radio would suggest that there is no monopoly on news provision in Scotland but that people go across the way to get it. We also have “Channel 4 News”, which is funded by the licence fee.

I rise to the challenge that was given to me by the cabinet secretary's colleague Mark McDonald, who said that, as a Conservative, I should not be afraid of competition for the BBC in Scotland. I absolutely am not. As I said during the debate, my worry is not about competition for the BBC. I want a Scottish digital network and I am supportive of it, as are all members around the chamber, but I do not want it to damage the fine programmes that I have mentioned. I want to see Scottish broadcasting plus; I do not want to see Scottish broadcasting flatlining and Peter being robbed to pay Paul.

I am worried about the funding structure that has been identified, which is top-slicing the BBC licence fee by 2 per cent. First, it is recognised

that it is unlikely that the licence fee round will be reopened before 2017, yet the timeline for a Scottish digital network precedes that. We have legitimate questions about how we will pay for its start-up and running in the first couple of years. Also, if we top-slice the BBC budget, what are the consequences for the 1,250 people who work for the BBC throughout Scotland? I am thinking of those not just in Pacific Quay, in Glasgow, but in the regional outposts in the Borders, in Aberdeen and the north-east and in Edinburgh. I am even thinking of—dare I say it—the parliamentary scrutineers that we have in the Tun at Holyrood. There are plenty of questions.

**Mark McDonald:** I will not rehearse the point that I made about the inequality between the licence fee that is paid in from Scotland and the money that comes back. Is the member suggesting that, if the money to set up the Scottish digital network were to be taken from the licence fee, the BBC would take the money exclusively from the funding for BBC Scotland rather than from across the BBC or from the share that is paid in from Scotland at the moment?

**Ruth Davidson:** I am saying that there would be consequences for Scotland. I am not saying that the full £75 million would be taken from Scotland, but it is wrong to say that it would have no impact on the BBC in Scotland at a time when its budget has been reducing—as the whole BBC budget has, and as the workforce has been reducing. It would be a dangerous precedent to set.

Questions have been raised by both Labour members and ourselves, and we look forward to working with the cabinet secretary in the future. We need to examine the provision of broadband, and I welcome the on-going pilot in the Highlands and Islands and the work that is proposed for the south of Scotland. We need to look at take-up, which is far more to do with cost than with content and needs to be addressed. We also need a Scottish digital network that adds to the cultural life of Scotland, creates more jobs and gives us greater provision, not one that, in purely competitive terms, affects current broadcasting and the high standard of broadcasting that we have in this country.

16:38

**Ken Macintosh (Eastwood) (Lab):** In keeping with most of the opening debates in the current parliamentary session, it has been a broadly consensual discussion. There is much for us to find agreement on regarding the need to support our broadcast and creative industries and the importance to Scotland of the whole country being able to benefit from digital technology through, for example, superfast broadband. There is one

important caveat, however, which several speeches have mentioned directly or indirectly, and it concerns the devolution of further powers over broadcasting. It is a tricky issue, as Labour supports the devolution of broadcasting powers in some instances. For example, Fiona Hyslop cited figures from BBC Wales to support the argument that Wales is more generously funded than Scotland. Labour would support any argument that approached the discussion from that point of view and talked about fair treatment for Scotland. However, she went on to present three points to try to argue that we need new powers to achieve our shared goals of improving and expanding broadcasting in Scotland. I was totally unconvinced by that and I will return to the point later.

The bulk of the motion comments on the welcome developments of recent years, in particular the work of the Broadcasting Commission and its successor body, the Scottish digital network panel. With the switchover of many television services coming up later this week, I do not want to tempt fate, but the process has gone relatively well so far.

Although some of us occasionally struggle with technology in general—the information technology helpdesk will testify to my needs in that regard—Scots of all generations have not only adapted to the digital revolution but embraced it in a remarkable way. I am not sure whether you are aware, Presiding Officer, but speakers have been alerted to several mobile telephones and BlackBerrys going off in the chamber this afternoon, so we are clearly an example of that process.

From an economic perspective, digital access is crucial if we are to compete effectively. I find it interesting that, as Alex Johnstone and David Stewart said, the proven success story of established broadband access in some parts of the Highlands and Islands has already allowed those areas to economically leapfrog other parts of Scotland, such as areas of the central belt.

Another recent success story is the launch of BBC Alba on Freeview, to which several speakers referred. Like the minister, I point out that it followed cross-party lobbying from all parties in the Scottish Parliament. I am sure that I do not have to tell members the importance of growing the number of Gaelic speakers in Scotland if we are to ensure that the language is to survive. Alongside the expansion of Gaelic-medium education, access to the language through BBC Alba is crucial. I do not want to teach my grannie to sook eggs but, to grow the language, new learners are needed. In other words, BBC Alba is not a service for those in the traditional Gaelic heartlands alone. By putting the channel on Freeview, we have

removed one of the major obstacles to widespread access.

I wonder in passing how many new viewers BBC Alba won with its televising of Rock Ness. I was another of those who tuned in to watch it and, like Patricia Ferguson, was hugely impressed by the way that the presenters switched from Gaelic to English and kept all viewers with them.

The recent BBC reforms have proved successful. The corporation is, as several members mentioned, well ahead of schedule for transferring production to Scotland. Indeed, the BBC as a whole is on the brink of major devolutionary change, not only for Scotland but for England, in moving production out of London to places such as Salford and Bristol.

I do not know whether many members saw that the corporation is talking of selling off BBC television centre, which is an iconic building. The recent election is an occasion of some moment for me because, in this session, I will have spent more time as an MSP than I did as a television producer, which is what I used to be. In fact, I used to be one of the hundreds of Scots who worked out of TV centre in London.

Just as I have moved on, so undoubtedly has the BBC. That shift has been driven partly by the technological changes—digital changes—that have allowed the BBC to move out of London, move round the country and reflect our views differently. It has also been driven by specific policy choices that the corporation has made to increase production in Scotland and ensure that its news programmes are more reflective.

A number of contributors, particularly on the SNP back benches, talked of that point in a way that caused me concern. Angus MacDonald made the point that we are entitled to a share of the licence fee. The difficulty with that argument is that it implies that the 10 o'clock news, as an example, is a solely English programme as opposed to one that we enjoy and from which we benefit. I do not ever quite accept the argument that the licence fee has to be divvied up individually.

Another argument, which Mark McDonald made, was that Scottish programmes would somehow be superior or of greater quality. Of course, the major concern of respondents to the Broadcasting Commission's survey was a question about the ambition of some of BBC Scotland's programme making. BBC Scotland is part of a big organisation, fantastic people work there and it has benefited from reforms in recent years.

**Mark McDonald:** I would never assert any superiority complex for Scottish programming. I simply suggested that the cringe that we often have—the feeling that, because something has been produced and output from Scotland, it is

inferior—does not apply. That was my point, not the one that Ken Macintosh describes.

**Ken Macintosh:** I am sorry, but I am not sure that I accept or would make that argument; I am not sure that it is the argument that Helen Eadie made. I argue that the BBC in Scotland should produce programmes for a national audience. That is what I want. I want production to expand in Scotland, but not solely for Scotland—I want UK-wide or worldwide programmes to be made in Scotland. I observe that a mixture of the brand-new Pacific Quay building and the increase in devolved production has given BBC Scotland palpable new confidence in its programme making.

I return to the motion and I will set out why the Labour Party will support both amendments. As I said, we agree with much of the motion, but it places too much emphasis on what others should do and not enough on what we and particularly the Scottish Government could and can do. One of the Broadcasting Commission's most important findings highlighted the need to develop our skills base. In speaking to our amendment, Patricia Ferguson made the point that if we do not have the skills base, we cannot produce the content in Scotland. That was a key reason—or excuse—that Channel 4 gave to explain why it did not produce and commission more programmes here.

We will support the Conservative amendment, which Ruth Davidson moved, because it reaffirms a central finding of the Broadcasting Commission, which was that any new network that is supported by public funding should not undermine or be at the expense of existing broadcasters. I am sure that most members are aware that STV has returned only recently to a firm financial footing. The on-going success of STV is of great importance to all of us.

We also support the Conservative amendment because it would remove the one worrying line in the Scottish Government's motion, which calls for broadcasting responsibilities to be transferred to the Scottish Parliament. In discussing that point, we have heard two lines. The cabinet secretary tried to reassure us that the motion was simply about investigating new powers and not about demanding them, but every other SNP member has talked about control and demanding editorial control, which worries me deeply. Historically, the SNP has campaigned to break up the BBC—that has often been used as a proxy argument for the break-up of Britain. The tactic might have shifted to incremental accumulation of powers, but I do not believe that the people of Scotland want the break-up of the BBC.

I suggest that the Broadcasting Commission pulled off a remarkable feat in uniting us all around its conclusions on what is normally a divisive

subject. Let us return to the commission's central aims and unite to expand and improve Scottish broadcasting as an additional service, rather than a supplementary to UK broadcasters.

16:48

**Fiona Hyslop:** The debate has been valuable. It demonstrates that the Parliament is likely to approach broadcasting in a constructive and practical spirit. As we have heard, differences will exist, but what came across was how important the connectivity arguments and the wider issue of the digital network and broadcasting are to all members.

I congratulate Angus MacDonald on an excellent first speech. I am sure that he will be a powerful advocate not just for Falkirk East but for Gaelic. We were informed by the experience of Ken Macintosh and Ruth Davidson. We could describe her as a strong defender of the BBC or its cheerleader in chief, but she certainly brought to the debate her insight as a previous BBC employee. We also benefited from Joan McAlpine's insightful journalistic analysis.

The debate explored areas in which the Parliament might seek to have more influence and/or power. I set out three areas that I believe we need to address. One is a Scottish digital network, and I was pleased to hear support for that from the Labour benches and the Conservatives. I also want to address the television licence fee and local television. The Scottish Government will publish a paper setting out our proposals—for example, on local cross-media mergers and the list of sporting events that must be shown live on free-to-air television.

I recognise that this is a moveable debate and that things are developing as we speak. However, I say to members, including Helen Eadie and Ruth Davidson, that the UK Conservative Government has already top-sliced the licence fee to fund S4C and local television. It is not yet clear whether Scotland will benefit from that top-slicing. Our discussions with the UK Government, at our initiative, are about the need for it to recognise that whatever it provides will have to provide local television for Scotland—not least in the south of Scotland, which, as many members said, is an area that needs addressed. I acknowledge that the extent of our influence and/or power will be debatable, but we really do need to influence what Scotland can achieve as a result of the existing top-slicing of the licence fee for local television provision. I want some of that to come to us as funding support for the Scottish digital network. If we can find a mechanism by which the UK Government's plans and proposals for local television can chime and align with what we want to do with the Scottish digital network, that will be

proof of a creative approach, with the Scottish Parliament working constructively with the UK Government.

I will expand on some of the issues that were raised in this afternoon's debate. I entirely agree with Patricia Ferguson that having a skilled workforce is essential to the development of our television production and broadcasting industry, and the Government will support Labour's amendment. Although I agree that there is more to be done, I note that we have achieved some progress. I will give just two examples. In 2009, I was delighted to announce the Scottish Further and Higher Education Funding Council's investment to support Skillset's screen and media academy network in Scotland. That investment, which is worth £5.8 million over five years, has already made an impact. It has provided enhancements to industry-standard facilities at the six colleges that comprise the creative loop collaboration. In addition, Skillset, BECTU and BBC Scotland have jointly developed a drama training programme that is designed to secure Scotland's future drama production capacity in line with anticipated growth. That fund was launched in 2010 and it will be worth approximately £500,000 over two years.

I think that it was Patricia Ferguson who made the point that recurring drama represents an opportunity to provide on-going skills development and that it is to be supported. We heard in the debate that there is a tension, but we should perhaps not be too precious, because we can meet a number of objectives in providing investment in skills and training. Yes, we need recurring drama in particular to ensure that we have skills and training, and I agree that some of that content can be exportable. We should also recognise that the content does not always have to be Scotland-based. It can be world-class Scottish content that will appeal to a wide variety of international media. At the same time, however, we should acknowledge that we can and should expect content that reflects Scotland as it is now and as we want it to be. I do not think that there is necessarily a tension within that. Some members seemed to find a tension there, but I do not think that that needs to be the case.

**Patricia Ferguson:** The worry that many of us have is that some speeches, particularly from SNP back benchers, suggest that the content should be exclusively Scottish, for Scottish people.

**Fiona Hyslop:** That might be a rather unfair assessment. I believe that content should reflect our society, as Joan McAlpine set out, for example, but as the Scottish digital network panel report said, the network's remit should clearly include bringing more international content to

Scotland. Patricia Ferguson made that point very well in her speech.

On the Scottish digital network, I stress that the reason why I cannot support Ruth Davidson's amendment is that I believe that we should, at the very least, investigate options for transferring further responsibilities for broadcasting to Holyrood. The Conservative amendment would remove the reference to that option for investigation. I largely agree with the Conservative amendment's statement that a new network should not compromise existing broadcasting capability and it is worth stressing that a digital network need not and would not do that. It would not mean losing existing programmes that are enjoyed by Scottish audiences. There is no intention or proposal to restrict access to the programmes that are currently provided by the BBC, ITV, Channel 4 and others. This is about adding to choice, not reducing it.

I want to stress the other benefits that a network could bring. In particular, a network would provide not only a linear television channel, but online content, which would be a core part of its services and would make it an integral part of our ambition to put Scotland at the forefront of the digital revolution. I agree whole-heartedly with those MSPs who stressed the importance of broadband connectivity, especially in rural areas. The point that Alex Johnstone made about ensuring that it is scaleable is important. It is important that connectivity can be upgradeable to meet future requirements. In respect of speed, we seek to meet European targets, as requested. That is why we are committed to developing a national broadband plan in collaboration with Scottish Enterprise, Highlands and Islands Enterprise and local authorities. Doing so will ensure the roll-out of next generation broadband to all parts of Scotland, with particular emphasis on rural areas.

A digital network would also help to promote broadband uptake by making quality Scottish content available online, and it would promote the delivery of public services. The Scottish digital network panel noted the potential for a network to be an integral part of services such as digital healthcare services, and noted that

"Partnerships with local authorities, higher education institutions and wider civic society would be not just appropriate but essential."

That is an important part of the debate that some members have perhaps, with our concentration on broadcasting and television, omitted to mention in their speeches.

If the UK Government establishes a network, that is well and good; if it does not, we will need to explore having the legislative power to do so ourselves. That is the only way in which we can give public service broadcasters the formal remit,

the guaranteed independence from Government, the access to spectrum and the electronic programme guide status that such an important network would require. Indeed, on the point that Ruth Davidson made, it could have a remit that includes digital inclusion and participation.

We will continue to make the case for access to appropriate funding sources, as identified by the Scottish digital network panel, whether from spectrum auctions, future licence fee settlements, or both.

In my opening speech, I proposed that Holyrood could have a role in local television and future licence fee settlements. The reason for that is that decisions have been made or are being made in both areas that will have a lasting impact on Scottish media. On the recent licence fee settlement, the Culture, Media and Sport Committee at Westminster judged that

"it is vitally important that both licence fee payers and Parliament should have some involvement when far-reaching decisions about"

the BBC's

"funding and ... responsibilities are taken. It is regrettable ... that the opportunity for this was lost, thus undermining confidence in both the Government's and the BBC's commitment to transparency and accountability."

Perhaps that is something that the Scottish Parliament's committee might want to reflect on in setting out its programme. In my view, the interests of transparency and accountability require devolved Parliaments to have a say in the licence fee settlement as well as in the licensing of local television.

The current broadcasting arrangements are not meeting the needs of the viewing public in the 21st century. We need to have more influence and/or powers in those areas. Views on the extent of that influence or those powers will differ across the chamber in the different parties, but there is consensus in the Parliament that we should have a Scottish digital network. We have set out the reasons and rationale for that, and I hope that the debate will continue in the constructive manner in which it has begun.

Until the Scottish Parliament started to take a closer interest in broadcasting following the setting up of the Scottish Broadcasting Commission, problems in broadcasting were simply not on the political radar. The steep decline in network production was a matter of concern. My view is that there should be a natural and logical fit between the digital era and devolution. Both are improving and extending the range of choices that are available to citizens and consumers, and bringing services closer to the lives of the people who use them. The Scottish digital network will be an ambitious and creative embodiment of the

move towards a digital Scotland. With the right mix of powers, the Parliament will make it happen.

## Scottish Parliamentary Corporate Body Motion

16:59

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of motion S4M-00326, in the name of Liam McArthur, on behalf of the Scottish Parliamentary Corporate Body, on membership of the Scottish Commission for Public Audit.

*Motion moved,*

That the Parliament agrees to the Scottish Parliamentary Corporate Body's proposal to appoint Colin Beattie, Alex Johnstone, Angus MacDonald and John Pentland to be members of the Scottish Commission for Public Audit.—  
[Liam McArthur.]

**The Presiding Officer:** The question on the motion will be put at decision time.

## Decision Time

17:00

**The Presiding Officer (Tricia Marwick):** There are four questions to be put as a result of today's business.

The first question is, that amendment S4M-00308.2, in the name of Patricia Ferguson, which seeks to amend motion S4M-00308, in the name of Fiona Hyslop, on the Scotland Bill, Scottish broadcasting and the Scottish digital network, be agreed to.

*Amendment agreed to.*

**The Presiding Officer:** The second question is, that amendment S4M-00308.1, in the name of Ruth Davidson, which seeks to amend motion S4M-00308, in the name of Fiona Hyslop, on the Scotland Bill, Scottish broadcasting and the Scottish digital network, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

**For**

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kelly, James (Rutherglen) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McLetchie, David (Lothian) (Con)  
 McMahan, Michael (Uddingston and Bellshill) (Lab)  
 McMahan, Siobhan (Central Scotland) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)



Mitchell, Margaret (Central Scotland) (Con)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

### Against

Adam, Brian (Aberdeen Donside) (SNP)  
 Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (North East Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)

Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (SNP)  
 Walker, Bill (Dunfermline) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 51, Against 64, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S4M-00308, in the name of Fiona Hyslop, on the Scotland Bill, Scottish broadcasting and the Scottish digital network, as amended, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

### For

Adam, Brian (Aberdeen Donside) (SNP)  
 Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hume, Jim (South Scotland) (LD)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 Mackenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 Maxwell, Stewart (West Scotland) (SNP)

McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McDonald, Mark (North East Scotland) (SNP)  
 McInnes, Alison (North East Scotland) (LD)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Scott, Tavish (Shetland Islands) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (SNP)  
 Walker, Bill (Dunfermline) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

#### Against

Swinney, John (Perthshire North) (SNP)

#### Abstentions

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Johnstone, Alex (North East Scotland) (Con)  
 Kelly, James (Rutherglen) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Lothian) (Con)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)

Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**The Presiding Officer:** The result of the division is: For 69, Against 1, Abstentions 45.

#### *Motion, as amended, agreed to,*

That the Parliament welcomes recent developments in digital infrastructure and broadcasting in Scotland, such as BBC ALBA becoming available on Freeview and cable, the introduction of the final stage of digital television switchover in Scotland and the success of the bid led by Highlands and Islands Enterprise for UK Government funding to pilot the introduction of superfast broadband roll-out in rural areas; recognises that much more needs to be done and the need to invest in skills and training to maximise opportunities for the industry and to realise the vision for a Scottish Digital Network as set out by the Scottish Broadcasting Commission in 2008, which would make quality public service content available to all of Scotland on television and online; welcomes the work undertaken by the Scottish Digital Network Panel to explore options for the funding and establishment of a Scottish Digital Network, and encourages the Scottish Government to continue to explore opportunities with the UK Government to deliver a digital network and to investigate options for transferring further responsibilities for broadcasting to the Scottish Parliament and the Scottish Government.

**The Presiding Officer:** The next question is, that motion S4M-00326, in the name of Liam McArthur, on membership of the Scottish Commission for Public Audit, be agreed to.

#### *Motion agreed to,*

That the Parliament agrees to the Scottish Parliamentary Corporate Body's proposal to appoint Colin Beattie, Alex Johnstone, Angus MacDonald and John Pentland to be members of the Scottish Commission for Public Audit.

## North Sea Taxation

### **The Deputy Presiding Officer (John Scott):**

The final item of business is a members' business debate on motion S4M-00016, in the name of Mark McDonald, on North Sea taxation. The debate will be concluded without any question being put.

#### *Motion debated,*

That the Parliament notes the decision of the UK Government to increase supplementary tax on North Sea oil production from 20% to 32%; notes that this decision was made without consultation with the industry and has led to uncertainty in the oil and gas sector; notes the decision by Statoil, immediately after the budget, to put on hold a \$10 billion plan to develop the Mariner and Bressay fields and that other companies also have said that they are likely to reduce investment; further notes the report from Professor Alex Kemp of the University of Aberdeen, which shows that the tax rise could reduce UK oil and gas expenditure by up to £50 billion, investment by up to £30 billion and production by up to a quarter over the next three decades and the report from Oil and Gas UK that there has been a dramatic drop in confidence throughout the UK upstream oil and gas industry in the first quarter of 2011 in marked contrast to the highly positive business outlook recorded in the fourth quarter of 2010; believes that if the tax rise is fully implemented it will have a severe impact for future jobs and the economic prosperity of Aberdeen and the north east of Scotland, and welcomes the clear commitment by the First Minister to raise this matter with the Chancellor of the Exchequer.

17:04

### **Mark McDonald (North East Scotland) (SNP):**

I thank the members on all sides of the chamber who have signed the motion that I lodged. This is a topical and relevant debate. Although this Parliament has no direct locus in North Sea taxation, it is incumbent on us to speak in support of an industry that is vital for so many jobs and for our nation's economy.

In drafting the motion, I tried my best to construct a consensus approach on the issue. This Parliament has form in coming together on a reserved issue, as we saw in the previous session with regard to the Moray air bases. In that debate members on all sides of the chamber recognised that the decision that was being taken at Westminster would have a dramatic and devastating impact on communities in Scotland, and they united behind the campaign.

With that in mind, I particularly welcome Alison McInnes's support for my motion. Although her party is part of the Government in London, I recognise that she perhaps does not agree entirely with the decision that has been taken. I therefore want to avoid making this a political debate, and I hope that we can focus instead on looking at things from an industry perspective and work together on that basis.

I mentioned the Moray air bases, but I recognise that the impact that we are talking about in this case is on a different scale. However, there is still deep concern over the changes to the supplementary charge and the ramifications for the industry. The decision to increase the supplementary charge from 20 to 32 per cent came as something of a bolt from the blue for the industry. There was no prior consultation or any indication that it was going to happen. Indeed, in the build-up to the budget, the industry received conciliatory noises from the Treasury that it would remain unaffected as a result of the budget process. That can lead one to assume only that it was a last-minute decision by the Treasury, rather than some sort of long-term plan. The very last thing that the energy and offshore oil industry needs is short-term, knee-jerk decision making, as opposed to long-term, strategic planning in consultation with the industry.

The decision has two impacts. There is a direct impact on the companies that are being taxed, and an impact through disincentivising investment. That affects not only new-field production, but those companies that specialise in extracting from the harder-to-reach and older fields. The higher rate of taxation applies to those older fields irrespective of whether the company is newly exploiting them or has been doing so for a long time.

There is also a secondary impact. Often, when the argument is taken to the public they will say, "Why should we feel sympathy for oil companies that are making large profits?" I understand their argument in some cases, but not every company that operates in the offshore sector is making large profits, as evidenced by the downturn in investment as a result of the decision. The secondary impact that we must bear in mind relates to the supply chain, which depends on investment in the oil industry.

There are a lot of small companies in the north-east of Scotland that depend on investment in the oil and gas sector for their future business. It is therefore just as important and imperative for those companies that the decision is re-examined as it is for the majors and the companies that operate offshore.

With that in mind, I welcome the approach that the Scottish Government has taken on the issue. There has been no foghorn diplomacy: a constructive approach has been taken, which is to be welcomed. The approach has been to offer alternatives to the Treasury with regard to how it could tax the offshore sector differently while increasing the confidence of the sector.

That confidence is important. Goldman Sachs published a document in May 2011 that provided

insights into European oil and gas fiscal regimes. It said in its analysis that

“fiscal stability has been key to encourage exploration and innovation ... Low taxes clearly encourage activity: Our production forecasts in major new fields ... has increased 127% since 2006 in countries with a below-average tax rate vs. only 63% in above-average tax regimes. More tellingly, we have increased our forecast for countries with a stable or falling tax take by 150%, compared to a 19% fall in countries which have increased taxes over the same period.”

I do not oppose the concept of taxation on profit or, indeed, taxation on the sector; neither does the sector. The sector is asking for stability and consultation, neither of which demands is unreasonable. With that in mind, I brought this debate to the chamber.

When the United Kingdom Government looks at the submission from the Scottish Government—built on the work of Professor Alex Kemp and Linda Stephen in their paper that was produced in April 2011—I hope that it will conclude that what is required is a rethink on the issue. I hope that the UK Government will take another look at the taxation that is being levied on the industry and at the ways in which the Government can encourage and stimulate investment so that the potential for future jobs and economic benefits is not lost further down the line. More important, we do not want the many small businesses in the north-east that depend for continuing business on the oil industry and continuing investment in it to have to sit and worry about what will happen to them in three, four or five years’ time.

I hope, perhaps forlornly, that we can get cross-party consensus on the issue. I will wait to see what the Conservative members say on the matter. They have not yet signed my motion, although they may have thought that a sort of bear trap was being set for them—I assure them that it was not. I would be more than happy if they changed their tone and signed the motion after the debate. I would welcome them with open arms.

I hope that we can build cross-party consensus on the issue and send the message that the oil and gas sector needs stability. I welcome very much the Government’s approach.

17:11

**Kevin Stewart (Aberdeen Central) (SNP):** To understand what is going on here, we must look at the key facts from Oil & Gas UK’s survey. According to it, the tax change has rendered marginal 25 projects, £12 billion of capital investment, the production of 1.04 billion barrels of oil and gas equivalent, and 30 per cent of investment in projects that were previously considered likely to proceed in the next decade. The reduction in production will necessitate energy

imports worth £50 billion, result in lost tax revenues of £15 billion to £20 billion and forgo the creation of around 15,000 jobs. The tax change will accelerate the decommissioning of 20 fields and associated infrastructure by up to five years.

Those are the key facts, but the realities are somewhat different on the ground. We can talk about numbers, but the changes to which I referred have had a major effect on people in my constituency, throughout the north-east and across Scotland. After the tax increase was implemented, it was interesting to find as we went around the doors during the election campaign in Aberdeen that people were talking about it in their droves and had real concerns about it. I am sure that members who campaigned in the city at that time know that that was the case.

I always say that when the oil industry sneezes, Aberdeen and the north-east catch a cold. Previous downturns in the industry have caused great difficulty for the area that I and others represent. Concern for the future of those who work in the industry and those who rely on it is what troubles me the most.

As my colleague Mark McDonald said, the tax increase was a bolt from the blue for the industry. Prior to the budget, there were noises that everything was going to be okay, then suddenly something different happened. Mark McDonald is right to say that what is required is stability and consultation. Situations such as this, when no consultation has taken place, can often scare companies into going elsewhere. We can see that, across the globe, there is a move to areas with stable or lower tax regimes.

In recent times, we have seen investment in Brazil and Angola and away from places such as the UK and Kazakhstan. We must get stability back and ensure that in future such measures are accompanied by a great deal of consultation. We need the chancellor to talk to the oil and gas sector and to listen to what it has to say, because the short-term gains that he intends to make mean that tax take in the long term will probably be much lower than it would otherwise have been.

My plea is for cross-party support for Mr McDonald’s motion, because it is vital not only for the north-east of Scotland but for Scotland as a whole.

17:15

**Lewis Macdonald (North East Scotland) (Lab):** I congratulate Mark McDonald on securing a members’ business debate so early and on such an important subject. Rightly, he highlights the impact of the unexpected tax rise on confidence in the oil and gas sector, which is critical.

Neither I nor the Labour Party is opposed to windfall taxes. Labour was elected in 1997 on a manifesto pledge to impose a windfall tax on the privatised utilities to pay for the new deal for long-term young unemployed people. That was to the benefit of many thousands of young people. The companies in question did not like paying more, but they had plenty of warning, the extra revenue paid for essential Government action and the measure was introduced only because millions of voters agreed that that was the right thing to do.

A decision five years ago to increase the supplementary charge on offshore profits was in a different category. I was vice-chair of the industry-Government task force—Pilot—at that time and heard the sector's concerns at first hand. Its central complaint then was not about the cost of the increased charge but about the fact that it did not see it coming. After that, UK Labour energy ministers and Treasury ministers worked hard to ensure that lessons were learned, that Pilot's views were taken on board across Government and that there were no more surprises. That job was done and trust had been restored by the time Labour left office last year.

Earlier today, we were reminded that the present Chancellor of the Exchequer was a strident critic of the tax increase five years ago. His actions now contradict what he said then and undo all the good work that has been done to improve relations between the Government and industry ever since. It will take a long time to restore investor confidence in the present British Government. We know that from experience and from what we hear every time we talk to people in the industry, as we did last night at the cross-party group on oil and gas.

The Treasury needs first to look again at the offshore tax regime as a whole. Iain Gray welcomed the publication of options for reform by the Scottish Government last Friday. Any one of those options would improve the investment prospects of a significant number of marginal fields.

It would also be helpful for the UK Government to take off the table proposals for reform of air passenger duty, which as drafted would treat the helicopters that take men and women to work in the North Sea the same as it would treat luxury private planes. If the chancellor had made that journey to work a few times, I am certain that he would understand the difference. Earlier today, the First Minister confirmed his understanding that currently the proposals are being "reinterpreted". That is welcome, as long as it means that they are to be dropped. The consultation on the proposals closes tomorrow. An early announcement by the UK Government of its conclusions, throwing out the proposals, would be welcome.

UK ministers might also think about another point that was made this week in a submission on air passenger duty from Aberdeen airport and from business organisations and local authorities in the north-east. They argue that the region has no realistic alternative to air travel to connect to Heathrow and London, and that that should be recognised in a local rate of APD.

Alex Salmond and the Scottish Government argue for devolution of air passenger duty. If UK ministers want to resist that argument and to recognise the special place of north-east Scotland in the wider British economy, a local rate of APD might commend itself and offer a small but significant step towards regaining the trust of the oil industry. After all, this debate is all about trust; it is about trust, investor confidence and jobs. I hope that the message that is coming from the Parliament tonight will be heard loud and clear by those who make the relevant decisions.

17:20

**Alex Johnstone (North East Scotland) (Con):**

I congratulate Mark McDonald on securing this debate on this important subject. I also congratulate him on the way in which, at such an early stage in this session, he has put me up there on the tightrope on which I have had to walk so often in the Parliament. Here I am—back up on the high wire.

The subject is an important one, and I welcome the tone in which Mark McDonald addressed his motion. It is important not to undermine confidence any more than it has already been undermined—I sometimes worry about that. I forgive Kevin Stewart because he did not overdo it, although he was perhaps in danger of talking up the impact of the measure and, consequently, of talking down the industry. He did not do that, but he came close a couple of times.

We must realise that the process that led to the decision that was made was complicated—it consisted of two processes running in parallel. In the north-east, we often forget the pressure that has existed to deal with fuel taxation. The opportunity to abolish the fuel tax escalator and to introduce the fair fuel stabiliser, which is so important to so many areas of Scotland, ran parallel to the decision-making process that led to the changes that are now proposed with regard to the North Sea. Ultimately, the argument was that the measure will be revenue neutral in the long term. It was to move taxation from the forecourt—the retail end of the oil industry—to the production end.

**Mark McDonald:** Will the member give way?

**Kevin Stewart:** Will the member give way?

**Alex Johnstone:** No, thank you.

Having said that, I am the first to admit that the measure has an obvious impact on the oil production industry.

We also forget that the proposals that are contained in the budget book also addressed the opportunity to create—in addition to petroleum revenue tax and enhanced corporation tax—a third field class, which could be used, if negotiated, to boost the return on investment from newly developed fields and new exploration. That opportunity is still on the table.

On the statements that have been made by Oil & Gas UK, it is always disappointing when organisations such as it appear to come down on one side of an argument or the other, but Oil & Gas has cleverly kept a conciliatory tone in the process. I am aware that it is already communicating with and consulting Government representatives to see what can be achieved and how to make progress on the matter.

There are many competing priorities. On the positive side, we heard this week that almost 50 per cent of the work that the service industry in the north-east does and of the turnover that it achieves is outside the north-east or the North Sea basin. Our area thrives when the industry succeeds even in other parts of the world.

I am genuinely hopeful that, in the next couple of days, air passenger duty will be neutralised as an issue. A number of different issues surround the discussion, and I do not wish to come down on one side or the other of it; it is my priority to take a neutral position. The negotiations between all the parties concerned should continue apace, and any opportunities that arise should be taken to improve the regime in the North Sea, to support long-term investment and to sustain the North Sea oil and gas industry for as long as possible into the future. Those are vital aims and are worthy of achievement. We will continue to observe the process, and to do so in as constructive a manner as possible, in the current environment.

17:24

**Alison McInnes (North East Scotland) (LD):** I, too, commend Mark McDonald for securing his first members' business debate and for choosing such an important subject to highlight. I support his motion and I hope that the representations that are made both here and at Westminster, not least by my colleagues Malcolm Bruce and Sir Robert Smith, will bear fruit. It is important to press for changes to mitigate the impact of the tax rise.

The main issues that are worthy of detailed dialogue between the Chancellor of the Exchequer and the industry relate to the price of gas, which is

about half that of oil; to a recognition that mixed oil and gas fields command a lower average price than oilfields; to the application of allowances to enable marginal projects to go ahead; to some kind of sliding scale to ease the hit; and to a clear indication of how and when the tax may be reduced.

The Treasury also needs to acknowledge that capital investment for the small and medium-sized operators coming into the North Sea comes from a range of small and medium-sized investors, who will be deterred by the sudden change in tax which, as Kevin Stewart said, makes the United Kingdom look like a risky investment compared with other countries where costs are lower and the tax has not changed.

A few days before the budget announcement, representatives from ACSEF—Aberdeen city and shire economic future—which is a partnership between public and private sectors in the region, were in our Scottish Parliament meeting MSPs to raise awareness of the role that the north-east of Scotland plays in the wider economy of Scotland.

ACSEF believes that the region is well placed to help to grow the Scottish economy and I agree whole-heartedly. Sadly, its representatives were, on the whole, preaching to the converted, in that the meeting was attended by North East MSPs but scant few others. A year or so ago I attended a business-Parliament exchange day at BP North Sea headquarters, which was again attended by North East MSPs but by only a few members from outwith the region, who came away saying that, until then, they had no idea how much the industry contributed to the rest of Scotland. It has always surprised me how little this key industry is understood outwith the north-east, and I think that that is one of the problems that it faces.

**Derek Mackay (Renfrewshire North and West) (SNP):** I am a member who is not from the north-east, although many of my constituents share an interest in what happens with the industry because they travel to the north-east to work. I do not think that the member is at risk of undermining the industry, but does she share the concern that the tax, if it is not reconsidered, may well affect a huge number of jobs? It may not necessarily be the case that jobs are lost, but that jobs are not developed in the industry as a consequence of the policy.

**Alison McInnes:** Yes. I have said that I support the motion and I recognise that there is a danger of jobs being forgone in the future.

We all need to act as ambassadors for the industry and we should not tire of explaining its value to Scotland and the UK. We sometimes think that we have made the case, but this

example clearly shows that the case has to be made over and over again.

Aberdeen city and shire is already punching above its weight in terms of its economic contribution, as the region has the highest gross value added in Scotland and is second in the UK only to London. The region contributes £266 million in business rates every year, accounts for £6 billion of international exports from Scotland and supports 200,000 Scottish oil and gas jobs. The region's key sectors are oil and gas, tourism, food and drink, and life sciences.

When ACSEF was here in Parliament, Tom Smith said:

"Aberdeen City and Shire has the potential to drive Scotland out of recession, creating new jobs and wealth. A stronger Aberdeen City and Shire will make for an economically stronger Scotland."

He went on to say that

"All recent reports point to a very bright short to medium-term future for the region".

Then, a few days later, the chancellor dropped his tax bombshell and jaws dropped across Aberdeen city and shire. Businesses, councils, academics and politicians from across the spectrum have spoken out against the tax. Just as the industry was poised to make its biggest investments for years, it was knocked back. The industry says that that will lead to a review of forthcoming projects and, as other members have said, it could lead to a loss of jobs and contracts.

I welcome the fact that the First Minister has proposed changes. My colleagues Malcolm Bruce and Sir Robert Smith have been active in Westminster, working closely with the industry to persuade the Government to make adjustments that will maintain North Sea investment that might otherwise go elsewhere.

The worst part of it all was that there was no consultation or warning, and there is no doubt that that is what has damaged investor confidence. I call on the Government to ensure that this is the last time the industry is dealt such a bolt from the blue.

17:28

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** I, too, congratulate my colleague Mark McDonald on securing this members' business debate, particularly as it is his first one.

The debate is on an issue that is fundamental to members of the Parliament from across the north-east. I declare an interest as I used to work in the oil industry, as so many constituents of the north-east and other MSPs in the chamber currently do. As Mark McDonald said, the health of the industry

has a knock-on effect on every part of the economy in the region, so I welcome this chance to debate this critical issue.

As other members have said, George Osborne's tax grab came like a bolt from the blue and sent shockwaves through Aberdeen and the wider region. Like Kevin Stewart, I was surprised by how many people it affected and by how many people articulated that to us on their doorsteps during the election. It has put investment in the industry and, consequently, jobs at risk. As Ian Bell of Optimus said at the time,

"The chancellor has just brought the recession to Aberdeen. Thanks for nothing, George."

As someone who worked in the oil industry in the 1980s, when it experienced a severe downturn, I know how traumatic that can be.

The tax rise has a fundamental problem at its core, which is that it was clearly drawn up by someone who has no understanding of how the industry works. I suspect that Danny Alexander is rather regretting claiming full credit for it. Obviously, like Alex Johnstone, he did not recognise that those who are operating the forecourts now are not the ones who are at the cutting edge of the technology that is required in the North Sea nowadays.

The blanket approach to the increase in the supplementary charge takes no account of whether a field is new or well established; of whether it is profitable; or of whether investment in it is planned. It has already caused investments in the North Sea to be suspended, with Statoil's development of the new Mariner and Bressay fields put on hold, and that will only continue while the tax remains unchanged. Modelling by Professor Alex Kemp of the University of Aberdeen estimates that 79 fewer fields will be developed over the next 30 years than there would otherwise have been. That could have a huge effect on the economy of the north-east.

I am glad that the Scottish Government has put forward constructive proposals for how the supplementary charge can be altered to mitigate its most harmful effects, and I welcome the engagement that it is having with the Treasury. It is seeking to make the system of taxation more progressive, so that investment in new developments is encouraged to the long-term benefit of everyone. It seems unbelievable that the Government is cutting off its nose to spite its face by cutting off a huge amount of future revenues just to meet a budget deficit in the short term.

Mitigation of the effects could be achieved by introducing a rate of return allowance on field investment before a field pays the supplementary charge; by introducing an investment uplift allowance for the supplementary charge; or by

extending field allowances. Any of those suggestions would go some way to mitigating the actions of the UK Government, and I hope that members across the chamber will agree that the Chancellor of the Exchequer should pay heed to them.

There is also a major issue in current policy when it comes to decommissioning oil infrastructure. Previously, at the end of a field's life, companies could apply for tax relief up to the level of tax being imposed on a field to mitigate that cost. With the increase in the supplementary charge, that is no longer the case, as the amount of tax relief that can be claimed has not risen in line with the tax rise. Let us hope that, in the coming weeks and months, the UK Government decides to implement the Scottish Government's eminently sensible proposal and the Treasury changes its mind.

17:33

**Richard Baker (North East Scotland) (Lab):** I congratulate Mark McDonald on securing this important members' business debate on the changes in taxation for North Sea production that were announced at the last budget. The issue is crucial to north-east members and the decision is detrimental to the vital work of securing Aberdeen's position as the energy capital of Europe and, as such, a key driver of Scotland's national economy. There can be no doubt that the decision that was announced in the budget to increase tax on production and reduce tax relief for decommissioning, which Maureen Watt talked about, has already had a negative impact on the industry. Other members and representatives of the industry have talked about how the announcement came as a bolt from the blue, which furthers the changes' destabilising effect by not allowing companies the time to at least factor them into their future plans.

Many members from the north-east benefited from the briefing from Oil & Gas UK on these issues, as Lewis Macdonald said. It told us that a survey that it conducted showed that 60 projects—one new investment in four—were sufficiently affected by the budget that the probability that they will proceed has been reduced.

We should not talk the industry down but we cannot hide from the scale of the problem that has been presented to us. Economists have estimated that £15 billion to £20 billion of tax revenue will be lost, with projects cancelled and platforms decommissioned, leaving the UK's reserves in the ground and 15,000 fewer people in employment in the industry over the next decade.

The tax changes clearly threaten the potential to maximise production from the North Sea and they

threaten the potential to extend the future of production, and we should be deeply concerned about their impact on employment and on the north-east's economy.

There are those who will argue that taxing oil and gas production is the right thing to do as we move to greater production from renewable sources. That fails to recognise the extent of the involvement of major companies that, through their success in the oil and gas business, are able to diversify their investment into renewables projects. The workers who are in that industry now will diversify their skills into the growing renewables industry. We have also heard the argument about fuel prices. On fuel costs, the mistake was to put VAT up, which should not have been necessary.

We welcome the First Minister's submission to the Treasury, which was informed by the work of Alex Kemp, and which makes the case for the Treasury to change its approach. We hope that the submission will be given serious consideration. The UK Government should carefully consider all three proposals that are made in the submission, because there is still time to at least alleviate the impact of this damaging decision if the changes are made. The Scottish Government's clear preference is for an investment rate of return allowance or an investment uplift allowance. However, the proposals for an extended field allowance could also be of benefit, as such schemes have already been shown to be successful. If an extended field allowance were coupled with further relief at the end of a field's life, that would help to ensure that maximum reserves are extracted, as would not proceeding with the cap on tax relief on decommissioning.

The change will be of extremely limited consequence to the UK budget during the next few years when budgets are going to be tight, but it will have far-reaching implications for the future of development, as it will make a material difference to decisions on whether projects will be affordable throughout their lifetime.

I welcome the efforts that industry and the Scottish Government have made to engage in constructive dialogue with UK ministers on the issue. I hope that the discussions are fruitful because, if no amendment is made to the budget change, it will damage North Sea production, which is important for the economy not just of the north-east but of the whole of Scotland.

17:37

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** I should declare that I hold various investment trusts but no holdings in oil companies. All my shareholdings will be



disclosed in the register of members' interests when it is published.

I warmly congratulate Mark McDonald on initiating the debate. It is a matter of considerable importance to have such a debate at this time.

I thank all the members who have spoken, including Alison McInnes and Alex Johnstone, for the tone of the debate. It has been entirely constructive and free from unduly partisan point-scoring. Members across the parties in Parliament all recognise the huge contribution that the oil and gas industry has made, is making and, we all hope, will continue to make to this country of ours. Members from the north-east have particular expertise in and experience of the issues because they represent the part of the country that is associated with oil and gas.

Aberdeen's reputation goes before it throughout the world, and the skills that oil and gas companies have gained during the past four or five decades have seen them become vital players throughout the world through the exportation of their skills. Companies such as the Wood Group lead the way in the support sector throughout the world. As members have done tonight, it is important that we all record our admiration, respect and appreciation for all those companies, from the managing directors down to the ordinary workers who work in this great Scottish success story.

Alison McInnes referred to international sales. Scotland's oil and gas companies' international sales now exceed £7,000 million and account for almost half their total sales. Although North Sea production might have peaked, the industry is still producing 900 million barrels of oil and gas equivalent per year, and significant reserves remain. Between 30 and 40 per cent of the total North Sea reserves have still to be extracted, and as production techniques improve, more and higher percentages of total oil reserves can be extracted, thereby further increasing reserves. It was John D Rockefeller who said in the 1920s that the world had been running out of oil since he was a boy. However, with the correct incentive structure, there remain considerable opportunities in the North Sea and elsewhere off this country, and I am sure that the industry will remain an important part of our economy for decades to come.

However, as members of all parties have rightly argued, the industry's sustainability is threatened by the increase in the supplementary charge, which we believe is a blunt uniform tax rise. As it raises the tax burden on all existing and future fields, regardless of their potential profitability, it is inevitable that many new developments and incremental projects will have become non-viable

overnight; I think that Maureen Watt gave some examples.

The situation for gas companies, which account for almost half of all North Sea production, is of particular concern. The chancellor justified the tax increase on the grounds that oil prices have risen sharply over the past two years, but wholesale gas prices are at the same level that they were at in January 2009, so gas producers have not benefited from the windfall profits that some oil producers have received. As such, there is real concern that many previously profitable gas projects will no longer be viable, which will accelerate the rate of decline in production.

A number of companies have re-evaluated their investment plans. Statoil has put on hold its planned investments to the west of Shetland, and a recent survey of North Sea producers by Oil and Gas UK suggests that a further 60 projects are being re-evaluated as a result of the tax rise. Given the nature of offshore production, those developments are not likely to be scaled back or delayed—they will simply be cancelled. As a result, valuable assets will be lost, which is neither efficient nor in the interests of the Scottish economy, the UK economy, jobs or taxpayers.

The long-term impact of the tax increase on the industry could be even more significant. As other members have highlighted, the research by Alex Kemp suggests that 79 fewer fields may be developed over the next 30 years as a result of the tax rise, which he estimates would reduce investment by £29,000 million and cut production by 10 per cent. The figure that Kevin Stewart cited for the number of jobs that would be lost in the industry as a result was 15,000, which is a massive number. I am pleased that there has been broad recognition across the chamber that that represents a fair summation of the reasonably expressed concerns about the effects that the tax change may have.

Looking forward and being positive, we hope that we can—perhaps through tonight's debate, the First Minister's efforts and representations from the oil and gas sector—persuade the chancellor and his team to change tack. The First Minister raised our concerns when he met the chancellor and the UK Secretary of State for Energy and Climate Change last month. On Tuesday, we provided the UK Government with a detailed submission that set out how the North Sea fiscal regime could be amended to mitigate some of the damage caused by the chancellor's reforms. Our proposals have been implemented successfully in other countries, and the underlying principles are already embodied in the North Sea tax regime. Although they would not completely offset the impact of the tax rise, they would go some way towards ensuring that marginal and

incremental projects remain viable, while also ensuring that the country would still capture a substantial share of the windfall that some oil companies are receiving as a result of recent rises in wholesale oil prices.

I am very grateful for the way in which Alex Johnstone pitched his remarks, and I hope that he, in turn, believes that the way in which I have sought to respond to the debate is consonant with his tone and that of others. The proposals that we have put forward have been endorsed by many in the industry and by the Labour Party here in the Scottish Parliament, and we are extremely grateful for that. It is important that the UK Government responds to that broad consensus and amends the Finance Bill to ensure that it does not do lasting damage to one of our country's most successful industries.

*Meeting closed at 17:44.*

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