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Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 21 September 2011

Session 4

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Scottish Parliament

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[The Presiding Officer *opened the meeting at 14:00*]

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business is time for reflection. Our time for reflection leader today is the Rev Jennifer Macrae from St Mary's church in Haddington.

The Rev Jennifer Macrae (St Mary's Church, Haddington): What is your story? No matter what the answer is, stories are very important. It is likely that stories have played a part in making each of us who we are. In St Mary's over the summer, we have had a focus on stories. Our young church summer project was the building of Noah's ark, and the story inspired many who are no longer young in years, but who are still young at heart, to get involved. Just last week, the Prestonpans tapestry, which tells its unique story, was on display in our church.

The Bible is full of stories. The Old Testament gives us Noah's ark, Moses and the burning bush, Daniel in the lions' den and many others. In the New Testament, a lot of Jesus's teaching is done through stories, but stories that are known as parables. Jesus told stories using images that were familiar to his listeners: seed, flowers, animals, goodies and baddies. The things in the parables may have been familiar, but these were not just cosy chats to make his audience feel good. There was a point to them, but what that point was he never did spell out.

I always think of a parable as being like a comic, but a comic with a difference. The pictures tell the story, but the last picture is missing. The ending is not there, so it is up to the reader or the hearer to supply it; and, as we have probably experienced, that means that there will be at least as many endings as there are hearers.

Sometimes Jesus added a question along the lines of "Have you understood?" and the Bible tells us that his listeners usually answered immediately with an enthusiastic, "Yes!" Maybe that is good, but maybe it is not. When we hear stories from the people we encounter, perhaps it is better to take time to absorb the meaning and the significance, and to reflect within ourselves on what the stories say about the folk who tell them, before we respond. Of course, as with the missing ending of the parable, we will come up with different answers, and the challenge then will be one of discernment. Whatever stories you or I hear in the course of our living, they form an important part of

the people we serve. What we do with them may well play a significant part in shaping the fabric of our nation.

Strategic Spending Review

The Presiding Officer (Tricia Marwick): The next item of business is a statement by John Swinney on the strategic spending review. The statement will be followed by a debate, so there should be no interventions or interruptions.

14:03

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): In this statement, I welcome the opportunity to present to Parliament the Scottish Government's draft budget for 2012-13 and our spending plans for the subsequent two years.

The spending review falls at a defining moment. It is a moment that is uniquely challenging, with a fragile global economy and savage reductions in the real value of the Scottish budget. At the same time, however, it is a uniquely hopeful moment, in the optimism that exists in our country and the trust that the people have placed in this Government.

Throughout our first term in office, we applied careful stewardship to the public finances. Our public sector efficiency programme has delivered savings above our annual targets for each of the past three years, which have been reinvested to strengthen public services in Scotland and to equip them for the challenges ahead.

Yesterday, I wrote to the convener of the Finance Committee to advise Parliament that, in 2010-11, we have delivered efficiency savings of more than £2.2 billion, which is £673 million more than the target that we set. I would like to pay tribute to staff throughout the Scottish public sector for that sustained achievement.

Over the past four years, our minority Government secured parliamentary support for its budget, balanced the budget in each year, and thereby demonstrated its financial competence. That is a record of which we are proud.

The impact of the recession since 2008 has created a serious economic context for our actions in government. We responded quickly and decisively with a detailed recovery plan, which helped to support 15,000 jobs across Scotland. We have attracted major international companies and new investment to Scotland and supported jobs directly, particularly in the construction sector, through our bold programme of infrastructure investment. We have delivered the small business bonus scheme, which has removed or reduced the burden for tens of thousands of businesses, and established the Scottish Investment Bank, which is now helping Scottish companies to access finance to stimulate business across the country. Those

and other measures that we have taken have resulted in a recession that, while damaging, was shorter and shallower than that experienced by the United Kingdom as a whole.

We are making progress towards economic recovery. Over the most recent three-month period—May to July 2011—Scotland was the only part of the United Kingdom with falling unemployment. Over the year, unemployment has fallen by 33,000 in Scotland compared with an increase of 44,000 across the UK as a whole. At the same time, employment levels have increased by 36,000 over the year—12,000 more than the increase for the UK as a whole. Scotland now has the highest employment rate of any UK nation. To those who give out lectures on growth while presiding over stagnation, we say this: learn a lesson from the record of investment, job creation and balanced budgets being delivered in Scotland.

Now we face further financial challenges as the Westminster Government has imposed the most swingeing public spending cuts the country has seen since the second world war. In 2011-12, we have already been forced to reduce public spending by £1.3 billion compared with last year, with an £800 million cash reduction to our capital budget. Under the plans that the UK Government announced in its October 2010 spending review, between 2010-11 and 2014-15 we face real-terms resource budget reductions of 9.2 per cent and a real-terms cut to our capital budget of 36.7 per cent. We have argued consistently that the UK Government is cutting spending too far and too fast and that its actions run the risk of damaging the fragile recovery in both Scotland and the UK.

Against that stark backdrop, we are determined to make the very best use of the constrained resources that are available to us and to build on the progress we have made over the past four years. We in Scotland will steer a distinct course. We are committed to prioritising capital investment, protecting public sector employment and supporting household incomes as key drivers of economic recovery.

The programme for government set out how we want to continue to change our country for the better and how we will take forward the manifesto that secured widespread backing from the people of Scotland. "The Government Economic Strategy" identifies strategic priorities for driving economic growth. It highlights how we will make full use of the economic levers that are currently devolved to the Scottish Parliament, with the aim of improving Scotland's rate of sustainable economic growth.

Many of the key job-creating powers, particularly in relation to taxation and key elements of economic and fiscal policy, lie outside the remit of the Scottish Government. For example, 90 per cent of Scottish tax revenues are controlled by

Westminster and are set with reference to neither the economic circumstances here nor the preferences and needs of Scottish households and businesses.

We have made it clear that our immediate constitutional priority is to see economic teeth added to the Scotland Bill, and we have already made the case for new powers on corporation tax and the Crown estate and for more extensive capital borrowing powers.

With independence, we could do so much more. Independence would provide the freedom to best capture the unique opportunities in Scotland's economy to maximise our potential and put us on a par with other successful independent nations. However, for the purposes of this spending review, we must work within the existing financial and constitutional framework, and today I set out my financial plans for the future.

Our focus in the spending review is to accelerate economic recovery, deliver an ambitious public sector reform programme, and deliver a social wage for the people. Vital to economic recovery is the size of our capital investment. The Government has agreed to take further decisive action to boost investment in the infrastructure that Scotland needs to prosper, supporting jobs and promoting growth.

The Government is using every available lever to maximise investment. We are taking forward a £2.5 billion pipeline of projects using the non-profit distributing model, including major investments such as the package of improvements to the M8, the Aberdeen western peripheral route, the Balmedie project, and the new Royal hospital for sick children. We are maximising the use of Network Rail's regulatory asset base to fund new rail projects. We are prioritising key projects such as the new Forth crossing, the new south Glasgow hospitals project and our school building programme. We are funding manifesto commitments to deliver 30,000 new affordable homes over this parliamentary session. We have decided to switch a total of more than £750 million from resource expenditure to our capital programme over the period until 2014-15.

Alongside that, we are using innovative mechanisms such as the national housing trust and tax increment financing to secure additional funds and maximise investment. Taken together, those steps will ensure that Government-supported investment continues to grow, despite cuts in our capital budget.

I am also delighted to inform Parliament that the Government's capital programme makes funding available to meet in full the Government's commitments to upgrade the A82 at Crianlarich and Pulpit Rock, to implement the core phase of

the Glasgow fastlink proposal, to construct HMP Grampian and to support the development of the Victoria and Albert museum at Dundee.

We are prioritising our investment in Scotland's young people to enable them to achieve their full potential. That includes supporting 125,000 modern apprenticeship places during this session—a record level—and delivering on our commitment that every 16 to 19-year-old in Scotland who is not in work, taking part in the modern apprenticeship scheme or receiving education will be offered a learning or training opportunity. We will also ensure that our approach to procurement is used as a lever for job creation by ensuring that recipients of public contract work deliver training and apprenticeship opportunities.

This spending review settlement guarantees that the university sector in Scotland will remain internationally competitive and closes the funding gap with England in full. In addition to keeping our manifesto commitments on free access to higher education, we will also introduce a minimum income for the lowest-income students, as we promised during the election campaign, of at least £7,000.

A priority for the spending review period is to deliver the ambition of next-generation broadband to all by 2020, with a particular focus on rural communities. We expect significant progress by 2015, as set out in "Scotland's Digital Future: A Strategy for Scotland". We will also ensure that businesses in Scotland have the skills and aspiration to enable them to innovate and compete in the global digital economy. Over the next four years, the Government will provide more than £62 million for the digital economy and broadband infrastructure and we will lever in a further investment of up to £25.5 million from European Union funds, as well as additional funding from local authorities and the private sector.

In this spending review period, we will continue to provide business with the most generous package of reliefs available anywhere in the UK, worth £2.6 billion. We will continue with the small business bonus scheme, which is helping tens of thousands of businesses in tough economic times.

I will bring forward legislation to reform empty property relief from April 2013, which will introduce incentives to bring vacant premises back into use, reduce the prevalence of empty shops in town centres and support urban regeneration. The Government will embark on a review of the operation of business rates in advance of the next revaluation in 2015.

Key initiatives that are included in the Government's economic strategy and funded in this spending review include introducing four enterprise areas in Scotland to maximise their

economic impact and attractiveness to investment; developing a regeneration strategy that will support more disadvantaged communities; providing advice and support to help small and medium-sized enterprises to grow; promoting Scottish exports to capitalise on opportunities in growth markets—particularly in new emerging markets such as China and India—with an ambitious target to deliver a 50 per cent increase by 2017; and increasing our support for the development of the food and drink industry and its exporting potential.

Scotland has a massive competitive advantage in the low-carbon economy. That is why the economic strategy established the transition to the low-carbon economy as a new strategic priority. That reflects the opportunity that we now have to secure further investment and jobs from that growing sector and to ensure that the benefits of this transformational change are shared across the economy and our communities.

The national renewables infrastructure fund will help to leverage private investment into renewables, which will be part of more than £200 million-worth of investment in renewables that we commit to throughout the spending review. We are delivering on our climate change targets, with ambitious annual emissions reduction targets in place to 2022 and further targets that will shortly be in place for up to 2027. Today, we also publish our carbon assessment, which sets out the impact of our spending plans on emissions.

Investment in climate change is helping to deliver jobs and growth as well as bringing down household bills and bringing other benefits for communities. Those are demonstrated through the continuation of the hugely successful climate challenge fund, the work of our energy assistance package, the universal home insulation schemes and our business resource efficiency programme—zero waste—which has helped more than 800 businesses to reduce their waste and make better use of scarce resources.

We will take forward the commitments in our manifesto, which include working to a 70 per cent target for recycled waste and a maximum of 5 per cent to be sent to landfill by 2025. We will press for the Scottish Parliament to take on responsibility for the Crown estate, so that the resources that are generated in Scotland can stay in Scotland for the benefit of our communities and the wider renewables agenda.

Of equal importance to the global agenda is the need to ensure that the action that we take to cut emissions also delivers benefits to the people of Scotland. As I have mentioned, energy and resource efficiency will be a priority; helping people and businesses to use less energy will help them to save money and will be vital in tackling

fuel poverty. We are working with the energy companies to strengthen their activities in Scotland, and further announcements in that regard will be made by Mr Neil in due course. We will also act to reduce the impacts from transport by reducing congestion and supporting better public transport, active travel and low-carbon vehicles.

This spending review confirms an ambitious programme of delivery that we will take forward over this parliamentary session. However, the scale and profile of Westminster's cuts mean that we have been forced to make tough choices. As we have done so, we have given due regard to our equalities ambitions and commitments. The equality statement that is published today sets out the impact of our approach to continue to invest in building a society in which people achieve, regardless of their background, and the barriers to participation and opportunity are removed.

To live within our means and deliver on all our commitments, we must strive for yet greater productivity, reduce further the costs of government, pursue a policy of pay restraint and push forward renewal of our public services. Across government, we have taken a strategic and collective approach to identifying our priorities and savings. We are reducing organisational costs, including a reduction of 18 per cent in core Scottish Government operating costs over three years, and we will require that all public bodies bear down on their own comparable costs.

We will continue our relentless pursuit of further efficiency, taking forward the recommendations in the McClelland review of information and communication technology infrastructure, working with the Scottish Futures Trust to deliver efficiencies in our infrastructure programme and building the approaches that have seen us exceed our efficiency target for 2010-11 by some £600 million. We also need to ensure that we are responding to the public appetite for services to be delivered in ways that are convenient for them. The McClelland review looked at achieving better value for money from ICT investment and using ICT to support and drive multi-agency working and more effective sharing of services.

In setting out the Government's spending plans today, I expect every public sector organisation to demonstrate how it will contribute to the potential savings identified in the McClelland review report of up to £1 billion in the next five years. I have also considered the options for raising additional income to help support investment. The updated infrastructure investment plan, which will be published later in the autumn, will highlight the range of activities taking place across sectors to improve asset management and release savings. Building on the work of the Scottish Futures Trust,

we will take forward an asset management strategy for the central Scottish Government estate to reduce its size by at least 25 per cent over the next five years and to achieve savings of around £28 million a year in operating costs by 2016.

Last year, I had to ask public sector workers to bear some of the burden in dealing with the fall in public spending. We did that to protect employment in the public sector, which is a valuable part of our economy and an essential foundation of our public services. Public sector pay accounts for around 55 per cent of total Scottish resource budget spending, and decisions that we take in the area are vital to our overall financial position. Our public sector pay policies for 2012-13, which are published alongside the spending review today, balance difficult decisions on tight pay restraint with the need to sustain employment opportunities across the public sector. To help to maintain staffing levels, it is essential that we continue to control pay growth and keep pay at an affordable and sustainable level. The pay policy for 2012-13 therefore extends the freeze on basic pay and suspends access to bonuses for a further year.

In implementing a freeze on basic pay for all staff, we have again been able to provide measures to support the lower paid. We will ensure that any employee who is earning less than £21,000 continues to receive at least a £250 rise in their salary, and I announce to Parliament that we will maintain our commitment to the Scottish living wage, which will be uprated to £7.20 an hour. Ministers will also freeze their own pay in 2012-13, for the fourth year in succession.

My aim is that 2012-13 will be the last year of a pay freeze. We might be able to see modest increases in the years that follow. I again express my gratitude to the many thousands of public sector workers whose commitment to their valuable work has continued in spite of tight settlements and action to restrain public sector pay.

Our objective is to protect public sector employment to support economic recovery. One of the threats to that objective comes from the UK Government's decision to increase employee pension contributions, which directly affects public sector workers in Scotland. The Scottish Government has made it clear that, at a time of pay constraint and pressure on household finances, an increase in employee contributions is unwarranted and disruptive. However, as the First Minister said last week, if the increases are not applied, the UK Government will reduce our budget by £8.4 million per month—£102 million in one year—which would reduce public sector

employment and run contrary to the direction of our employment policy.

We think that the UK Government is taking the wrong course of action and we reiterate our call for it to change direction. Should the UK Government refuse to change its position, the Scottish Government will have no choice but to apply the increases in employee pension contributions for national health service, teachers, police and fire schemes in Scotland. We will put in place protection for the low paid and we will leave decision making on the local government pension scheme to the people who manage the scheme. We will not impose on local government in Scotland what the UK Government has imposed on us.

The pensions issue illustrates exactly the need for the Scottish Parliament and Government to become responsible for our own resources and revenue instead of being held to ransom by a UK Government for which the people of Scotland did not vote.

Given the impact of the changes on public sector workers, the Scottish Government makes clear that we will continue in 2012-13 our policy of no compulsory redundancies for areas that are under our direct control. Within that commitment, we will pursue agreements on flexible working practices that reduce costs while maintaining head count and services.

The people of Scotland attach the highest value to their public services and the Government shares their view. We have invested in and improved key services and the public recognise the benefits of our action. As we promised in our manifesto, we are protecting NHS spending by allocating an additional £826 million to the health revenue budget in Scotland over three years. That meets our commitment to pass on in full to the NHS in Scotland the benefit of the Barnett resource consequential from the UK health settlement. As a result of that commitment—and at a time of significant real-terms reductions in the Scottish Government's overall budget—the core budgets that our territorial health boards have to spend on delivering front-line health services are protected in real terms in each of the next three years. That will allow us to drive forward continuous improvement in the quality of healthcare services, in the interests of our economy and the health and wellbeing of communities throughout Scotland.

We will continue to work in partnership with local government. We have discussed and agreed with the Convention of Scottish Local Authorities leadership an approach to delivering joint priorities between national and local government. That settlement will enable local authorities to maintain the delivery of shared commitments that impact

positively on households throughout the country. Those include freezing the council tax, which is helping families through tough economic times; funding police boards to allow them to maintain 1,000 additional police officers on our streets; maintaining teacher numbers in line with pupil numbers and securing places for all probationers under the teacher induction scheme; and meeting the needs of our most vulnerable and elderly through the NHS and councils working together to improve adult social care.

Local government will be offered a settlement that maintains its 2011-12 level of revenue funding, inclusive of resources to freeze the council tax, but with additional resources to maintain teacher employment. Local government will receive throughout the spending review period a larger share of the funds that the Scottish Government controls—including business rates—than it received in the position that we inherited in 2007-08.

I confirm that, from 2012-13 onwards, the Government will honour its commitment to ensure that no local authority receives less than 85 per cent of the average per capita support of Scottish local authorities. In addition, I have taken a decision on the local government capital settlement that maintains its share of the total capital funding across the period, which will be reprofiled over the remainder of the current session of Parliament. That reflects the Government's wish to maximise the availability of capital spending and recognises that local government has the power to borrow in order to supplement its capital budgets. We will work with our partners in local government to consider to what extent that can sensibly be used to maximise capital expenditure, which is critical to economic recovery.

The strong support for key public services in local government and the NHS provides the foundation for setting out the way ahead in public service reform. The Government has pursued a vigorous programme of efficiency and public service reform since 2007. We have valued the work of the independent budget review, which was chaired by Crawford Beveridge, and the commission on the future delivery of public services, which was chaired by Campbell Christie. Today, alongside the spending review, I am publishing a response to the Christie commission. Those reviews have informed our decisions for the future.

We will lead an ambitious programme of public service reform that challenges the public sector in Scotland to reshape, integrate and deliver better services to those who use them, consistent with the recommendations of the Christie commission and with the requirement to deliver savings.

Ministers have already set out our plans for the creation of a single police service and a single fire and rescue service as the best way to safeguard the vital front-line services on which communities depend.

The case for reform is clear. Single services for Scotland will retain local services for local communities, while giving all parts of Scotland access to national expertise and assets whenever and wherever they are needed. Estimated savings of £130 million per year can be achieved by ensuring that money is spent on the front line and not on unnecessary duplication across eight services.

We have announced a significant programme of reform of post-16 education—putting learners at the centre. That work will reflect our determination to ensure that the whole post-16 education system delivers better outcomes for individuals, employers and ultimately the economy.

A reformed system will prioritise provision for young people, help learners to develop the skills that employers need now and for the future, and support the development of growth businesses and sectors. As part of the public sector reform agenda, we will fully consider local government proposals to deliver savings by removing the need for authorities to advertise public information notices; to strengthen their constitutional role; and to extend the duty of best value across the public sector. We have also made clear our intention to more closely integrate health and social care services to improve outcomes for older people.

There will be four principal themes to our public service reform agenda. First, the focus on improving outcomes for our people will bring about greater emphasis on integration of services driven by better partnership, collaboration and effective local delivery. Building on the progress that has been achieved in the past four years, we will sharpen the focus of public services on place as a magnet for partnership and the basis for stronger community participation in the design of local services. The Government will drive greater collaboration in service design and delivery at local level, which is firmly in line with the focus on improving outcomes that we have progressed since 2007 through joint work with local government, the health service and the third sector.

Secondly, we believe that there should be greater investment in the people who deliver services through enhanced workforce development, and we reject the argument that suggests that public sector employment is a drain on the nation's resources. We assert that the work done by public sector workers is essential to underpin our national prosperity, confidence and quality of life. We have done our utmost to

safeguard front-line posts by pursuing responsible pay restraint. Going forward, we are committed to the further development of the capabilities of the public service workforce and its leadership.

Thirdly, we are committed to creating an open and rigorous performance culture within Scottish public services, to create greater clarity around objectives and to ensure clear lines of accountability that bolster standards of service and improve outcomes.

I am keen to ensure that external scrutiny such as audits and inspections supports public service reform. Such scrutiny can assist local authorities and their community planning partner bodies in working together to deliver even better outcomes. I have therefore written today to the Accounts Commission, asking it to work with others to explore how scrutiny activity can best promote effective practice in community planning partnerships.

Despite the acute financial pressures that we face, we must never lose sight of our duty to equip our country for the challenges that lie ahead. That is why a key feature of the spending review is the setting of a long-term course for our country and its finances.

The decision of the people to give the Government a parliamentary majority provides us with the opportunity to take bold action for the future. I am delighted to announce that the spending review marks a decisive shift towards preventative spending in Scotland, which is the fourth and final element of our public service reform agenda. Focusing on preventing problems by intervening earlier is not just the right approach to many of the social and other issues facing us in Scotland today; it also secures better value for the taxpayer. It will help to tackle persistent inequalities and ensure the sustainability of our public services, as demand for a range of acute services reduces over time.

The Government's shift to target investment in preventative approaches will deliver better outcomes and value for money, and it respects the parliamentary consensus that exists in that area. Our focus will be on supporting adult social care and the early years, and tackling reoffending, with specific funding that will be available only for joint working across institutional boundaries and sectors. Over the next three years, through the joint priorities work of national and local government, preventative spending initiatives will be boosted by a total of more than £500 million.

I have looked to increase revenue for the purpose of supporting the shift to preventative spending. Scotland's health and social problems associated with alcohol and tobacco use are well documented and we are firmly committed to

addressing them. Those problems not only affect the health of the population but create additional burdens on policing, local authorities and the NHS. I therefore propose that the business rates paid by large retailers of tobacco and alcohol will be increased by a supplement from 1 April 2012. The estimated income that that will raise will be used to contribute to the preventative spend measures that will be taken forward jointly by the Scottish Government, local authorities, the NHS and the third sector. Those funds will be complemented by the launch of the Scottish futures fund that we promised at the election. We will invest more than £160 million over the next three years and a further £90 million in 2015-16 across the five components of the Scottish futures fund to support our key social, environmental and economic objectives.

The move to preventative spending and the launch of the Scottish futures fund are the actions of a Government that is building a nation that is fit for the future.

At the heart of the Government's work is our partnership with the Scottish people. The social wage is one part of our tangible commitment to building a fair society. It means that, at a time of financial constraint for households, the Scottish Government seeks to give those households a helping hand. It means that, where the council tax is frozen, prescriptions and personal care are free, concessionary bus travel is available and access to higher education is based on the ability to succeed rather than the ability to pay, we all share a part of the Scotland we want to be. Despite the financial pressures that we face, we believe that that is the correct approach for Scotland.

The Government has today published a budget and future spending plans that equip Scotland for the challenges that lie ahead. I stand ready to support Parliament's detailed scrutiny of these proposals over the months to come. We have set out our response to the challenges that we face, making tough choices where required. Our decisions are designed to equip Scotland for economic recovery, for sustainable public services and for new opportunities for our people.

I commend the budget to Parliament.

Strategic Spending Review

The Presiding Officer (Tricia Marwick): The next item of business is a debate on the strategic spending review.

14:35

Richard Baker (North East Scotland) (Lab): I thank the cabinet secretary for the advance copy of his statement.

This year, the budget process will lack the drama of budgets in the previous parliamentary session. No knife-edge votes or brinkmanship will take place, and Mr Swinney will not need to turn to the Conservative group, on which he could always rely, in his hour of need. The Government has a majority and can pass the budget that it wants. However, even if the process has no drama, all of us in the Parliament are keenly aware that the budget and the spending review are critical. The budget must be for economic growth, because the challenge that faces our economy is huge.

The most recent gross domestic product figures show that the Scottish economy is on the cusp of contracting again. Growth was only 0.1 per cent, which was lower than the rate in the rest of the United Kingdom. The unemployment rate fell in the most recent figures, but youth unemployment increased again to levels that have not been seen in our country since the early 1990s and John Major's Government.

The Scottish Government often complains about the powers that it does not have, but now must be the time to focus on the significant powers that it does have to strengthen our economy. Even with the cut in the Scottish Government's budget, its control of spending—which is still not far off £30 billion—is a powerful weapon in meeting the economic challenges that we face.

The Scottish Government tells us that this is a budget for growth and that it is, in difficult times, delivering investment that will stimulate high-growth industries such as renewables. It says that it will reform the public sector, tackle problems such as youth unemployment and invest in prevention and not only in cures. Of course we can agree with the sentiment behind all that, but we must question whether the budget will deliver what it sets out to deliver. Aspects of the budget will have damaging impacts—not only socially, but economically. That is why we will make the case that the budget needs to change.

That is not to say that we do not acknowledge that Mr Swinney has had a difficult job to do in producing the budget. He is dealing with a budget that is £1 billion lower than that in 2010 as a result of the Westminster coalition Government's

spending plans. Labour members do not disagree with the Scottish Government that the cuts are too fast and too deep and that they threaten the recovery.

However, the rub for the Scottish National Party is that it has known for more than a year exactly how much its budget would be. We said that the SNP should have published a full spending review last year, as the Welsh Government did, and we have argued that the delay in publishing the spending review has caused further damaging uncertainty, particularly in the public sector.

While the rest of us did not have the detailed figures for the spending review period, the SNP did. It made commitments at the election in the full knowledge of what its budget would be, so the budget is its responsibility. The Scottish Government cannot pass the buck for the decisions that it has made. The budget might meet the SNP's political priorities, but let us be clear: Mr Swinney has pulled no rabbit out of the hat. The budget holds a great deal of pain for key parts of our economy and many people in our society.

We have fundamental concerns about the budget plans that have been set out for local authorities. The fact that the overall budgets for councils are not being cut in cash terms tells only part of the story. Major real-terms cuts in council spending will be made. UK inflation is higher than was expected a year ago and, by 2015, prices are predicted to have increased by 13.3 per cent on their 2010 levels. It is clear that, far from protecting councils from cuts, the Scottish Government is passing on the pain. A crucial part of that is that it seeks once again to pass on to local authorities the responsibility for its pledges, too—the five-year council tax freeze, and the pledges on police numbers, teacher numbers and more. That is all taking place when the Christie commission tells us that the gap between revenue and demand for local authorities will be some £3 billion by 2016.

If councils are to meet the costs of the SNP's pledges, more council workers will have to lose their jobs and further service cuts will have to be made. The evidence from the previous parliamentary session is that education and social work budgets will be particularly badly hit.

More public sector jobs will go—with all the consequences of that to our economy—some of the most vulnerable people in our communities will be denied the services that they depend on, and local education budgets, which are crucial to our young people, will be hit. The Scottish Government might think that that is a good political trick, but the cuts will not be council cuts; rather, they will be the Scottish Government's cuts because of decisions that it has taken, and I have no doubt that they will be strongly resisted in communities throughout Scotland.

We know that there is great concern among our local authority leaders—at least among those who are allowed to be concerned—about the settlement. That is clear from the fact that there is no agreement—I understand that this is the case—with local authority leaders that the settlement is adequate in a number of key areas. On maintaining police numbers at the current level, all that has been agreed is that there will be flat cash settlements for police boards. There is no commitment that that will be enough to maintain police numbers. We have already voiced concerns about the loss of hundreds of police staff posts.

Despite the many statements that were made in advance of the election on the Scottish Government's policy of no compulsory redundancies, no such agreement has been reached with local authorities, and there is, of course, great concern among councils about Mr Swinney's plans to cut their capital spending by £120 million and £100 million in the next two years in the expectation that they will borrow to fill that gap over that period. I am a supporter of the Scottish Government having borrowing powers at a higher level and at a faster rate than those that are proposed in the Scotland Bill, but in asking local authorities to do its borrowing for it, Mr Swinney has received no commitment that that will happen. Given the financial pressures that local authorities are already under, that cannot be surprising, especially because he has apparently not said whether he will reimburse councils for the substantial interest payments that will accrue on those loans.

We can only hope that that move will not mean that planned local infrastructure investment will be stalled or cancelled. We do not believe that it is a fiscal stimulus; rather, it is sleight of hand. The matter is crucial, because one issue on which we and the Scottish Government agree in principle is the need to maximise spending on infrastructure in order to stimulate economic growth. Therefore, we welcome the other action to reduce the impact of the cut to the capital budgets from the UK Government, but it is now vital that more be done to deliver key infrastructure projects more quickly.

In the previous session, we made it clear that we did not believe that sufficient progress was being made on school building programmes, and we opposed the decision to axe the Glasgow airport rail link project. We believe that it will be important for the Scottish Government to set clear timescales in this session for progress on its key infrastructure projects, particularly as we have heard only this week of the prospect of delays in the Borders rail project. I know that key projects in my region are delayed, and there are several projects to which the Scottish Government has said that it is committed that are either delayed or for which there is no clear timescale. The cabinet

secretary has said that £2.5 billion will be available through the Scottish Futures Trust.

In response to our proposal for a Scottish infrastructure bank, he said that the Scottish Government is already leveraging in high levels of private investment. Members should therefore be able to expect that those projects will now proceed without delay. Delay in them represents failure to take the action that is required to stimulate growth. The Scottish Government has for too long talked about projects rather than getting on with the business of delivering them; that needs to change.

We are also particularly concerned about what the budget will mean for spending on education. We will take time to scrutinise the implications for higher education and for our universities' ability to bridge the funding gap with their English counterparts. We have already said that we are concerned about local education budgets, and it is clear that further education is also a major loser in the budget. Further education should be a focus for investment when we still have skills gaps in our economy and rising youth unemployment. Year-on-year cuts will mean teaching staff going and cuts in course provision. It is hard to square that with the Scottish Government's stated goals of guaranteeing places in full-time training or education for all 16 to 19-year olds and tackling youth unemployment. That budget decision undermines that work and comes at the cost of opportunities for our young people.

The Scottish Government has said that it will protect the health budget, but today we hear from nurses that efficiencies are becoming cuts to the front line. We have already seen 1,700 nurses' jobs go since 2009. The budget has consequences for teachers, nurses, patients and pupils.

Mark McDonald (North East Scotland) (SNP):

I wholly accept the right of the member to articulate different priorities. Perhaps, in the spirit of constructive opposition, he will outline to the Parliament how he would fund those different priorities from within a fixed budget.

Richard Baker: I will be outlining our different priorities in this speech. I am pleased that Mark McDonald made that point, as I am about to come to them. Obviously, I would have liked to have been in a position to set the budget, but it has been set by the Scottish Government, and it is for it to account for the decisions that it has made. We are being asked to take part in this budget process. This is the start of that process. We will do all that we can to improve the budget, because there is no doubt that the budget very much needs to be improved.

Earlier, I said that the Government has a majority and will pass the budget that it wants.

However, I acknowledge that the cabinet secretary has said that he will seek consensus and will continue to speak to other parties during the budget process. I have made it clear today that we have grave concerns about important aspects of the budget, but we will, of course, engage in any opportunities that we are given for discussion of the changes that might be made to the budget as it is debated in Parliament. We welcome such an approach. We will continue to press for proposals that we have brought forward and which we believe will help to contribute to the stated aim of the budget, which is to promote growth.

We want to see broader initiatives to promote higher levels of employment, which is why we will continue to call for an expansion of the future jobs fund. We welcome the fact that the initiative has started in the voluntary sector, but we believe that it should be extended to the private sector. We support the goal of creating a low-carbon economy and growing the renewables sector, for which investment and infrastructure will be crucial. We will continue to make the case for our green new deal policy, which would make 10,000 homes energy efficient, and would tackle fuel poverty and create 1,000 jobs and apprenticeships. We will also continue to make the case for a living wage for all public sector workers and for public sector contracts to make provisions for a living wage, too. In these times of pay freezes and higher inflation, it is all the more important that we protect the most poorly paid people in our society.

We agree with the cabinet secretary's analysis of the UK Government's pensions policy. We hope that he will engage with trade unions on those issues, although he has limited room for manoeuvre. We believe that he is right not to force changes in the local government scheme.

This is the start of a process around determining the spending review. Winning the vote in this Parliament will be the easy part for the Scottish Government. I believe that it will be far harder for it to win beyond this chamber the argument that this is indeed a budget for growth and the protection of public services, because key decisions that have been made in this budget by this Government will mean cuts to services and opportunities missed to invest in growth.

I hope that the Scottish Government will take seriously the case that we will make for this budget to change, because it will need to change if it is to attract our support and, I believe, the support of many others in this country.

14:42

Gavin Brown (Lothian) (Con): I also begin by thanking the cabinet secretary for advance copies of his statement and the strategic spending

review. I was particularly glad to get the latter, because I took the time—such that I had—to read the details in the spending review before I read or heard the statement. The two tell slightly different stories. I am pleased also to see that the document spends more time talking about the Scottish Government than it spends simply whining about the UK Government. This is a Scottish strategic spending review, and the focus ought to be entirely on Scotland.

I want to pick up on a couple of the points that the cabinet secretary made in his statement. On local government, the cabinet secretary said—I have it here in black and white—that

“Local Government will be offered a settlement that maintains their 2011-12 level of revenue funding.”

I see that Mr Swinney is going straight to his papers to check what he actually said. Mr Swinney said that that level of funding will be maintained for local government. However, if one looks in the Scottish Government's draft budget document, it says that it will not be maintained at all. In the current financial year, local government gets £8.3 billion in resource funding. Next year, the amount will go down to £8.1 billion. The year after, it will go down to £7.7 billion. In 2014-15, it will go down to £7.3 billion, which is a reduction in real terms of £1 billion over the course of the spending review. However, the cabinet secretary stands up in front of us today and says that the Government will maintain spending.

Whenever the Government talks about budgets being handed down from the United Kingdom Government, it is always in real terms. It never wants to talk about cash terms, particularly if budgets are going up; it only wants to talk about real terms. However, when it talks about the money that it is passing down the way to local government, it suddenly does not want to talk about real terms; it only wants to talk about cash terms. What a disgrace! What a complete shambles!

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Mr Brown should marshal his arguments for the apology that he should issue to me for what he has just said in Parliament. If Mr Brown looks, he will see that I said that the funding available to local government is constant at 2011-12 levels in cash terms on revenue and business rates combined. That is what I said to Parliament a few moments ago, so Mr Brown should withdraw the rubbish that he has just communicated. *[Interruption.]*

The Presiding Officer: Quiet.

Gavin Brown: The Greek chorus behind Mr Swinney is getting very excited. The cabinet secretary gave the impression that local

government was doing fine, but its budget is cut in real terms by £1 billion—[*Interruption.*]

The Presiding Officer: Order.

Gavin Brown: I am just getting started.

What about some of the other corks from Mr Swinney? Let us look at teacher numbers. Four years ago, Mr Swinney stood up in this Parliament and said, “We are going to increase teacher numbers.” A couple of years later, he said, “We are going to maintain teacher numbers.” Today—it was fantastic—he said, “We are going to maintain teacher numbers in line with pupil numbers.” What a commitment that is.

Mr Swinney stood up and said that the Government has closed the higher education funding gap “in full”, as higher education funding drops. Not even Mr Russell believed Mr Swinney when he said that the Government had closed that gap.

Let us judge the Government on the one point on which it did want to be judged. This is a Government that has said that it wants to be judged on the economy. It is a Government that said that economic growth is the biggest priority of all. So, let us have a bit of a look at what it has done on the economy. There is some good stuff in the budget document, such as the small business bonus and the idea of using public procurement to try to help deliver training and apprentices. All of that is good.

There is also some completely unsubstantiated stuff in the document, such as the statement that the Government is going to grow exports by 50 per cent within six years, while at the same time it will cut the budgets to the enterprise agencies. The enterprise, energy and tourism line will go down next year to £410 million. It will drop to £392 million the year after that and to £375 million the year after that. The economy is the Government’s priority, but the enterprise agencies will get continual cuts—indeed, they have been on a long-term trajectory of continual cuts.

The third sector, on which the Government is so keen, gets hit too. Its budget will be cut to £27 million, which is down from £35 million in the previous year. The budget will then go down to £24 million next year, the year after and the year after that. There will be cuts to the third sector.

John Swinney: I know that there is a lot of detail in the document and that it is perhaps unfair of me to make these points to Mr Brown, but the First Minister is encouraging me to go on. The reason why the third sector budget is different is because the Scottish investment fund was a three-year commitment that the Government gave in 2007. It does not appear in the budget because that commitment has expired. We actually

extended the term of that commitment from three years to four years. I would have thought that Mr Brown might have welcomed that.

Gavin Brown: Perhaps it is unfair of me to have expected the cabinet secretary to have read the entire document in full. It says quite clearly in the document that there will be a cut to the third sector from this financial year to next financial year and the one after that. If the third sector is a priority—which the Government says it is—one would not expect it to be getting the kicking that it is getting.

Margo MacDonald (Lothian) (Ind): Will the member take an intervention?

Gavin Brown: I will not at this point.

We heard last week in the debate on the Government economic strategy how critical innovation is in helping to drive forward Scotland’s economy. The budget line for innovation and industries was £17 million; it is now down to £5.8 million. The budget has been slashed, yet innovation is something that we deem to be crucial.

We could go on and on about areas of the budget that touch the economy. Skills are so important to this Government, yet Skills Development Scotland also gets a healthy cut. Higher and further education gets a cut, both in revenue spending and, particularly, in capital costs. [*Interruption.*] Mr Neil should not be quite so bold. The housing and regeneration budget goes from £389 million—[*Interruption.*] If Mr Neil listens, he will hear the figures—the amount will be down to £252 million by 2014-15.

This Government ought to be judged by what it does as opposed to what it says. Let us consider what is actually in the budget document as opposed to the gloss and spin that we consistently hear. The SNP Government has said that the economy is the most important thing, but the rhetoric and the reality do not match, because it knew exactly how much money would be available.

The First Minister (Alex Salmond): Much less.

Gavin Brown: I am happy to take an intervention from the First Minister at any time in the remainder of my speech. It is interesting that the First Minister said, “Much less”, because the last page of his document shows that in 2008-09, the first full year of the SNP Administration, total managed expenditure—the total Scottish Government budget—was £31.9 billion. This year, the figure is £33.6 billion, which is £1.6 billion higher. Next year, with the deepest and most “savage” cuts that Mr Swinney talks about, the figure will go up from £33.6 billion to £33.8 billion. The year after, following more “savage” cuts, the figure will go up to £34.4 billion, and the year after

that—the final year of his spending review—it will go up to £35.2 billion, which will be the highest ever total Scottish Government budget. It will be higher than the high-water mark of 2010-11—the total Scottish Government budget will be £700 million higher.

Let us see the reality match the rhetoric for once. Let us see the SNP Government actually put the economy centre stage.

The Presiding Officer: I point out to members who speak in the open debate that speeches are to be of six minutes, but the Presiding Officers will be a bit generous if you decide to take interventions.

14:58

Kenneth Gibson (Cunninghame North) (SNP): I direct Gavin Brown to page 5 of the document, which indicates that in real terms between 2010-11 and 2014-15 there will be a reduction of 12.3 per cent in the Scottish budget.

I want to be positive, so I will not start attacking the other political parties. Members might say that that is me changing the habit of a lifetime, but let us move along.

During these undoubtedly challenging times, the achievements of the SNP Government have been nothing short of remarkable: 3,300 council houses were built, 1,000 additional police officers were put on the streets, crime fell to a 35-year low, university education became free again, educational attainment went up, class sizes fell, hospital waiting lists went down, and the small business bonus was introduced. More recently, Scotland became the only part of the UK with rising employment and falling unemployment.

Despite our achievements, we appreciate that there is still much to do and much that can be done. Tough choices will have to be made. However, with our strong track record of economic competence and our determination to do what is best for the people of Scotland, I am sure that we can continue along the path of recovery to become a more prosperous country.

Our deliberations on how best to play the poor hand that we have been dealt should focus on creating jobs and opportunities for Scots and protecting front-line services.

As householders across the country know, when times are tight we must do all that we can to make our money go further. We must get the best value out of the public pound in order to continue to deliver the services that we all expect and rely upon. An effective way of achieving value is through preventative spending, so I am pleased by the commitment that the cabinet secretary gave today. In essence, the idea is to spend now to

save later. The concept is painfully simple: address the root of a problem and prevent it from escalating or even from emerging in the first place. In most cases, we would not only prevent a potentially adverse outcome, but would save time and resources that could be better spent.

Perhaps the most striking example of that is in the field of healthcare. We are all acutely aware of our personal wellbeing. Despite the fact that fewer of us than would wish it adhere to a healthy regime, we understand that a healthy diet and regular exercise can help to prevent serious illness somewhere down the line. That idea can be extended to the health of the nation at large.

Minimum pricing for alcohol and effective tobacco-control legislation will help to address Scotland's unhealthy relationship with cigarettes and alcohol, but they will also ease the huge burden that is placed on NHS resources and staff every year from alcohol and tobacco related health issues, which will allow resources to be directed towards treatment of illnesses and conditions that we cannot prevent. I am delighted about the additional tax on large retailers of tobacco and alcohol.

Similarly, adult mental health issues cost the UK Government £10 billion every year in benefit payments alone, yet only £2 million is spent on prevention and alleviation, including promotion of self-esteem and coping skills. The Scottish Government, by refocusing funding, will not only save a huge amount of money, but will greatly improve the quality of life of thousands of adults who are coping with mental illness. In my constituency, the Garnock Valley Allotment Association, which was set up for a modest sum, enables mainly older people—who in many cases are partly disabled or have long-term illnesses—to get involved in a healthy, social and productive outdoor pursuit, rather than sit at home watching the telly and, in some instances, taking antidepressants.

Preventative spending can also be applied to crime. In 2003, a quarter of prisoners in Scotland's prisons came from just 50 of our 1,222 council wards. It is surely common sense to target spending on education and employment opportunities in those areas, where one in 29 of all 23-year-old men is in prison. That would not only benefit people in deprived communities, because the financial savings could be huge. A young person in the criminal justice system costs on average £200,000 by the time they reach 16, yet each person who is given support to stay out of the system costs the taxpayer less than £50,000. Violent crime is estimated to cost Scotland £3 billion annually. It is no coincidence that the introduction of 1,000 extra police officers, which is

a perfect example of preventative action, has helped to reduce crime so much in recent years.

James Kelly (Rutherglen) (Lab): Does the member agree that the reductions in police support staff numbers will undermine that preventative intervention?

Kenneth Gibson: The issue is about ensuring that we spend our money as effectively as possible. The Scottish Government's approach is all about directing resources to where we get the best value for the public pound.

Our move away from short prison sentences, which have been shown merely to create reoffenders, will help to improve the life chances of those in deprived communities, reduce expenditure on criminal justice and cut crime rates.

Experts make it clear that the most effective form of preventative spending is, without doubt, spending on the early years. We have sound evidence for that. It is an established fact that a child's brain develops at a phenomenal rate in infancy and that it is important to stimulate children's minds and properly educate them during that period to produce well-rounded teenagers and adults. Economic analyses by James Heckman, Alan Sinclair and others show that, for every £1 that is invested in a child between the year of birth and three years old, somewhere between £3 and £14 is saved later on. Those savings often come in reduced costs of prison and mental illness, as well as through enhanced academic achievement and in other domains.

I am confident that targeted preventative spending in the early years through the Government's £50 million sure start fund will help to tackle a great number of social ills, including inequality and poor health, as well as issues of employability and academic attainment. There is a massive benefit to the children and families in question and new research that has been published by the Scottish Government has found that the public purse could save £131 million a year in the medium term through effective intervention in the early years. In the most severe cases, in which a child has complex needs, £37,400 could be saved each year for each child.

Faced with diminished budgets while demand for services continues to rise, we must squeeze as much value as possible out of every penny. Preventative spending can help not only to reduce negative spending, but to deliver a better standard of living and a better quality of life for everyone in Scotland.

15:04

Willie Rennie (Mid Scotland and Fife) (LD): I thank the finance secretary for the advance copy of his statement and for the extensive number of books that he provided. I cannot say that we have read them all yet, but we will do so in the coming weeks. I am sure that there will be more debates on the substance. Often, the presentation in such statements is not the reality that we go on to discover, and I hope that we will return to the issues in more detail.

Perhaps Mr Swinney should have looked at the budget at an earlier stage. The delay of a year in making such difficult decisions has prolonged the agony. Whatever we think about the UK's budget decisions—and some members in the chamber today will not approve of them—we cannot say that the UK Government has taken a short-term approach. It is looking to the long term and making long-term decisions to get public services into sustainable shape for the future.

It is unfortunate that the SNP Government has sought to dodge and delay endlessly over the last period. Even today, we do not know all the detail of the budget's impact. At the end of the day, we are talking about vulnerable people being affected if services are not made sustainable and if the framework that we need to tackle the big challenges for the future is not created.

For the Liberal Democrats, the economy is one of the big issues. I have three points to make. The first is on the council tax freeze. Our pledge was for a two-year freeze, whereas the SNP promised a five-year freeze. Those who have the biggest incomes and live in the biggest houses will make the biggest gains from a council tax freeze, and I am not sure that this difficult time is the right time for the freeze. I urge Mr Swinney to reflect on that decision. I am not sure that giving someone such as Sir Fred Goodwin a £2,900 council tax break should be our priority when we face such challenging economic times in Scotland.

John Mason (Glasgow Shettleston) (SNP): Will the member give way?

Willie Rennie: No; I will not take interventions yet. I might come back to the member.

The second issue is the bridge that has not yet been built across the Forth. Mr Swinney has cut £250 million from the transport budget, but he said that he has made savings. Instead of investing that money in other capital infrastructure projects that would generate jobs and growth, he has decided to spend the money on other priorities. He criticises the UK Government for the reductions in capital spend, yet he cuts £250 million from the transport capital infrastructure budget. A bit more consistency from Mr Swinney on that front would be helpful.

Thirdly, Mr Swinney did not include in his statement our plan for Scottish Water, and I would like him to look at it again. As a result of our plan, considerable sums could be invested in science, warm homes, young people and business. Some of the priorities that are in Mr Swinney's documents are also our priorities, and our Scottish Water plan would have been a mechanism for delivering those things, but he has turned his face against it.

Mr Swinney also had the cheek—

Members: Oh!

Willie Rennie: —to mention the Christie commission in the same section of his speech in which he mentioned the reform of police and fire services. The Christie commission explicitly stated that it was against top-down, silo-mentality, big-bang changes and the centralisation of power, but that is exactly what the reform of police and fire services is. I do not know how Mr Swinney was able to mention those two things in the same section of his speech.

Kevin Stewart (Aberdeen Central) (SNP): Will the member give way?

Willie Rennie: No.

The SNP should reflect. If it is going to take on these commissions and get great men such as Campbell Christie to look at proposals, it should have the decency to follow through on some of their priorities, such as those that the Christie commission mentioned.

It was raining earlier. The coalition is always responsible for the rain; the SNP is responsible only for sunshine. However, people realise that there is a bit more of a partnership. In his spending statement today, Mr Swinney painted a situation in which the UK does only bad things and the Scottish Government does only good things. There were some job losses today at Highland Toffee, which is a really bad thing. That happened in Scotland. In the same country, Amazon jobs have been created over in Fife, and I give Mr Swinney credit for the work that he did on that. However, I want a bit of recognition that the UK Government impacts on Scotland's economy and contributes to the stability and conditions that created those jobs.

Patrick Harvie (Glasgow) (Green): Will the member give way?

Willie Rennie: No.

There is a partnership between the two Governments, and it demeans Mr Swinney and his office for him to present the situation in black-and-white terms and to say that the UK is responsible only for the bad things and Scotland is responsible only for the good things.

The big disappointment in all of this is that Mr Swinney is continuing to duck responsibility. He takes credit for the increase in spending for the national health service but passes the responsibility for dealing with local government cuts on to local authorities. We understand that difficult decisions have to be made but the cabinet secretary should at least step up and accept some of the responsibilities of office and the fact that we have to work together in partnership to achieve change.

The Deputy Presiding Officer (John Scott): I call Jamie Hepburn. There will be some latitude for those who take interventions.

15:10

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I will bear that in mind, Presiding Officer, although I note that Willie Rennie did not take any interventions.

I welcome the cabinet secretary's statement. In a previous debate on the programme for government, I said that the debate was set firmly in the context of the difficult financial settlement that the UK Government had given Scotland. The spending review is set in the same context. Over the next three years, the Scottish budget will be cut—in real terms, I remind Mr Brown—by a substantial £3.3 billion, or 11 per cent below the 2010-11 level. That and the substantial reduction in the capital budget represent a major challenge to the Scottish Government's efforts to support public services and investment and provide a stark and severe illustration of the problems that it faces.

John Swinney said that the spending review falls at a defining moment not only because of those Westminster cuts but because of the fragility of the UK and global economies. Indeed, the downgrading of Italy's financial status has provided another reminder of that fragility. Closer to home, though, problems have been identified in the UK's economic outlook. Last summer, the Organisation for Economic Co-operation and Development forecast a 2.5 per cent growth in UK gross domestic product in 2011, but this summer, it downgraded that figure to 1.4 per cent—a move that has been reflected in downward revisions by others. Westminster's decision to cut the deficit too deeply and too fast is simply not stimulating the economy and only bears out the warnings made by Paul Krugman, Joseph Stiglitz and others that such an approach would not work. In that regard, I thought it ill advised for Willie Rennie to speak as a Tory champion—although I note that he is not listening at the moment.

The Scottish Government needs to take strong action to protect Scotland, and we heard a lot

about that in today's statement. I welcome the announcement of investment in capital spending, even though, given the severe cuts to capital budgets, such a move cannot be easy for the Government. With the announced investment in affordable housing, the Forth replacement crossing, the school building programme and the Edinburgh and Glasgow improvements programme, the Government is not only supporting economic recovery in the short term with the employment of people to construct those projects, but opening up longer-term economic opportunities and ensuring that Scotland has an infrastructure fit for the 21st century.

I welcome John Swinney's comment that he hoped that this would be the last year of a public sector pay freeze. He took that measure not with any great relish but as a consequence of London's cuts agenda; nevertheless, he will appreciate how difficult it has been for workers.

Neil Findlay (Lothian) (Lab): As someone who supports the Scottish Trades Union Congress's there is a better way campaign and is a signatory to the people's charter, Jamie Hepburn surely cannot support the Government's decision to have another public sector pay freeze or the lack of any move to extend the living wage across the public sector. I hope that he will make representations to the cabinet secretary in that respect.

Jamie Hepburn: If Mr Findlay had listened to what I said, he would have heard me welcome the cabinet secretary's hope that the pay freeze will end next year. I hope that Mr Findlay, too, welcomes that. Indeed, I remind him that his party's former Chancellor of the Exchequer said that under Labour the cuts would have been more severe than those made by Margaret Thatcher. Moreover, we should not forget the role that Mr Findlay's party played in leading us into the situation that we face today.

I accept—and Neil Findlay will agree with me—that things have been difficult for workers and their families. I welcome Mr Swinney's hope that the pay freeze will end.

We have seen an uplift in the Scottish living wage. I keep hearing from the Labour Party that it is campaigning for the Scottish living wage, but the Government is taking it forward. The Labour Party wants it to be implemented across the entirety of the public sector, but there are clear limitations on the Government's ability to do that. It cannot dictate to local authorities what their pay policy should be, but I would, of course, welcome local government following the Government's strong lead in implementing the living wage. There is also a commitment to continue the policy of no compulsory redundancies—the Government has given a clear commitment to those who work for it in that regard.

I regret the announcement that pension contributions are likely to be increased as a consequence of Westminster holding a proverbial gun to the head of the Scottish Government and, by extension, Scottish public sector workers. In that regard, it is highly understandable that Gavin Brown pleaded with us not to focus on the record of his Government. If my party's Government had such a record, I would be trying to divert attention away from it.

If that sounds like Tory bashing, let me turn to the Chief Secretary to the Treasury, who recently wrote to John Swinney, following John Swinney's request for an extension to the implementation date for the increase in pension contributions. Danny Alexander wrote:

"In the event of any time overrun ... I would have to reduce the Scottish Government's budget by £8.4 million for every month's delay ... I cannot agree to your request to extend the implementation date beyond April 2012."

I think that that is an absolutely scandalous—

Willie Rennie: Will the member give way?

Jamie Hepburn: I was just about to invite Mr Rennie to defend his colleague.

Willie Rennie: Does the member not realise that money does not grow on trees? [*Laughter.*] If you don't get the money in, you can't spend it. It is a simple formula. I advise the member to go back and look at that again.

Jamie Hepburn: I can confirm to Mr Rennie that I am well aware that money does not grow on trees. Is he aware—I would have thought that he would be—of the Liberal Democrat principle of subsidiarity, which is about decisions being taken at the most appropriate level? I thought that he was a confirmed devolutionist, yet his party and his Government are dictating to the Scottish Government what its policy should be on pensions by demanding that it should follow their lead and bribing it to do so.

Willie Rennie *rose*—

Jamie Hepburn: Do I have time to give way again, Presiding Officer?

The Deputy Presiding Officer: You must close shortly.

Jamie Hepburn: If I did not have to close shortly, I would have been delighted to give way to Mr Rennie, even though he showed a remarkable reluctance to give way to anyone.

I had hoped to focus on preventative spend, which was an extremely important aspect of the cabinet secretary's statement, and which Kenny Gibson spoke well about. I welcome the announcements that have been made today. The emphasis on preventative spend is just one of

many reasons why all sides of the chamber should welcome John Swinney's statement.

15:17

Michael McMahon (Uddingston and Bellshill)

(Lab): I begin by sympathising with Mr Swinney for having to make a spending review statement in the economic circumstances that he faces. I do not envy his task, but I do not support the game plan that he has set out for playing the hand that he was dealt.

As with much of what has gone before in relation to the Government's financial plans for local government in particular, the devil will be in the detail. There is as much interest in what was not in the statement and in what the cabinet secretary has kept hidden from us—or has just not dealt with.

However, one thing that is clear is that the historic concordat is now consigned to history. No longer do we have the pretence of a respect agenda and agreed objectives dressed up as a deal, which was not worth the paper that it was written on.

Now we have the historic diktat, and COSLA can be in no doubt that Mr Swinney holds sway and that he will make councils pay. Contrary to what he said in his statement, there is no agreement with COSLA on the substantive issues in the budget.

If we need an example of the new relationship with COSLA, we need look no further than the wheeze that Mr Swinney has come up with to reprofile local government capital allocations. Asking our councils to raise money through prudential borrowing to fill the gap that he is causing by pushing back the capital budget to 2015-16 may have a superficially adroit air but, in reality, it is a bit like Mr Swinney booking his summer holiday, nipping next door to get his neighbour's credit card to pay for it and giving them a verbal IOU to ease their fears about whether he will pay them back. It might have his mates down the pub—or in sections of the Scottish media, which is much the same thing—toasting his audacity, and it might give the Scottish Government some short-term breathing space on certain infrastructure commitments, but not all councils may be in a position to deploy the borrowing that Mr Swinney hopes for. He should know, because he has been told by COSLA, that some local authorities' capital borrowing credit cards are maxed out. Where that will leave the cunning plan is anyone's guess—and surely that is the problem. We should not leave key financial tools to that kind of fiscal juggling act.

Unfortunately, Mr Swinney's statement was short on an answer to what he will do if local

authorities cannot come up with the prudential borrowing that he expects. He may not care that local authorities do not deliver on their capital programmes as long as his national priorities are met, and he appears not to have given COSLA any commitment on whether the sum he finally pays back will include the outlay costs and interest payments incurred by councils in obtaining the borrowing that he needs for his plan to work. His plan is therefore one of conjecture; it does not give the financial certainty that the economy needs at this time.

Only last week we heard the First Minister, with no hint of irony at all, accuse the Westminster Government of sending a threatening letter on pension fund changes. We heard about it again this afternoon. The SNP can hardly complain about financial intimidation when it has been using the same approach to deal with local government for the past four years. Financial coercion will also be used to deliver the increasingly unsustainable council tax freeze for the next five years, so let us hope that we hear less about the bully-boy tactics of the Westminster goose when they have been good enough for the SNP gander.

Jamie Hepburn: The member referred to the “unsustainable council tax freeze”. Will he remind us what the Labour Party's policy on the council tax was at the election?

Michael McMahon: I am happy to clarify that any time that Mr Hepburn wants. It was to accept the reality: the council tax freeze was already in place for the current financial year, and we accepted that. *[Interruption.]* If Linda Fabiani wants an explanation, why does she not listen to it?

We also accepted that Mr Swinney had put in place the indicators for the second year, but we said that we would increase the council tax subsidy by another £10 million. It was not a great deal, but at least it addressed the fact that we cannot continue to freeze the figure at £70 million for nine years and expect services to remain at the same level. That is the fiscal reality that SNP members will not confront but which we faced up to. *[Interruption.]* They do not like the answer, but they cannot shout me down.

Mr Swinney has also failed to give any signal of the provision that he has factored in to cope with the pressures that will follow the impact of Westminster's Welfare Reform Bill. It is widely accepted that many services that councils deliver will be adversely affected and that many people in vulnerable groups will be forced to look to councils for support when their benefits are changed, cut or removed. It is par for the course for Mr Swinney to put off today what he can blame Westminster for tomorrow, but when individuals and susceptible groups can foresee the impending catastrophic

impact of the welfare reforms it would be utterly inexcusable for him to play politics with the issue.

The gap identified by the Christie commission between existing service demand and delivery is going to grow. Far too many vulnerable groups will find the services that they need further reduced, and the charges that they have to pay due to chronic underfunding of the council tax freeze will undoubtedly increase further.

Quite frankly, as far as local government is concerned, if this is the long-awaited plan MacB, the B evidently stands for baloney.

15:23

Maureen Watt (Aberdeen South and North Kincardine) (SNP): During the previous session of Parliament, the Scottish Government faced the challenges of coping with the recession and cuts in the budget imposed by spending decisions made at Westminster. Those challenges are much the same today, with the Scottish budget again falling in real terms. At least we can see how the decisions that John Swinney made in previous budgets have played out. Scotland has experienced a shorter and shallower recession than the UK as a whole, and the latest set of figures shows that Scotland is the only part of the UK where unemployment is falling and employment is rising.

The Scottish Government put protecting jobs and returning to growth at the heart of its economic recovery plan, and it is no coincidence that the statistics are now painting a starkly different picture from that in the rest of the UK, where the focus has been on making cuts too swiftly and too steeply for the economy to handle. The Scottish Government has consistently put growing the Scottish economy at the heart of its activity, particularly during these difficult times. The spending plans only underline that fact.

Danny Alexander claimed that the SNP is the enemy of growth in his bizarre conference speech earlier this week, but all he did was show how out of touch with reality he and his colleagues in the UK Government really are.

This is the same Danny Alexander who seemed to take a perverse pride in launching a punitive tax raid on the North Sea oil industry, undermining plans for future investment in an industry that has yet again poured billions of pounds of revenue into the Treasury's coffers. The industry is expected to generate £13.4 billion in tax revenue this year, yet the approach of the UK Government was to squeeze the industry and to smother its growth. People in Scotland know the real enemy of growth and it is certainly not the SNP Government

That failure to encourage growth has been the hallmark of the UK Government's response to the crisis and has put us on the brink of a return to recession. Rather than change course, as is so clearly needed, George Osborne seems incapable of saying that he was wrong and of doing what is clearly necessary to boost economic growth. We have heard that many people south of the border would like Alex Salmond to be their leader—perhaps they would like to have John Swinney instead of George Osborne.

Capital investment is always at the heart of any successful attempt to grow an economy, yet Westminster is cutting the Scottish capital budget by 36 per cent between 2011 and 2015. When the Scottish Government accelerated capital funding into housing, the result was an 11.6 per cent increase in construction jobs compared with a 0.2 per cent fall across the UK. The chancellor may have tried to blame lower than expected construction figures for the need to downgrade growth forecasts but the Scottish Government has already demonstrated to him how to address that problem.

The Scottish Government's leadership in prioritising spending to drive economic recovery and growth should be commended as an example that the Treasury would do well to heed. It is right that the Scottish Government is doing all that it can to prioritise capital investment, using innovative sources of finance where appropriate to compensate for its reduced capital funding.

Margo MacDonald: Does Maureen Watt agree that, although the finance minister has done a good job in attempting to grow the economy, he should be making it clearer to Scots that he could grow it much more if he had control of all economic levers?

Maureen Watt: I could not agree with Margo MacDonald more.

In particular, the non-profit-distributing model has a major role to play in financing £2.5 billion-worth of investment in the coming years, including in essential projects such as the Aberdeen western peripheral route. I know that people across the north-east will find that reassuring.

A second wave of the national housing trust initiative will also go a long way towards helping Scotland's construction industry continue to outperform the rest of the UK.

These remain difficult times and the Scottish Government has had to make difficult decisions as a result, yet its focus on using capital investment as a spur to economic growth is demonstrably the right one. Whether it is called a plan B, a plan MacB or a plan SNP, this spending review shows that the Scottish Government is continuing to demonstrate the course of action that the UK

Government should be following. George Osborne would do well to take heed, swallow his pride and follow suit before he drags the UK economy down into a second recession.

15:29

John Mason (Glasgow Shettleston) (SNP): My constituency is not the most well off in the whole country but the people in it, and those in other constituencies, are realistic about the fact that we face tough times. People know that it is not their fault and that it is not the fault of this Government. They accept that we will go through difficult times and that the pain must be shared around. Over the next few years, a lot of the fight will be on defending our current services, as much as it will be on expanding them as we would like to do.

It is easy, as we have heard this afternoon, for Opposition parties just to stand there and criticise some of the cuts, but we have not heard much from them in the way of alternative proposals.

One of the main questions for me—certainly today—is how John Swinney's proposals will affect those who are less well off. I want to be enthusiastic and congratulate John Swinney on the concept of a social wage and some of the factors within that.

The first such factor is certainly the council tax freeze, which is tremendous and is extremely popular among my constituents and, I believe, many others. The starting point is that the council tax is a bad tax that we want to get rid of. As Willie Rennie suggested, of course some people could pay a bit more, but the reality is that it is a regressive tax that hits the poorest hardest. Many ordinary people, including pensioners, with a small bit of extra income get hit if we put up council tax. The continuing freeze is therefore a welcome help to many ordinary families.

Michael McMahon: Will Mr Mason tell us how many ordinary families will be hit by the local income tax that he hopes to introduce, given that the Government has tried to hide those figures for so long?

John Mason: A local income tax would help poorer people even more. For example, those who do not pay income tax at all would therefore pay no local income tax. In comparison, a couple of pensioners with limited means have to pay the same council tax as the four adults who live next door, in exactly the same kind of house, who all earn good salaries. That is the whole point. We still wait for Labour to give us some alternative to the present unfair council tax system.

Gavin Brown: If the member is so enthusiastic about the local income tax, can he explain why his

party, which is in government, is not doing anything about it?

John Mason: It is impossible for us to do anything about it at this time because we are considering the Scotland Bill. We cannot have both the Scotland Bill and new income tax powers coming in. The reality is that, however much we all want it, HM Revenue and Customs has a veto.

The second major factor that I welcome within the broad social wage concept is the idea of no compulsory redundancies, which is very positive. Clearly, a pay freeze is difficult for people when we have inflation of 4 or 5 per cent. However, for many of my constituents, if the choice is frozen pay or no pay, most would prefer the former. I welcome the £250 increase for those with an income of under £21,000 and the concept of a living wage that is going up to £7.20 an hour.

Kenneth Gibson: Does the member share my disappointment that some Labour councils, such as North Ayrshire Council, are not passing on the £250 saving to low-paid workers and are not paying them that sum?

John Mason: Yes. I was not aware of that, but it is extremely disappointing. I know that Kenny Gibson is always right with his facts.

If I picked up the Labour Opposition members correctly, they suggest imposing the living wage on all local authorities and on other parts of the public sector. That brings up a fundamental point that that is a centralising approach, which I thought Labour had grown out of. I seem to remember being in Labour—being in labour? I don't think so. *[Laughter.]*

Jackie Baillie (Dumbarton) (Lab): Perhaps I am much mistaken about this, but does the member recall that his own First Minister promised to do exactly that during the election campaign, when he promised to introduce the living wage to every local authority? Perhaps it is the member's memory that is a bit hazy.

John Mason: The question that I have, which I was just coming on to and which I think Neil Findlay touched on earlier, is that there seems to be a certain inconsistency in Labour's position. It says that we should impose a living wage on the public sector and just let the private sector go scot free. However, when I was down at Westminster, the Labour Government refused again and again to introduce a proper minimum wage. If we had a proper minimum wage, we would not need to have this discussion about the living wage going to only certain parts of society, which disadvantages the public sector. *[Interruption.]* I thank Kenny Gibson for another helpful intervention.

We also welcome the small business bonus scheme. Some people might think that the scheme

just helps big business in some way, but in fact it helps very small-scale shopkeepers. Some shopkeepers in my constituency are struggling against the huge supermarkets that are just down the road. The scheme gives welcome and much appreciated support—tied in, of course, with the business rates supplement that is coming up.

Time is going to beat me soon. I welcome—

The Deputy Presiding Officer: Given that you took so many interventions, you can continue for a little longer.

John Mason: Thank you.

I welcome the policies on free prescriptions, free personal care, concessionary bus travel and higher education. The argument keeps being made that some people could pay for those benefits. People say, "Surely better-off people have to pay." However, as soon as we start introducing charges the people on the margins get caught out. Pensioners who have just a little extra income have to start paying. I support the Government's intention to continue to provide those benefits for free.

I congratulate John Swinney on presenting such a positive review at such a difficult time.

15:35

Jackie Baillie (Dumbarton) (Lab): I welcome the opportunity to debate the Government's spending review proposals.

There has been a recurrent theme in the debate: times are tough, there is a tight financial settlement and the money that is coming from the UK Government has been cut or at best flatlined. As ever, the Government is shaping up to play the blame game. That is something at which it is extremely proficient, but politics is about choice and the Scottish Government cannot shirk the responsibility for the choices that it makes.

As members would expect, I pay extremely close attention to the outpourings of the First Minister and his deputy. I remember clearly the promises to protect the NHS budget, which they shouted from the rooftops. However, I invite members to look a little closer. During the debate, the Scottish Parliament information centre has been doing some number crunching for me. Over the period 2011-12 to 2014-15, the overall health budget falls in real terms—the SNP is keen to talk about real terms—from £11,652 million to £11,325 million. That is a real-terms cut. It is not an increase; it is a cut of £327 million.

Kenneth Gibson: Will the member give way?

Jackie Baillie: Health service inflation runs at more than 4 per cent, so there is real pressure on staff and services throughout the NHS. Perhaps

Kenny Gibson does not believe me, so here is what the British Medical Association said:

"The NHS faces an unprecedented real terms reduction in its budgets for the first time since devolution and, because the Scottish Government delayed the first round of cuts last year, this year will prove to be the most challenging as the service faces a double whammy of cuts. It would be naive to expect that this will not have an impact on patient care and access to healthcare services."

I will be delighted to let Kenny Gibson in to tell me why the BMA is wrong.

Kenneth Gibson: First, I find it interesting that Jackie Baillie and Michael McMahon both want increased money for local government and the NHS but will not say where the additional money will come from. Can she tell us why—

Jackie Baillie: The member should sit down. I asked him a specific question, which he failed to answer. Clearly, the BMA is right.

The SNP might choose to lay all the blame at the door of the coalition, but I remind members that in the previous parliamentary session the SNP failed to pass on the 6.7 per cent average year-on-year increase for health spending that was applied to the NHS in England. Instead, it chose to divert 3 per cent elsewhere, leaving the NHS in Scotland less able to weather the current financial storm.

It beggars belief if the SNP thinks that we believe that the NHS is being protected, when it is slashing thousands of front-line staff from hospitals across Scotland. The two positions are entirely contradictory and no amount of conjuring on the part of the SNP can hide that. Last year, 4,000 staff were to be cut from the NHS. The figure included 1,500 nurses. This year, a further 1,000 nurses will be lost. In total, 2,500 nurses will have gone, leaving their colleagues to pick up the pieces and cope with the increasing workload.

Members will remember that the Cabinet Secretary for Health, Wellbeing and Cities Strategy is fond of telling us that there are more nurses in the NHS than was the case when Labour was last in office. She has repeated that mantra time and time again. Her boss, the one and only Alex Salmond—who was keen to get in on the act—said in the chamber on the day before recess began:

"The protection of the health budget has meant that, even in these difficult times, health employment in every single category—through medical consultants, general practitioners, dentists and nurses to allied health professionals—is substantially up today on the level that we inherited in 2007."—[*Official Report*, 30 June 2011; c 1270.]

That is simply not the case. The First Minister and his Government are coming to believe their own propaganda. It is complete fantasy and has no basis in fact.

The Government's statistics on workforce numbers demonstrate that one has to go back to 2005 to find fewer nurses and midwives in our hospital wards and communities. The SNP has taken us back six years, and there are even more cuts in nurse numbers yet to come.

John Swinney: Will the member give way?

Jackie Baillie: The Government needs to be honest with people, and if that is how John Swinney protects the health budget, heaven help us.

John Swinney: I am very interested in Jackie Baillie's argument. She argued a moment ago for more money for the health service for more staff, but she has just criticised the Government for not reducing the budget earlier in line with the BMA's aspirations. What position is she setting out in her ridiculously muddled argument?

Jackie Baillie: I am sorry to make the cabinet secretary so uncomfortable. The argument is not muddled. He promised to protect the health budget and that there would be no compulsory redundancies, but there is a real-terms cut in the health budget and thousands of staff are being shown the door. Those are real cuts that are happening to the health service right now on John Swinney's watch, and there is no escaping that.

The SNP was elected on a promise that it would keep services local, but early evidence, such as the proposed closure of Lightburn hospital, suggests otherwise. Health boards have been clear that, in saying how they would cope with the cuts in their budgets, they would need to consider substantial service redesign, which would include the closure and downgrading of many facilities throughout Scotland. Who is right? Will the SNP keep its promise and keep services local? I think not.

I am conscious of time, so in the last few moments that are left to me I will touch on welfare reform. We are facing the most seismic changes to the welfare state in my lifetime, and there are substantial implications for devolved services, from the changes to housing benefit and council tax benefit, to the implications for passported benefits such as free school meals and clothing grants, and the payment for social care and concessionary travel. Where in the 250-page budget document is there any mention of that?

The SNP is sleepwalking into this. It is not clear about the implications, and it appears that there has been little dialogue between the Scottish and UK Governments, and certainly little—if any—dialogue with local government.

We know that the SNP wants control of benefits in the new and shiny independent Scotland, but when it has been given control, as it has been with

the devolution of community care grants and crisis loans to Scotland, it cannot even answer simple questions on what it wants to do or how the funds would operate. On the basis of current evidence, the SNP appears to prefer constitutional change to sorting out how our poorest people put bread on the table.

The Deputy Presiding Officer: The member should close now.

Jackie Baillie: I suspect that the SNP is simply waiting in order to blame it all on someone else. In that regard, it is disappointingly consistent.

15:43

Nigel Don (Angus North and Mearns) (SNP): I will change tack slightly, because there are many things in the statement. I congratulate John Mason on discussing the impacts on those in our society who are less well off; I would have liked to do the same, but I will not repeat what he said.

I will address the issue of capital expenditure, which is the other side of the coin from preventative spending. We build a house because it is a great deal more comfortable than living in a tent, and it improves health and a good number of other things. If we build our house decently, we do not have to buy another tent, or deal with the consequences of what blows in through the door.

Capital expenditure is actually spending to save on a grand scale and for the very long term. We have been doing it for centuries, and it is the right thing to do. What are the benefits of having a constant—or at least fairly consistent—capital budget for a Government? The main benefit is for those whom we want to do the work. We cannot just rustle up a company that can build us a road, a harbour or a hospital. Those are professional businesses of considerable size and stature. If we are to maintain those businesses over time, develop the skills of the engineers and others, and provide the training that is required in order to develop and maintain those skills, we need consistency of work.

The major point that Governments ought to know—including the Scottish Government and the UK Government—is that we need pretty level capital expenditure. If it is going to rise, it should rise gently. If it is going to fall, it should fall gently.

The Scottish Government plainly understands that. What we have before us is an attempt to maintain capital expenditure when the UK Government has savagely cut it—a 36 per cent cut is savage in anyone's currency. We should be resisting that. The main purpose of what I am about to say is to remind the UK Government that it does not have to be like that. We have before us a Scotland Bill—as a member of the Scotland Bill

Committee, I am well aware that the bill is seriously defective. Indeed, the proposals in the bill for capital borrowing—which is what we should be doing—are quite counterintuitive. The larger our budget in any year, the more we may borrow. However, when our budget is high we do not want to borrow. The time when we should be able to borrow is when our budget is low. Not only is the ambition in the Scotland Bill defective, but the mechanism is defective.

Why will the UK Government not let the Scottish Government borrow? I am struggling to work that out. The week before last, in the Scotland Bill Committee, the Secretary of State for Scotland, Michael Moore, let go the figure of £155,000 million as the deficit budget in the current year. He acknowledged that that was rather a big number—it was much bigger than he wanted. I absolutely agree with him. However, in that context, how would a few million spent by the Scottish Government servicing the debt to borrow a few tens or hundreds of millions for capital investment really matter? The answer, quite frankly, is that it would not matter. If the money was coming out of our budget, how could that possibly be a problem to the UK Government? Apparently it is. We simply cannot borrow, because the UK Government says that we cannot borrow. That could and should be addressed and, with the greatest respect, it needs to be addressed very quickly.

What are the benefits? There are several. I shall pick out one or two. If we build homes, we improve the life chances of those who live in those better homes. We also have the opportunity to reduce energy costs and our carbon footprint. What are the benefits of improved transport? We would spend less time and probably less energy travelling, and travel would almost always be safer. That is the lesson of infrastructure investment.

We all have experience of the benefits of spending more money on information technology. I suspect that most people listening and reading know those benefits, too. It improves the efficiency and commercial opportunity of our people. If we spend money on schools, how could that be anything other than good for our youngsters? How can it do anything other than improve our outcomes?

As the ministers are well aware, I have a local interest in the issue of money being spent on improvements to roads where there are safety issues. Such investment clearly improves safety and the wellbeing of people who travel on such roads, and it reduces the costs of those public services that have to deal with the consequences of accidents on our roads.

It is staggeringly simple. I have not told Parliament anything that it did not know. Surely I have not told the UK Government anything that it does not know. It is up to the UK Government to sort it. It is not that difficult. We need borrowing powers.

15:49

Patrick Harvie (Glasgow) (Green): Richard Baker began by suggesting that the budget is unlikely to involve much drama or any knife-edge votes. I am more relieved than most members about that—for my blood pressure's sake, if nothing else. However, the budget could and should produce drama of another kind.

As the Government has a majority, Mr Swinney has the power to set a radically new direction for Scotland. He has just returned to the chamber, so I am embarrassed that he will hear me say that he has always demonstrated competence in his role—I have often acknowledged that. This year, he must fulfil that role against the backdrop of savage cuts.

Gavin Brown warned us not to whine about the cuts—the attack on public services that is coming from the UK Government. I would have zero confidence in any Scottish Government that did not challenge in the strongest terms cuts that will worsen every one of the five giant evils in our society that the Beveridge report identified and which the NHS and the welfare state were created to fight.

As for the frankly bizarre speech from Willie Rennie, who has chosen not to stay for the rest of the debate, he still seems utterly confused about whether the Liberal Democrats in Scotland back the UK Government's programme of cuts. The Liberal Democrats need to clarify that position as soon as possible.

Jamie Hepburn: Why does Patrick Harvie say that the Liberal Democrats seem confused? I thought that it was clear that they support the agenda that emanates from Westminster.

Patrick Harvie: It is clear that the Liberal Democrats support that agenda one day and do not support it the next. That is part of the problem.

Mr Baker said that John Swinney had not pulled a rabbit out of a hat in the budget. If only it was that easy—if only a magic hat, from which Mr Swinney could pull a rabbit, existed. That is not the case. However, he can make serious choices, which are for us all to make.

I support the important choice that has been made to keep access to higher education free and to commit to a minimum student income. However, we should not feel satisfied about a figure of £7,000 a year, which is barely half the income of

somebody who earns the living wage, which many of us aspire to allowing all people to expect. Let us be clear that living on £7,000 a year is living in poverty—we should not be satisfied about that.

There are choices to make about revenue raising. Mr Swinney said that options for revenue raising had been examined but—to be honest—little detail was given about the substantive choices that could be made. I welcome the measures on empty properties, for which I have called, and I look forward to seeing the detail. Those measures must be extended to cover vacant and derelict urban land, because speculation in some such areas has been the most damaging to the fabric of our urban communities.

Tax increment finance was mentioned. Perhaps it has a role in some circumstances, but again I express concern about the proposal in Glasgow that would in effect involve publicly underwriting the private risk of expanding a shopping centre. That would be an inappropriate use of tax increment finance.

A choice has been made to shift £750 million from revenue to capital. That choice is on a whopping scale. I agree that investment is an important aspect not just of meeting our on-going needs but of recovery, but what investment is important to choose? We should not choose to shift £750 million from revenue to capital to fund an ever-growing roads budget while public sector pay remains frozen.

Mr Swinney talked about the future transport fund. I welcome much under that heading, but it is utterly contradicted by today's transport spending.

Another choice that has been made is to push for local government borrowing powers for investment. That opportunity could be phenomenally powerful, but in what do we ask local government to invest borrowed resources? A massive investment programme in publicly owned renewables would generate revenue for the future, as well as clean energy. It could leave us with a legacy whereby every local authority had its own local energy company that contributed to the economy, as well as the environment. If we simply ask local government to invest in initiatives to which the Scottish Government previously contributed, we will be no better off.

Similarly, investment in quality, energy-efficient housing is a real priority. Mr Swinney spoke about working with energy companies to increase their investment in energy efficiency. That is all well and good, and such work will get wide support, but for years there has been a pretty much unanimous call that that task will need public investment on a dramatically higher scale than we have ever seen

before. It is not a matter of working with the energy companies or public investment: we need both.

Finally, the position on public sector pay and pensions represents a real and meaningful choice that will impact severely on individuals throughout Scotland. Public sector workers will be rightly angry at seeing their pay and conditions undermined for the purpose of raiding revenue to pay for a road building programme. I sincerely hope that Mr Swinney has had proper discussions with public sector unions about those issues, as they may be left with no choice but to take action to defend public sector workers and the services that they deliver in Scotland.

15:56

Chic Brodie (South Scotland) (SNP): I am glad to agree with Patrick Harvie that the spending review smacks of competence. Like the recent economic performance, it emphasises the gulf between the Scottish Government's boldness and competence, and the London Government's timidity and inexperience.

When Danny Alexander was heckled at the beginning of his conference speech at the weekend by one of his own, who shouted "Rubbish!" it was clear that the heckler had either had foresight of the speech or was making an early comment on Danny Alexander's performance in handling the economy. Only days—indeed, hours—after Danny Alexander gave his rather upbeat speech on the economy, the International Monetary Fund reduced its UK growth forecast by nearly 30 per cent. That upbeat speech should be contrasted with that by Vince Cable only two days later. That shows the mess that the London Government is in. Even with my passing interest in astrology, it is difficult for me to foretell what the London Government's economic performance might be even in the near future. We have competence; London has Danny Alexander.

I believe that, on being appointed as Chief Secretary to the Treasury, Danny Alexander was given an economics book, but he has not filled or coloured it in yet. He should have been given a history book instead of that economics book. He would then have read that, in the 1950s, for example, in a period of stagnation and rising unemployment, a Tory Government under Harold Macmillan embarked on a major capital investment programme. Some 125,000 homes were to be built and there were other capital programmes to stimulate a slowing and sluggish economy. The same approach was taken in the United States in the 1930s. Harold Macmillan said at the time:

"You've never had it so good."

If we had to leave things much longer to Danny Alexander and George Osborne, we would never have had it so bad.

Nigel Don made the point that making capital investment is right, as is the balance in the rest of the strategy. The approach sits alongside the facilities and opportunities for training and education, particularly for the young unemployed and our apprentices; it runs in parallel with further efficiencies through spend-to-save programmes in the public sector; and it will create incentives to better our environment. The spending review is wedded, bonded and welded to our recent economic performance.

It is absolutely right to maintain the social wage and consumption, but prioritise investment. The asset management strategy to dispose of underutilised assets and shift to the optimum utilisation of good and needed assets to boost the economy is absolutely right. The London Government's slash-and-burn economic thinking and the cutting of our capital budget by 36 per cent over the next four years—again, Nigel Don referred to that—represent the economics of the madhouse. Osborne and Alexander are doing for the UK economy what the Boston strangler did for the door-to-door salesman. Investing capital in the major projects that the cabinet secretary has announced while securing public service delivery is no mean feat in the current financial imposition.

The point has been made that the investment of capital in housing and energy to combat fuel poverty, avoid health degradation and, in the process, reduce costs to business is welcome. Welcome, too, is the investment of capital in the improvement of our infrastructure, which will enable us to capitalise on economic growth, and in our export industries such as food and drink. All that contributes to the generation of increased national income in the future.

Last week, I said that the economic position—even the international economic position—presents us with a real challenge. However, it also provides us with real opportunities to create a more level playing field in the future in terms of income; to invest in efficiency; to invest in our young, so that they can meet their aspirations; to restructure and create a public service environment that is fit for the 21st century; and to invest in measures to ensure fairness for our people and communities.

This aspirational spending review is for the benefit of the people and by working together with the people of Scotland we will make our nation leaner, fitter, fairer and more ready to settle our own destiny.

16:01

James Kelly (Rutherglen) (Lab): The situation that Mr Swinney is in when he presents his spending review is that of a man running away from the incoming tide as it rushes up the shore. He is under the twin pressures of the cutbacks from the UK Government and the promises on which his party fought the election. The SNP promised more than it could deliver with the finances that it has.

Kevin Stewart: I hear the member's analogy about King Canute. A previous chancellor, one Gordon Brown, was a man who ignored what was up ahead. What does Mr Kelly say about that?

James Kelly: I was absolutely delighted that Gordon Brown was able to intervene in the banking crisis with a rescue package of £37 billion, which is more than the Scottish budget, and was able to save the jobs and mortgages of Scottish householders, while those on the SNP benches remained silent.

There is no issue that shows up the difference between the SNP's rhetoric and the reality of its promises more than that of the justice budget. The SNP talks often of its promise to maintain the 1,000 extra police officers, but the police grant was set at £480.3 million and frozen over the three years of the spending review. That is a real-terms cut, so the money that the Government is passing to local authorities in order to enable them to maintain those police numbers is not effective.

Bob Doris (Glasgow) (SNP): Will the member give way?

James Kelly: I will let the member in in a minute, if he will let me develop my point.

In addition to that, police authorities have already had challenges to their budgets and have had to reduce backroom staff by hundreds, which has meant that the extra front-line officers—which were welcome—have, in effect, been drawn back to the police stations to do the jobs that used to be done by the backroom staff. It is all very well preaching about front-line policing, but the effect of taking officers away from the front line and placing them at desks in police stations undermines the Government's pledge and public safety. Does Mr Doris agree with that?

Bob Doris: I do not doubt Mr Kelly's sincerity in pushing for more cash for justice, but we have also just heard Jackie Baillie making an impassioned speech asking for more money for health. I am the deputy convener of the Health and Sport Committee. It would help me with regard to our budget scrutiny if Mr Kelly could tell us whether Labour wants more money for health, for justice or for both, and where that money will come from. As I scrutinise the budget, I want to be

sure that I am not hearing empty rhetoric from Labour members and that they have something meaningful to say.

James Kelly: I will meet Mr Doris's challenge head on. The recent Audit Scotland report, "An overview of Scotland's criminal justice system" showed that processing offenders through that system cost £857 million. There are a number of aspects where money could be saved, but I will give Mr Doris two specific examples. Having trials collapse late in the day cost £30 million. Surely if we can improve that process we can get more money to protect Scotland's communities.

Bob Doris: So, you do not want more money—

James Kelly: You asked me for ideas, Mr Doris, so do not complain. You asked me for ideas on how to save money and I am giving you them.

The Deputy Presiding Officer (Elaine Smith): Could you speak through the chair, please?

James Kelly: Sure.

Bob Doris: Will the member give way?

James Kelly: No. I am not going to take your intervention—

Bob Doris: Do you want more money for justice?

James Kelly: Sit down, Mr Doris.

The Deputy Presiding Officer: Mr Doris, the member is not taking an intervention. Thanks.

James Kelly: I will set out another idea about how to save money in the justice system. The Audit Scotland report also found that there are a number of areas in the justice system where the information technology systems do not communicate with each other. I find it shocking and unacceptable that in 2011 our IT infrastructure is not good enough. Surely if we make the investments and get the IT systems speaking to each other, we will be able to save money.

John Swinney: I am grateful to Mr Kelly for giving way, because he touches on a ground of real substance in the budget. I have required public sector bodies to follow the approach of the McLelland information and communication technology review to tackle exactly the issue that Mr Kelly is talking about. The budget numbers in the document are predicated on organisations getting on with addressing the issues that he raised.

James Kelly: I welcome Mr Swinney's words, but we need to see that followed through. When Audit Scotland does its follow-up report, it will be interesting to see whether the IT systems are beginning to communicate with each other properly.

Another point highlighted in the report is that there are 825,000 victims of crime in Scotland. We need to give more priority to them. The budget submission from Scottish Women's Aid tells us that 84 per cent of the groups that do a lot to support victims of crime are operating on either a standstill or a reduced budget. More has to be done to stand up for the victims of crime.

Budgets are about not just numbers in a document, but the effect on communities. Labour will study the budget over the coming weeks and months. We will study the justice budget in detail to ensure that there are the numbers and priorities in it to protect Scotland's communities.

16:08

George Adam (Paisley) (SNP): The debate has been interesting. Last week I said that the debate was mature, but it has not been at quite that level this week—I feel that the Opposition parties have let themselves down.

Jackie Baillie said that she and the Labour Party were consistent. The debate has not shown that at all; there have been inconsistencies all over it. My colleague Bob Doris asked what exactly Labour's economic ideas are and what it will offer, but all we got was the equivalent of a five-year-old's letter to Santa. I advise Mr Simpson to get his letter in now, because Santa gets busy in December. Now is a good chance to move things forward there.

Mr Baker said that the budget is damaging; that it needs to be changed; that it is a difficult budget; and that cuts are being made too fast and too deep and are hampering future growth. He cannot have it all ways. He has to make a decision. I say to Mr Simpson that it is about responsibility—we have to do something with the powers that we have from Westminster. I heard Mr Baker say that there are no rabbits being pulled out of hats. I say to him, "It's called an election. You have a manifesto; you have the election; you win the election; and then you have the spending review. If you do it all openly and above board, everyone knows what you are going to offer and do."

Mr Baker acknowledges Westminster's cuts, yet at the same time says that Labour wants to do something different. I remind Mr Baker that it was a Labour chancellor who said that the cuts that the Government would have to make would be deeper and tougher than those made by Thatcher.

Talking about deeper and tougher than Thatcher, Willie Rennie had the audacity to say that he was thinking about vulnerable people, while the Liberal Democrats are in a coalition Government that is attacking people on the disability living allowance. Those vulnerable people in our communities have no idea how their families will continue. Mr McMahon and I heard

only a couple of weeks ago at a cross-party group meeting about some of the results that will come from that.

Mr Gavin Brown told us to stop whining about Westminster and to take our handout from it. That is part of the problem, Mr Brown. As the cabinet secretary said, the further powers of independence are needed.

We have been told that Westminster is at war with the economy. The only war that it is bringing to the people of Scotland who work in the public sector is increasing employee pension contributions and it is threatening the public sector and Scotland with an £8.4 million per month bill and £102 million per year invoice for the good of it.

While Westminster wages war, the Scottish Government has offered £826 million of Barnett consequential. At a time of real-terms cuts from Westminster, the Scottish Government has offered £2 billion to the likes of Greater Glasgow and Clyde NHS Board to help front-line services and people in our communities.

The Christie commission is very important for public sector reform. Willie Rennie said that the reform of the police and the fire and rescue services was not a good example. I argue that it is a good example, because it shows that we have the ability to look at the plan and have a centralised force that at the same time will be accountable to local people in all 32 local authorities. It is entirely up to the grouping of local authorities whether they wish to have it in any other shape or form. For me, that is a perfect example.

If the cabinet secretary is looking at public sector reform, I ask him to look at the Strathclyde partnership for transport. It gets £40 million per year from a partner organisation, it has corporate costs of nearly £10 million per annum and it has loan recharges of £8.9 million per annum, but nobody knows what that sum is paying for or what it has built. I ask that we look at the SPT, as there are better ways of delivering transport in our areas.

On regeneration, I am pleased that the small business bonus will continue. In places such as Paisley, it is much appreciated. Empty property relief is a fantastic idea, which will help Paisley High Street and other high streets across Scotland ensure that they are full of retailers, rather than empty shops.

On the four enterprise areas, I ask the cabinet secretary if he could look at Renfrewshire Council's plan for Glasgow airport enterprise area. If we are to look at matters such as renewables, we have steel engineering on our doorstep in Doosan Babcock, along with William Tracey and WH Malcolm, which are already working in the

industry. It might be a good idea to look at Glasgow airport.

In closing—I am well ahead of schedule for a change, Presiding Officer—I will say that we live in very difficult economic times and it is important that we work to represent and provide for all the people of Scotland. The cabinet secretary has been bold and radical during these uncertain times and it is time for sobriety of thought from politicians, not the heckles that we have had from the sidelines.

Gavin Brown: That is a bit rich coming from an SNP backbencher.

George Adam: The heckles have started again.

During May's election, the SNP fought a visionary, positive campaign that has resulted in this comprehensive spending review. There is hope and vision for our future. All that has been delivered under the constraints of Westminster. We need further powers and we need independence.

The Deputy Presiding Officer: Thank you, Mr Adam. I am grateful that you have come in on time this week.

16:13

Claire Baker (Mid Scotland and Fife) (Lab): Today is a significant day in the parliamentary calendar. It is a day that will, in many ways, define the SNP as a majority Government. We have had the detail of the budget for only a few hours and the Parliament will take time to scrutinise fully the budget for the coming year and the longer-term spending review. Today, however, we can lay out our initial concerns about the budget and the challenges for the years ahead that the Government must deliver on if we are to make Scotland healthier, wealthier and smarter.

We all recognise the difficult economic environment that the Government is working in. We, along with other members, have been critical of the economic decisions that have been taken by the coalition Government, which is pushing ahead with cuts that not only are damaging to economic growth but impact on everyone's day-to-day life as the cost of living increases but wages stay static.

In that context, the Scottish Government still has a significant budget and powers with which to shape Scotland's recovery and growth. Although we are seeing positive investment in Scotland—today, we had confirmation of the extent of Amazon's investment in Fife—the positive news often masks hidden unemployment problems, such as the high numbers of women who are unemployed or who are working on low wages and in part-time employment. There are real challenges for those who are on the margins of the

unemployment market; challenges that are heightened by the on-going review of Remploy. If Remploy closes, many vulnerable people in my region will be alienated. There are also high rates of youth unemployment, particularly long-term youth unemployment.

I know that the Government shares our understanding of how damaging youth unemployment can be in the immediate and long term, and we have worked with the Government to increase the number of apprenticeship places, but the issue remains a significant challenge for the Government. We should all recognise the role that colleges play in addressing that very real problem. They have been quick to react and have worked hard to ensure that no one is turned away. They have moved to provide options for school leavers and those who face redundancy.

Last year, the colleges accepted a one-year deal involving a 10 per cent cut, while promising to maintain places. In many cases, colleges have increased the number of places in response to the local unemployment challenges that our communities face. However, make no mistake, the cut was difficult to absorb. There have been course cuts, reductions in contact time—a full-time course was recently reduced from 25 to only 16 hours a week—and cuts to student guidance and counselling services, which are the very services on which many of our more vulnerable students rely. There are also the redundancies, with more than 1,000 jobs cut in the past year in the college sector. That is a 7 per cent decline, which is more than in any other area of the public sector.

Given the current inflation figures, a flat-cash deal was the best that colleges could hope for, but with what looks like a 12 per cent cut over the period of the spending review, that must surely threaten the colleges' ability to deliver the Scottish Government's places pledge or risk affecting the quality, depth and range of education that they deliver. Colleges do not have the universities' comfort of the First Minister's guarantee on comparable funding, but they have been facing substantial pressures and, with the budget and spending review, they will continue to face pressures, which will increasingly impact on their ability to deliver. The Education and Culture Committee will carefully scrutinise the issue in the coming weeks and we will hold the Government to account on the figures.

The first priority for the college sector is to provide opportunities, but we must ensure that it can do so from a strong position that benefits students. The merger proposal that was announced in last week's post-16 reform statement has raised serious concerns about the ability to do more with less. The period of the

spending review will reveal how sustainable that is.

The Cabinet Secretary for Parliamentary Business and Government Strategy (Bruce Crawford): I respect the way in which the member is putting across her point, because she is doing it in a mature and sensible manner—and I mean that. However, we have had requests for money for local government, police, justice, health, and now for colleges. I understand from an audience perspective why individual spokespersons might do that, but can Labour please tell us where the additional resources will come from to support such a wide variety of choices?

Claire Baker: The college sector has shown, in the deal that it did last year, that it recognises the economic problems that the Government faces. It is important for the Government to work with the college sector. There are concerns about the way in which the merger proposal was announced and colleges feel a bit blindsided by it. The sector appreciates the difficulties that we all face and it has gone the extra mile in trying to address them, but it faces a substantial cut in the next three years in the Scottish Government budget.

The sector appears to have been blindsided by the merger proposals. There was no mention of that direction of travel in the SNP manifesto but, less than a week after the statement, the University of Abertay Dundee has received a clear indication that it is under review by the Scottish Further and Higher Education Funding Council. The Government must be clearer about its intentions on the issue and about the extent to which it supports college and university mergers. It must make clear whether it will guarantee that educational grounds will always be the determining factor.

In addition, universities are facing their own challenges. They have a guarantee that the Government will fill any funding gap, but there are still many unanswered questions for the institutions. Some are taking full advantage of the opportunity to charge rest-of-UK students the highest fees in the UK—a situation that the Government must get a grip of—but there are no details of an equalisation mechanism to ensure that no universities are disadvantaged. Although the Government has announced plans for a minimum student income, that will apply only to the poorest students, leaving many students continuing to rely on commercial debt and on working long hours to supplement their income, with many dropping out because of financial pressures. The measures in the budget are welcome as far as they go, but there is much more to do on creating a fairer student support system.

I will close with a comment on schools. At yesterday's Education and Culture Committee, we

had a wide-ranging debate on the McCormac report. Based on the evidence that we received, that report holds many challenges for Michael Russell. However, Drew Morrice, the assistant secretary of the Educational Institute of Scotland, said that the crucial issue for all the reviews that are being undertaken in education is the spending review. While promises on probationary employment are to be welcomed, the flat-cash deal that has been given to local authorities will be passed on to schools that have already seen devolved budgets being cut, vacancies not being filled and the number of support staff being reduced. Within that context, the schools are being asked to implement fully the curriculum for excellence, which presents particular challenges around examinations, and to undertake potentially significant changes to teachers' conditions. Education budgets will continue to be squeezed, risking the teaching profession and, ultimately, our children's education.

Universities were often a thorn in the side of the Scottish Government. The spending review might be putting that battle to bed for now, but the Government cannot cut the college sector so deeply that, four years from now, we will have to try to rebuild it.

16:21

Margo MacDonald (Lothian) (Ind): I thank the minister for prior sight of his statement but, before I address it, I must say how much I appreciated James Kelly's contribution. I am sorry that he has chosen to leave the chamber at this moment; he should hear what I am going to say.

I also appreciated what Michael McMahon and Jackie Baillie had to say. They attempted to analyse and offer alternatives from their particular perspectives and portfolios, which is what the debate was meant to be about.

Having said that, I should say that my first impression of the minister's statement was of an honest attempt to squeeze the maximum out of the system, considering the circumstances, which I hope we can all agree to change during the current parliamentary session. Party loyalties aside, is there anyone who still believes that we benefit unconditionally from being the fag end of the United Kingdom economy? Only yesterday, the IMF reminded us that the British economy is teetering on the edge. If we look at the resources that we would be able to tap into, there is no way that such a verdict would have been given on us if we were a self-standing economy that co-operates with the other parts of the British Isles.

However, Mr Swinney has the duty to make the best of a bad job and there are many things in his statement that I commend. There are others that I

do not. The gap in his exposition about how we will fund further and higher education must be attended to because it is the future. More time could have been spent on that, but I think that I understand the reasons why it was not. I also share some of the reservations about the commitment to freeze council tax for as long as promised.

I cannot criticise the realisation of the importance of preventative spending, particularly in light of the comments that the IMF made yesterday. We were reminded that there is to be a decade of austerity. The situation will not get better quickly. It therefore seems that preventative spending is essential in the first instance to reduce the harsh effects of the current spending cuts and, in the longer term, to perhaps recalibrate the expectations of our fellow citizens about how much the country can do for them and what they can do for their country and community.

For example, I think that it was Mr Hepburn who spoke about substituting exercise for pills as a preventative spending measure. I have been urging the Government for quite some time to follow up the proposal that exercise should be on prescription. It should have been worked on much more than it has been; some people have tried, but there has not been an all-out effort to make it normal for a doctor to prescribe exercise.

There appears to be an omission in the package on preventative spending in the Government statement. There was no direct reference to helping people who fall into debt. That is the most debilitating factor in any family's or individual's life.

I have written to the cabinet secretary, asking whether he will consider setting up a very modest fund to kick-start the expansion of credit unions. After speaking to credit unions in West Lothian and elsewhere, Neil Findlay and I have started work on this project and we hope that we will find support from members in all sections of the Parliament, regardless of party. After all, this really has nothing to do with parties.

As the chamber might know, I had hoped to introduce a bill to outlaw excessive interest rates for loans; however, I have been assured that such a proposal is ultra vires. Once again, this is something that we cannot do in Scotland. It is another source of frustration. I hate to say it but, being smaller and more manoeuvrable, we could have tackled the issue quicker. It needs to be tackled quickly, given that we are facing 10 years of austerity. Like, I hope, other members, I will do what I can to support Stella Creasy's bill in the House of Commons, but I do not give much for her chances of getting it through. I have gone with Neil Findlay to the other side of the equation and will try to prevent people from falling into debt.

I am sorry that we have not been able to give the cabinet secretary more notice of this, but it has happened just in the past week. We believe that a modest start-up fund to enable the expansion of credit unions would be excellent. I have spoken—informally at the moment—to Pat Watters and have suggested that he encourage local authorities to make available to credit unions property that is lying empty. If they could get into town centres, they would do much better. We have a number of plans and will be delighted to discuss them with the cabinet secretary if he wants to hear them.

We should also recognise the work that is being done to help those who are already in debt. We might focus on the grand scale, but the people who have lost their jobs or are working fewer hours will have thinner pay packets and an awful lot of people are falling into debt. In 2008, citizens advice bureaux in Scotland were able to help almost 20,000 people more than they would have had they not received a small grant from the Scottish Government. That was money well spent; it represents good practice as far as preventative spending is concerned; and I urge the cabinet secretary to listen to me asking—as usual—for a little bit more.

On the whole, I commend the cabinet secretary for his statement.

16:27

Clare Adamson (Central Scotland) (SNP): Scotland is a creative nation, rich in heritage. It contributes to the world; it is preparing to be an independent nation; and indeed its creative industries, which sustain 60,000 jobs and contribute £5 billion to our economy, are vital. In partnership with Creative Scotland, the Scottish Government has proved its commitment to attracting, developing and retaining Scotland's talent and we are committed to helping individuals and companies to reach their full economic potential.

I am very glad that Skills Development Scotland will be able to contribute to these industries. The Scottish Government's commitment to providing 25,000 modern apprenticeships includes, this year, at least an additional 30 apprenticeships in traditional building skills. Such a move will ensure that those skills exist to maintain our heritage in future. I am also glad that SDS is also making apprenticeships available in the museum, gallery and heritage framework and that it will continue its get ready for work programme with projects such as Swamp creative media centre in Pollok, which offers young people the opportunity to acquire skills in music, digital technology and the arts.

Tourism is also important, providing 200,000 jobs and generating visitor spend of more than £4 billion a year. Of course, cultural tourism is key to all that. Not least in that respect are Scotland's festivals. This year, the Edinburgh festivals had their most successful year ever, contributing an estimated £261 million to Scotland's economy. In August, the number of visitors at Edinburgh castle was the highest in recorded history and represented an 8 per cent increase on the figure for August 2010. That is why I am delighted that the Government has committed to continue funding the Edinburgh festivals expo fund, which showcases our talent, throughout the spending review period. I am glad, too, about the boost that has been given to the national museum of Scotland which, earlier this month, recorded its 500,000th visitor since it reopened earlier this year.

There is no doubt that Historic Scotland is key to delivering our cultural heritage. Visitor numbers have increased across the country—in July, for example, the number of visitors to Linlithgow palace was up. That is why I am delighted that the spending review commits the Government to providing continued support for Historic Scotland's Bannockburn visitor centre.

There is much to be welcomed in the area of culture in the spending review, not least of which is the commitment to support the development of the V&A museum in Dundee. The V&A project will deliver a new iconic building for Scotland, will help with the regeneration of the waterfront in Dundee that was started at Discovery Point and will give a boost to the city's existing cultural icons, such as Dundee Rep. I would just like to say how much I enjoyed the BBC proms broadcast from the Caird hall earlier this week. This year, the repertoire included traditional music.

I welcome, too, the Government's commitment to the new generation of broadband and its roll-out to our communities by 2020. That is not just about ensuring that businesses have the most up-to-date broadband. It is about inclusion and ensuring that every individual has an opportunity to get involved in digital media. It is vital that we get an uptake of broadband in our poorest areas that will support the education and learning of the children in those areas.

In addition, I am very grateful to the Government for announcing the young Scot fund, which is a new initiative that will help to support emerging talent.

Our culture is world class. We have world-class national performing companies and national museums and galleries. I am delighted that, in 2014, when the Commonwealth games comes to Glasgow, the Government's support for the redevelopment of the Theatre Royal in Glasgow

and the Glasgow royal concert hall as cultural centres during the games will have been delivered. The year of creative Scotland in 2012 and our contribution to the cultural Olympiad are now being backed by real commitment to culture in Scotland. I commend the cabinet secretary for his support in that area in the spending review.

The Deputy Presiding Officer: That brings us to the closing speeches.

16:33

Alex Johnstone (North East Scotland) (Con):

It is traditional when summing up to say what a good debate it has been, but I am tempted not to do that because I think that we saw something else happening today. I enjoy consensus politics as much as the next man or woman, but perhaps we have a bit too much consensus here sometimes. What I saw today—for the first time this session, I believe—was a build-up of passion in some quarters. I will go on to name some of the members concerned and give them credit for what they achieved.

This is the first stage of considering the budget. It is difficult to have an informed debate when many of us saw the paperwork only minutes before the debate started. There has been a degree of passion but, at the outset, we heard from the minister who, as usual, told us how good a job he was doing in dealing with the difficult financial settlement that he had been given.

The situation that we are in is much broader than what happens here in this Parliament. We have played the blame game today. The Government has blamed the Conservatives because we are the Government south of the border; the Conservatives have blamed the Labour Party because it used to be the Government south of the border; and, I am glad to say, everybody blamed the Liberal Democrats, not because it is really their fault but because it is fun. *[Laughter.]* I hope that they enjoyed that opportunity.

We have had a situation in which decisions that are made in London are having an impact on the money that is spent in Edinburgh. For those who consider the international position, the reason for that should be clear. Many countries made decisions about borrowing and expenditure that were far more generous, let us say, than the decisions that George Osborne made when he became Chancellor of the Exchequer. While Britain teeters on the edge, we have a degree of stability, whereas countries such as Ireland, Greece, Italy and, most recently, the United States have had to review their policy and make further cuts to their expenditure to achieve the objectives

that have been achieved more gently and carefully by the current Government in the south.

I have said in the past that John Swinney is lucky in that he has acquired a reputation for being a responsible finance minister largely as a result of the financial constraints that the Westminster Government has placed on him. As we have seen time and again, the impression is clearly given that, if the money was available, he would spend more of it—and he does not tell us exactly how much he would spend.

My first question is for John Swinney and for Richard Baker on the Labour front bench, as both made the same comment that the cuts are too far and too fast. I have heard that before, but the question that I ask today—I would like an answer if possible—is this: if the cuts are too far and too fast, how far and fast should they be? If we had chosen to do some of the things that our international colleagues have done, we might have found ourselves in a much more difficult situation than the one that we are in today.

Richard Baker: Will the member take an intervention?

Alex Johnstone: If it is to give an answer, I am delighted to let the member in.

Richard Baker: It is an answer: Ed Balls has set out a different approach, which is to make the cuts over a longer timescale. In fact, has George Osborne's approach not been shown to be the wrong one? Growth is shrinking in our economy. Only yesterday, the IMF revised down the forecast for growth in the UK economy. It is clear that the chancellor's plan is simply not working.

Alex Johnstone: The figures are certainly not good, but if we look at what is happening in other European countries, including the most buoyant economies such as Germany, we will find that they are no better off. The reality is that we are surviving the situation as well as anyone, and that is something for which we must thank the Government south of the border.

Let us move on to what we heard from the Scottish Government today. A number of policies were set out, and I need to deal with one or two specifically. We heard a guarantee about university funding, with the minister saying that he would close the gap with England in full. I do not believe that we got the commitment that that would not be achieved at the expense of the further education colleges. We heard the promise that there would be rate relief on empty shops to assist in encouraging businesses to fill the empty shops in our town centres. However, if that is at the expense of those who are struggling to find investment in the shops that they own, it may be a short-lived opportunity for our town centres.

What we heard today, at length, was the way in which the Scottish Government will achieve the objective of implementing the budget on the basis of the money that has been available to it, but what we need is action on the Beveridge report and Christie report. We need public service reform in the long term, and we need leadership from this minister and this Government to achieve the objective.

We need a promise that we will find a way to ensure that the efficiencies that we make are implemented for the long term and that that objective results in genuine improvement in the delivery and efficiency of public services in the longer term.

16:39

Rhoda Grant (Highlands and Islands) (Lab): I have enjoyed listening to the debate and I agree with many people who have stated that this settlement is wrong. We need to invest to grow our economy. Yesterday, following some of the mood music coming out of Westminster, it seemed that that had been recognised and, hopefully, we will benefit from a plan B. However, the SNP Government knew what the settlement was when it wrote its manifesto and it is our job, as the Opposition, to hold it to that. A huge number of issues have been touched on today and I want to touch on a couple that have not been covered before turning to the debate.

The first is the next-generation digital fund, for which there is no new money. I have been asking for a figure for the fund for a number of months. The figure of £50 million was mentioned in the manifesto and I would have expected that to be used to lever in EU funding. I see nothing new today, which is disappointing, because we need to invest in our digital infrastructure. In the Highlands and Islands alone, it will cost £300 million to bring superfast broadband to all our communities. By delivering superfast broadband to our communities, we also deliver savings because services can be delivered through it. It is a spend-to-save commitment and I hope the cabinet secretary will force other public bodies to look at how they use their infrastructure to deliver that.

Another pet project of mine is the land fund. During the election campaign, Richard Lochhead made a commitment to re-establish the Scottish land fund, but I cannot find any mention of it in this document. I have not read it line by line, so it may be there; if it is, I would welcome that commitment being brought forward in the minister's winding-up speech.

We also need clarification on public sector pensions. In his opening speech, the cabinet secretary said that, if he is forced to, he will

increase employee pension contributions where required by the Westminster Government. He mentioned the teachers pensions scheme in that regard, but my understanding is that increasing contributions for that scheme is a matter for COSLA to implement. It is also my understanding that COSLA is not willing to do that. How will the cabinet secretary force it to do that—will he legislate or instruct it to carry out those changes?

Funding for Scottish Water has been reduced, with worrying consequences, as the document admits. That will have an impact on infrastructure and the economy. The Government said previously that it was looking to allow Scottish Water to raise funds through the development of renewables. However, I cannot find anything in the document on this matter and information would be helpful. We read today that 12,000 houses in Glasgow were affected by high aluminium levels in water and that 17 recommendations have been made to prevent that from happening again. How can they be implemented if there are cuts of £120 million?

Clarification is needed on the Tesco tax, which has been reintroduced in this budget. The cabinet secretary talked about £500 million being invested in a preventative spending initiative. It is not clear if all that money will be raised by the tax, nor is it clear how it will be shared between local authorities, NHS boards and the third sector. Will the money be ring fenced for preventative measures? When this proposal was made in the previous session, we realised that the devil was in the detail. Has the Government consulted properly and is it clear that it is in a position to bring forward such a policy? It would be interesting to hear the detail of that.

Once again, there has been a cut in housing and regeneration funding. I understand that Shelter has described it as a "devastating" blow. The manifesto promised 30,000 social rented houses over the next session, but it is difficult to see how that can be delivered with funding being cut by almost £100 million over the next year alone, and falling further. Housing is important not just for those seeking it but for the economy. The construction industry is totally dependent on house building, as are those who live in fuel poverty and those who are homeless. It is difficult to see how the Government can meet its commitments and manifesto promises with such a cut in the budget.

Another promise was that there would be no compulsory redundancies, but it is difficult to see how the Government can deliver on that. I am certainly aware that, instead of people being made redundant, their hours are being cut. For example, many home carers are low-paid women who work part-time, but they have had their hours cut. Providing home carers is preventative spending. If

home care fails in the community, the cost falls on acute care in the NHS, which is much more expensive. The Government needs to oversee the impact of cuts to ensure that that does not happen, because it would mean an increased cost in real terms. The Government has pledged to protect front-line services, but it must ensure that it does so in reality.

I turn to issues that were raised in the debate. Obviously, health is hugely important. Jackie Baillie pointed out that we lost 1,500 nurses last year and will lose another 1,000 this year. The Government promised that health spending and health budgets would be protected through consequentials. Again, though, I believe that it will be difficult for the Government to keep that promise. We proposed a single care service, which would have built in savings and efficiencies. I recommend that the Government revisit that proposal.

On local authorities—and this impacts on job losses in front-line services—will the council tax freeze be fully funded? What will happen to the additional costs of borrowing that will fall on councils? I agree that we should raise capital spending as much as possible to create jobs and develop infrastructure, but we cannot let the cost of that fall on councils, which are then forced to fund front-line services.

John Mason touched on the living wage and I was slightly bemused by that, because I understood that it was Government policy to provide a living wage in the public sector and possibly introduce a procurement bill that would provide it in the private sector for those who contract with the Government. However, that appears to be missing from the spending review document.

John Mason: Will the member give way?

Rhoda Grant: I am in my last minute.

Another significant piece missing from the spending review is the funding for the independence referendum. I may have missed it, although I went through the document in some detail and could not find it. I would have thought that it would have been up there in lights, but it does not appear to be. It is maybe buried in the detail. Maybe the Government has seen sense and decided to ditch it.

It is difficult to complain about spending levels when advocating further cuts in spending through lowering corporation tax, so the Government must be careful about how it deals with that. The SNP knew what the bottom line was when it wrote its manifesto. Those were not fantasy figures and we must hold the SNP to its promises to the Scottish people, because they delivered the SNP a majority

to deliver on the promises. We will hold the Government to account while it does that.

The Deputy Presiding Officer: I call John Swinney to wind up the debate. Cabinet secretary, you have until 5 o'clock.

16:48

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Thank you, Presiding Officer. In his speech, Gavin Brown suggested that I was not terribly straightforward with the numbers. I am not sure that his charge stood up to much scrutiny after the interventions at the beginning of the debate.

When I looked in more detail at some of what Mr Brown was trying to do regarding the total funding that is available to the Scottish Government, I noted that he was using table 5 in annex E of the spending review document, which of course sets out the position in cash terms over a number of years. When we look at the situation in real terms, of course—which I think is the material point that applies to that particular table—it shows clearly that the Scottish budget in 2010-11 was at £35.534 billion and that by 2014 it will be at £32.548 billion. That is a fall in excess of £3 billion over the period. Mr Brown's accusation was a little ill-founded, given that throughout the spending review document, where information is shown in cash terms and where it is shown in real terms are clearly advertised. It does not do the Conservative position in the debate much good to conflate the two and to suggest something that is different from the numbers that are before us.

The other important point about how we examine the numbers is that the numbers are clearly set out in a way with which Parliament is familiar. Members should be able to understand the detail, which is why Jackie Baillie's comments were rather surprising. On any reading that I have done, it is clear that the Government's commitment to pass on the Barnett consequentials of health spending increases south of the border in resource to the health service in Scotland has been fully and unreservedly met in the settlement that the Government has put together. I would have thought that that would have been worthy of comment by Jackie Baillie.

Jackie Baillie: For the purposes of clarity, I will repeat the statistics that SPICe provided. The cabinet secretary claimed a real-terms increase, but he did so only very narrowly, in the context of territorial health boards. The wider health budget includes, for example, early detection of cancer, which matters to people in Scotland. SPICe told me that there is a £327 million cut in real terms in the health budget. If the cabinet secretary is

simply blaming Westminster for that, so be it—but he should not say that a cut is an increase.

John Swinney: There we had from Jackie Baillie the delving down into the depths of distortion to which we have become accustomed. I have the SPICe analysis in front of me. Jackie Baillie luxuriates in trying to make up on people's behalf things that they did not say. I have listened to her doing it for 12 years of my life and have never for a moment luxuriated in it. The SPICe figures show—on the point that I made about funding for health boards—that there is a real-terms increase. The Government made a commitment that we would pass on the Barnett consequential to the health service; that is precisely what we have done, and we have fulfilled that commitment unreservedly and without question. We will not put up with Jackie Baillie going round the country spreading distortion after distortion, as we are all accustomed to her doing. We have fully honoured the commitments that we made to the people of this country.

That brings me to a general point about the nature of a commitment. All that we can do, when we give a commitment to pass on the Barnett consequential in relation to health, is pass on the Barnett consequential in relation to health. We cannot pass on other money that we have not been allocated.

I have listened to what Labour Party members have said throughout the debate. We heard heartfelt speeches from Mr McMahon, Mr Kelly and Jackie Baillie, all of whom want more money for health, local government and justice, which account for about 60 per cent of the Government's budget—oh, and I think Claire Baker asked for more money for colleges, into the bargain.

I have listened to members of the Conservative Party encouraging me to face up to the realities of what is before me. That is precisely what I have done in the spending review. I have faced up to the numbers that are in front of me and I have addressed them. We took £1.3 billion out of public expenditure last year—we had the courage to face the realities and to do that before an election—and we have set out the forward spending plans. We have fulfilled our obligation in Government by doing that; it is now incumbent on the Labour Party to set out exactly what changes it wants to the budget that the Government has presented to Parliament. That is not a particularly onerous commitment to place on the Labour Party, but it must live up to the obligation.

One thing that surprised me during today's debate was the dearth of Opposition commentary on preventative spending—the importance of which I have been lectured on for a long time. In an incredibly tight fiscal environment, the Government has put in place arrangements to

enable us to make a decisive shift in favour of preventative spending. It is part of our budget approach in elderly care, in giving our young people the best future, in the early years programmes for our youngest citizens and in meeting the challenge of reducing reoffending. I would have thought that we could all agree that such an approach will greatly benefit Scotland's future and equip our country for what lies ahead. Members on the Government side of the chamber have accepted that, and it should be reflected in the Opposition commentary. Margo MacDonald was the only member to discuss the importance of preventative spending, and I welcome what she said. I will write to her about the support that is available for credit unions from the Government's existing programmes so that she and Neil Findlay can share that information with credit unions in West Lothian and raise awareness on the issue.

A major and sensitive issue in the Government programme—which I understand causes concern among members on all sides of the chamber—is public sector pay. I do not take the approach on public sector pay, nor that on pensions, with any enthusiasm whatsoever. However, John Mason clearly and bluntly made the point that many of his constituents would rather accept frozen pay than no pay. Ultimately, that is the challenge that we must meet in such a tight spending environment. The Government's priority is to maximise public sector employment as part of our support for developing employment in Scotland and in our approach in general.

At the heart of the spending review is the Government's attempt to set Scotland on a sustainable course in its public finances, to recognise the challenge of the economic circumstances that we face, and to take steps that are as significant as possible, in the context of those constrained resources, in building initiatives for the future. The entire focus of the Government's capital expenditure programme is designed to create opportunities such as have to date worked so successfully to strengthen the labour market in Scotland, to bring us to a position in which employment is rising and unemployment is falling, and to open up opportunities for people in our society. That will be the focus of all the work that we do.

Many sectoral interests will emerge during our discussions, and the Government will engage with them all. There are many issues that we must resolve with regard to the public sector reform agenda in order to ensure that there is sufficient impetus behind the points of principle that we have set out today. I assure James Kelly, who made the point about investment in ICT, that we will drive the initiatives forward as part of the Government's efficiency and public sector reform programme.

That also addresses the point that Alex Johnstone made in summing up.

The spending review involves many challenges for the Government and for Parliament. However, members must bear in mind the key consideration: if we are to pass a budget that is based on an honest and open debate about the choices that are before us, they must be prepared to say where they want to spend less money instead of where they want to spend more. The Government has faced that challenge. It is now up to the rest of Parliament to address it, too.

Business Motion

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-00896, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 28 September 2011

2.30 pm	Time for Reflection
<i>followed by</i>	Parliamentary Bureau Motions
2.35 pm	SPCB Question Time
2.50 pm	Scottish Government Debate: Mental Health
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Thursday 29 September 2011

9.15 am	Parliamentary Bureau Motions
<i>followed by</i>	Scottish Conservative and Unionist Party Business
11.40 am	General Question Time
12.00 pm	First Minister's Question Time
2.15 pm	Themed Question Time Rural Affairs and the Environment; Justice and the Law Officers
2.55 pm	Scottish Government Debate: Scottish Studies
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Wednesday 5 October 2011

2.30 pm	Time for Reflection
<i>followed by</i>	Parliamentary Bureau Motions
<i>followed by</i>	Scottish Government Business
<i>followed by</i>	Business Motion
<i>followed by</i>	Parliamentary Bureau Motions
5.00 pm	Decision Time
<i>followed by</i>	Members' Business

Thursday 6 October 2011

9.15 am	Parliamentary Bureau Motions
<i>followed by</i>	Scottish Government Business
11.40 am	General Question Time
12.00 pm	First Minister's Question Time

2.15 pm Themed Question Time
Health, Wellbeing and Cities Strategy

2.55 pm Scottish Government Business

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business—[*Bruce Crawford.*]

Motion agreed to.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are no questions to be put as a result of today's business.

United Nations International Day of Peace

The Deputy Presiding Officer (John Scott):

The final item of business today is a members' business debate on motion S4M-00836, in the name of Bill Kidd, on the United Nations international day of peace 21 September 2011. The debate will be concluded without any question being put.

Motion debated,

That the Parliament welcomes the UN International Day of Peace 2011; notes that the International Day of Peace was first celebrated in 1982 and that, since 2002, it has had a fixed date of 21 September; further notes that the UN has stated that the day is "devoted to the aim of achieving worldwide peace and commemorating and strengthening the ideas of peace both within and among all nations and peoples"; understands that it is expected that millions of people around the world will celebrate the day; hopes that it will have widespread support across Scotland, and notes the peace day commemoration event in the Parliament on 21 September.

17:02

Bill Kidd (Glasgow Anniesland) (SNP): I thank members who are unable to stay but have told me that that is the case or have passed me a note, in particular Patrick Harvie and Neil Findlay. It was very kind of them.

It gives me great pleasure to bring to the chamber of the Scottish Parliament a debate on the 30th anniversary of the United Nations international day of peace. Today, President Barack Obama and many other heads of state will address the United Nations General Assembly. Among them will be Laura Chinchilla Miranda, which is not a name that we often hear in here. I met her once and she is a very nice person. She is the President of Costa Rica—the country that introduced the original resolution that created this day. At this point we should remember that practically the first four words of article 1 of the "Charter of the United Nations" are "To maintain international peace". There can be no more dignified or pressing aim than that.

We join in peace today with countries as diverse as Argentina, Australia, the Netherlands, New Zealand, Uganda and the United States, and with organisations including Amnesty International, the Arab League and the Global Partnership for the Prevention of Armed Conflict, which is based in The Hague—all of which recognise, promote and celebrate peace day.

Thousands of organisations and millions of people across the world are united in calling for peace in a world in which so many suffer the terror, hardship and pain of warfare and the indiscriminate use of weapons of all kinds. We

know that here in Scotland there are weapons stationed on the Clyde that have the capacity to bring about the destruction of communities, cities, countries, civilisations and, potentially, our whole planet. Trident nuclear missiles have been condemned as being immoral by church leaders and as illegal by the chief judges of the International Court of Justice. They have been called useless by senior military chiefs of staff—but guess what? They are deemed to be indispensable for our protection and safety by politicians at Westminster who have a taste for sitting at the top table.

The Trident system, whose upgrade and replacement are earmarked to last for another 50 to 60 years, is a drain on scarce resources at a time of severe recession. The system is also an environmental disaster waiting to happen: it has experienced more than 100 leaks and on-board fires in which radioactive material has been discharged into the waters around our coasts. What is more is that if Trident were ever fired in anger or through a systems error, it would prove to be an abomination on a monumental scale. Even in a full-scale war, the military sees nuclear weapons as an outrage, as we know from General Eisenhower, who said in his autobiography that when he was informed of the decision to use the bomb in 1945, he thought that

"it was an unnecessary and inexcusable move to destroy the lives of countless thousands of innocent women and children in Hiroshima and Nagasaki when Japan was on the brink of collapse and surrender."

General Eisenhower said that the real reason for using the bomb was to send a message to the Soviet Union. The Soviet Union, the evil empire, had not fired its weapon, but America, the land of the free, had fired its weapon. We must remember that politicians on both sides are to blame for the fear in which we lived throughout the 1940s, 50s, 60s and 70s, and which continues today.

Why should we have weapons of mass murder stationed on our land? No plan exists to have nuclear capability in Scotland beyond successive Westminster Governments' insistence on maintaining such a presence here. When the Vanguard and Trafalgar nuclear-armed and powered submarines go, so too will the Astute vessels that are being insinuated into the Faslane site. At the moment, we can do nothing to remove those hulks and their warheads but protest against their presence in our midst. We must at all times be prepared to protest. However, only with political power can we ensure that they go lock, stock and barrel. In their place can be conventional defence forces but—most important—use can and will be made of the transferable engineering skills of the workforce that remains, as Scotland develops its unique resources to become the green powerhouse of Europe.

With the benefit of the planned subsea interconnector and the North Sea grid, which are passing through the European Commission, we can be the fulcrum of a secure and affordable source of energy for Europe into the 21st century and beyond. That requires the engineering skills of the workforce at Faslane, in conjunction with our world-class university research facilities and development operations, which can put us at the forefront of that exciting development. The transformation of Faslane and Coulport from military bases to peaceful developments that enable the production of clean energy would be fitting.

The achievement of peace is never truly a passive process. Even the non-violent civil disobedience movements of Gandhi and Martin Luther King Jnr required thought, organisation, logistics and—most important of all—the channelling of bravery in the right direction. None of that happens in a vacuum. As we know, it takes more bravery to be seen standing shoulder to shoulder with other nations and peoples around the world in the cause of peace than it does to hide behind massive military force or the threat of doomsday weapons—even those that must never be used, as the cost of using them would lead to the annihilation of life on earth.

In line with that stand against such weapons, I was honoured to attend the “Treaty on the Non-Proliferation of Nuclear Weapons” review conference 2010 at the United Nations in New York and to present to the conference’s president, Ambassador Libran Cabactulan, a signed statement on behalf of First Minister Alex Salmond in support of a nuclear weapons convention. The significance of an NWC is that it would achieve what the conventions on biological and chemical weapons did in declaring such weapons to be illegal under international humanitarian law.

Actions in themselves do not speak louder than words, but words without the intention to act are less than worthless. If we mean to achieve peace among the peoples of the earth and a future that is fit for all humanity, we must demand an end to destructive weaponry in our midst and take the necessary political actions to achieve that.

After the debate, I am holding an event in room P1.02, which anyone is welcome to attend.

17:09

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I congratulate Bill Kidd on securing the debate and apologise to the Presiding Officer and other members, as I may have to leave early as a result of an unavoidable appointment in Cumbernauld at 7 o’clock.

I cannot think of a topic for discussion in the chamber that is more important than peace. It is from peace that all that is good in life can emanate. No society that finds peace at contest will be able to offer its citizens security or the opportunities that we take for granted in Scotland.

Bill Kidd cited Dwight D Eisenhower. An American statesman of older vintage, James Madison, wrote in his “Political Observations”:

“Of all the enemies to public liberty war is, perhaps, the most to be dreaded, because it comprises and develops the germ of every other.”

Those words from 1795 are as true today as they were when they were first written. That is why I welcome this international day of peace. I apologise to Bill Kidd that I will not be able to attend his reception to mark the occasion, but I hope that it goes well.

The international day of peace, or peace day, provides an opportunity for individuals, organisations and entire nations to create practical acts of peace on a shared date. Today’s debate is only one of many events to mark the day. Those events are testament to the commitment of many people to the goal of peace.

In that regard, I want to mention an event that was held in my constituency to reaffirm the commitment to peace. Today may be the international day of peace, but the United Nations designated 1986 as the year of peace, and a peace garden was established in Kilsyth in that year as part of Cumbernauld and Kilsyth District Council’s contribution and efforts to mark it. Earlier this month, I was pleased to attend an event to commemorate the 25th anniversary of the creation of that peace garden. A number of people attended the event, and those who were present were able to restate their support for peace. Although the garden’s origins are not necessarily directly tied to the international day of peace, the objectives are such that it is well worth mentioning.

I do not want to take up too much time, as I know that other members want to speak.

I thank Bill Kidd again for securing the debate, and look forward to the day when peace is secured across the globe. That might be achieved somewhat sooner if we could move away from a global circumstance. In 2010, some \$1.6 trillion was expended on the military and armaments—some 43 per cent of that by the United States alone. I am not so blinkered as to expect that that expenditure will entirely wither away—indeed, I believe that secure defences can be important to secure peace. However, when we see extreme poverty and its consequences—hunger, illiteracy and disease—run rampant in parts of the globe, it is surely right to question the size of the global expenditure. Perhaps if we took even a portion of

that expenditure to feed and educate the world, the goals that are represented by the international day of peace might be closer to being achieved.

17:13

Hugh Henry (Renfrewshire South) (Lab): I thank Bill Kidd for giving us the opportunity to debate the UN international day of peace. Like Jamie Hepburn, I apologise. I have an appointment at 5.30, so I need to leave early.

In one respect, this debate is completely pointless—talking about the matter is a complete waste of our time. What can we do about peace in this country, never mind world peace? Bill Kidd highlighted some of the big issues that affect the world. However, if we as individuals or ordinary citizens do not talk about peace and the issue of peace does not affect our mentality and how we view our role in life, what chance is there that anyone at any level will do something about it? The notion of the type of world and society that we want to see surely must start with the individual. Surely it is about individual buy-in to what is right and what is wrong, and to the fact that the notion of a peaceful society and a peaceful world is entirely achievable; in fact, it is not achieved purely because of the actions of individual humans, wherever they may be on the planet.

There are a number of absurdities. I will not go into all the debates around unilateral nuclear disarmament, but I will say that we live in a country that we are told is heading for a double-dip recession and in which people are being asked to make financial sacrifices, yet we are also told that we can afford to replace the nuclear weapons that are supposedly needed to defend us. Even if we were to accept the principle of nuclear weapons, how—when we are nearly bankrupt—can we justify spending money on a new generation of weapons when we already have something that can destroy the world 10 times over?

The notion of the sort of world that we want to live in must start with us and the messages that we give to our children and grandchildren. It must affect and influence the way in which we communicate with and respond to our neighbours and others in our community.

Jamie Hepburn was right to raise the issue of extreme poverty. It is true that such poverty exists throughout the world, but we must also speak up about issues that affect us in this country—the human rights abuses in the United Kingdom, never mind the human rights abuses that take place elsewhere. I cannot understand how we can justify selling arms to some of the worst dictators in the world because doing so creates jobs. If we can use job creation as a justification for doing anything, we would be as well setting up cyanide

factories all over the central belt of Scotland so that we can export cyanide to enable people to kill as many other people as they can at one fell swoop. The fact that something creates jobs is not, in and of itself, a justification for allowing it. Surely our starting point should be to ask what the purpose of something is.

We should take a stand against some of the abuses that we see elsewhere across the world, but I sometimes wonder whether we have any right to lecture anyone about what happens in their country. Maybe it is time to put our own house in order at a Government, council and community level, as well as a personal level.

In a sense, although this debate might be pointless, it is unavoidable. We need to have it. If we cannot individually sign up to the notion of living in a better and more peaceful world, what chance does anyone have?

17:17

Humza Yousaf (Glasgow) (SNP): I apologise for croaking out this speech. As I told my committee colleagues earlier today, I have what my wife calls a serious bout of man flu.

I commend Bill Kidd for securing this important debate. His commitment to the cause of international peace, and particularly the work that he has done on promoting a nuclear-free world, starting right here in Scotland, is well known and well respected. Not many members of this Parliament can claim to have met United Nations Secretary-General Ban Ki-Moon. I hope that, should Mr Kidd ever find himself unable to make a meeting with Ban Ki-Moon, he remembers the kind words that I have said about him.

Politics is often characterised by competing ideologies—those on the left and those on the right; those who believe in one constitutional course for our country and those who support another. However, I hope that we would all agree that there are topics that are above the often mundane mediocrity of these discussions and around which the chamber can unite, such as the wish for Scotland to be a broker of international peace.

I am often asked about the point at which I knew that the SNP was the party that I wanted to be a part of, or when it became clear to me that independence was the right course of action for our country. For me, it was simple. Any niggling doubts that I had were immediately wiped out when the decision was taken to send our young men and women into a disastrous war in Iraq—a war that the majority of the Scottish population opposed. We should not forget that this Parliament opposed a unilateral decision to go to war without

UN backing, yet we had no choice about whether to participate in that illegal conflict.

Many of the smaller nations of the world right here in Europe play a huge role in international peace. Just look at Norway's Oslo accords: the first face-to-face agreement between the Israeli Government and the Palestine Liberation Organization. Although peace can seem a very long way off in that region of the world, the Oslo accords are very much seen as the foundation blocks for any future peace negotiations. In addition, we are all familiar with the Geneva convention, which is there to protect, in particular, persons who are not participating in hostilities and civilians who are taken captive in military conflict. It is a standard bearer for human rights in modern conflict and a cast-iron protection against state torture—and it comes from one of the smallest nations in Europe.

Regardless of where we stand on the constitution or the independence question, we are surely in agreement that we would like to see Scotland play a similar role in brokering international peace. I look forward to the day in the future when the global peace movement takes a huge step forward as a result of measures contained in what our future generations will call the Glasgow charter or the Edinburgh convention. However, the truth is that while we are part of a United Kingdom structure that carries with it a lot of heavy baggage—the UK is often seen as the yes man of US foreign policy—Scotland as a nation cannot effectively fulfil such a role.

As Scots we are internationally respected, whether as innovators and inventors of the modern world or in academia. Even our football team's supporters—the ever-loyal tartan army—are much respected and loved, although that may well be more out of sympathy than anything else. As a nation we have within us an ethos of egalitarianism; fairness is in the very fabric of our society.

When I had the pleasure of working for the late, great Bashir Ahmad MSP, we hosted Scotland's for peace, which brought to Parliament its peace book, which many members in the chamber will have signed. The message was a simple one, but one that surely resonates to the very core of what we all believe. It said:

"We desire that Scotland be known for its contribution to international peace and justice rather than for waging war."

As Scotland is undoubtedly undergoing an evolution in its constitutional arrangements and structure, it is imperative that we hold on to that message and make it a self-evident truth. Whether I wake up the day after an independence referendum euphorically elated or bitterly disappointed at the result, the one reassurance

that will comfort me is that the people of Scotland will never waver on their commitment to international peace and justice. Let us, as the servants of the people, never allow ourselves to forget that message.

17:22

John Finnie (Highlands and Islands) (SNP): I thank Bill Kidd for bringing the motion to the chamber. I agree with Humza Yousaf's comments about his long-standing work on the issue.

I had a wee look at the UN website yesterday and saw a message that the Philippine military was to have a one-day truce with communist rebels to mark the UN international day of peace. My initial thought was, "Big deal," but then I went on to read about peace day. The website stated:

"Peace Day should be devoted to commemorating and strengthening the ideals of peace both within and among all nations and peoples."

If one life is saved, it will be a deal well done. Let us hope that it is the first of many such days.

Of course, there are many advocates of peace, many of whom are politicians. I agree with Hugh Henry's comments about the position of some of them. There is nothing more embarrassing than seeing the UK Prime Minister peddling arms at a time when nations in the middle east are trying to bring about a peaceful resolution to their difficulties.

Armaments are a very big business, as is waging wars. Although we all aspire to seeing peace become big business, the reality is that not only war, but aid, is big business—just ask Halliburton, which does so well out of it. One may ask why big business is so relaxed about wars. It is relaxed about wars as long as the theatre of war is away from the US or the UK.

I had a few thoughts about peace and I wondered whether an illegal war could result in a legitimate peace. Indeed, what is peace? It will vary. Many oppressive regimes have provided at least basic services for their citizens, whereas replacing the regime with 'freedom' has resulted in survival of the fittest.

My instinct remains to support the withdrawal of troops from Afghanistan, but I wonder whether that will bring about peace. There are obligations placed on the invader, obviously. Does peace mean peace at any price? Quite clearly peace means different things to different people. If there is a withdrawal of troops, there will certainly be trauma associated with that, not least for the women and girls of Afghanistan. The dodgy deal that will bring about the ultimate withdrawal will see intolerant bigots revisit the grief on women and girls there. I wonder whether the west is

interested in that. Indeed, is it interested in lasting peace? It is important—touching on the comments made by other members—that we look at what we do here, because poverty creates a lot of difficulties.

When, in any country, the oppressor stops its bullying, that is not real peace. To my mind, that is just a cessation of violence. Some horrendous terms have been associated with peace, including “shock and awe” and “the surge”. Those are euphemisms for death and few were spared the ravages, although, of course, the oil ministry in Baghdad was.

Real peace is food, warmth, compassion and social justice. Despite the differences of opinion in the Parliament, I am sure that there is a great wish to see that. The UN has a very important peacekeeping corps. Those are the only soldiers that I would like to see on our planet.

I have come across some other phrases. Peace building is an interesting phrase, so I will read out one of its lengthy definitions:

“Peace building is different from ‘peace-making’ and ‘peacekeeping’ in that it focuses on creating a long-term culture of peace, rather than solving existing conflicts or preventing old ones from re-occurring.”

There are many conflicts around the globe, but I will touch on three: Palestine, Kashmir and Chechnya. If those conflicts were resolved, that might be a step in the right direction.

Hugh Henry asked what the Parliament can do about the issue. The mere discussion of the subject is very important. I would like to see the Parliament being a force for good in the future, and I think that that will come about.

17:27

Elaine Smith (Coatbridge and Chryston) (Lab): I declare an interest, as I am a member of the Campaign for Nuclear Disarmament.

Like other members, I congratulate Bill Kidd on securing the debate and recognise his consistent role in promoting the issue of peace in the Parliament. It is fitting that we are able to hold the debate today and join with people all over the world who will gather to promote and strengthen ideas of peace.

The UN day of peace is supported by organisations across the world, including Mayors for Peace, of which a number of Scottish cities are members and which Bill Kidd also supports and promotes. Across the country, various church groups and peace organisations will mark today with prayer or quiet meditation.

The Parliament has a role to play in promoting peace and fostering good relations. Although I

understand what my colleague Hugh Henry meant when he referred to the pointlessness of debating the issues, it is important that we debate them. We are an open, participative and progressive Parliament and, through our UK and international relations office, we develop links with other Parliaments and organisations throughout the world, sharing our experiences and building new relationships.

Of course, the Scottish Government’s international development fund also plays an important role, as it works with charities to fund new developments, particularly in sub-Saharan Africa. The Scottish Government also works with the Scottish Catholic International Aid Fund to assist communities in Zambia and money from the fund also helps displaced people in war-torn Darfur. By working with charitable organisations to aid development, this Parliament can play a part to help alleviate poverty and promote a peace agenda.

In my constituency, the Conforti Institute is dedicated to promoting co-operation and reconciliation among all peoples—in particular the poor, disadvantaged and powerless of the world—regardless of race, gender, culture or creed. The institute offers courses that challenge sectarianism, racism and social exclusion, and which aim to equip young people and the wider community with the knowledge and skills needed to be responsible citizens. It has an inclusive vision and is open to different cultures and religions. I commend it to the Parliament and to the Government on this international day of peace.

As a Parliament, we also have the ability to make strong symbolic gestures of peace. Following the Trident debate in 2007, the Parliament resolved to call on the UK Government not to go ahead “at this time” with the proposal in its white paper to renew the Trident weapons system. Like others in the chamber, I do not want Trident to be replaced at any time, so I would have preferred an even stronger motion—indeed, I tried to lodge an amendment to the motion. Nonetheless, when the motion was agreed to, it still indicated this Parliament’s opposition.

A majority of Scots oppose the Trident nuclear programme for a variety of reasons, which we have heard about during the debate. Besides the abhorrent nature of such destructive weapons, the cost is overwhelming, particularly at a time of imposed economic austerity. As has been mentioned, the Government estimates that the renewal would cost in the region of £20 billion. That is money that will not be invested in new homes or in creating jobs. CND believes that the cost of replacing Trident can be paid only at the expense of jobs and public services.

The threat of nuclear weapons continues to undermine efforts for peace, while Britain's pursuit of a new generation of weapons undermines our moral authority on the world stage. The evils of nuclear warfare are indisputable. Storing our own weapons of mass destruction is wrong and using them would be an abomination. The cost of war, of course, is more than financial. The UN day of peace should serve to symbolise that.

I recall Tony Benn speaking of his joy when he first read the preamble to the UN charter on returning as a young pilot from a war in which his brother and many friends had been killed. It begins:

"We the peoples of the United Nations determined ... to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind".

That was the promise of his generation to those who followed. We have a responsibility to uphold those ideals and to educate our children so that they have an understanding of the importance of peace. Once again, I congratulate Bill Kidd.

17:31

Aileen McLeod (South Scotland) (SNP): I, too, congratulate Bill Kidd on bringing such an important motion to the Parliament. It is supported across the chamber and across the South Scotland region that I was elected to represent. An international day of peace only serves to remind us of the conflicts that are going on around the world every day. I give my full support to the peace movements that are working to bring an end to such disputes and I will focus my speech on exploring the distinctive contribution that Scotland can make, working together with others, in helping the international community to address the global challenges that face our society in our peacebuilding efforts.

We need look only as far as Norway, Sweden and Ireland in determining how Scotland can play a part in such processes. As my colleague Humza Yousaf pointed out, since the early 1990s, Norway has played a crucial role as a facilitator in a number of peace and reconciliation processes. In assisting with negotiations with Guatemala, Sri Lanka and Sudan and in providing aid to Somalia, Norway has modelled itself on the stability and neutrality that are conducive to playing a key role in peace processes. In several conflict areas, Norway's role has been to support the UN's efforts. That has been a vital element of Norway's participation in the international community. Norway is one of the most important financial contributors on the issue. With several UN funds and programmes, it is one of the three largest contributors in absolute terms. It has contributed substantially to several UN peacekeeping

missions and more than 50,000 Norwegians have served in UN-led peace operations.

Similarly, Sweden actively participates in various peacekeeping missions and provides humanitarian assistance. It was Sweden that pushed for the UN to form the Peacebuilding Commission and it has had the Stockholm International Peace Research Institute since 1966. That was the idea of the then Swedish Prime Minister and was supported by the Swedish Parliament. The purpose of the institute is to conduct scientific research on questions of conflict and co-operation that are of importance for international peace and security, with the aim of contributing to an understanding of the conditions for peaceful solutions of international conflicts and stable peace.

Moving across the water to our neighbours in Ireland, we see another small nation working independently to benefit international relations. Ireland is also actively involved with the UN Peacebuilding Commission, with further effectiveness coming in the shape of the Irish Government's standing interdepartmental committee on peacekeeping.

All those examples bring me to the conclusion that Scotland needs a place in the international peace community. We could certainly contribute much by offering the support that is needed to broker peaceful deals. CIFAL Findhorn, the UN Institute for Training and Research-affiliated centre in Moray, is proof that we have the talent and facilities and the desire to help.

The SNP has been a long-standing supporter of the establishment of international peacekeeping and humanitarian missions that will support the efforts of Scots who volunteer their services abroad. I cannot help but come to the conclusion that we should have a Scottish peace corps, which could allow Scots to participate through existing organisations and provide opportunities where none currently exists. I would be delighted if the minister would have a meeting to consider that notion.

In that context, I am also keen to see Scotland become associated with the European voluntary humanitarian aid corps following the current pilot phase. Inspired by the vision for the European peace corps that was set out in the Treaty of Lisbon, the European Commission has started the practical implementation of that pilot initiative by selecting, training and deploying the first team of European humanitarian volunteers.

The project is exciting and it will give people across Europe the opportunity to make a real difference in the world; one that will harness the overwhelming willingness to volunteer to provide humanitarian aid. In years to come, I look forward

to seeing many independent Scots becoming ambassadors for peace through such schemes.

17:35

Bob Doris (Glasgow) (SNP): I start by thanking Bill Kidd for bringing the motion to the Parliament's attention by debating it in the chamber today. It is important that we recognise the 30th anniversary of the international day of peace.

It is no surprise that the motion has been brought by Bill Kidd, who is the main reason why I want to speak in the debate. He takes an international approach to the promotion of peace and does his bit to seek an end to nuclear proliferation. He has been tireless in those efforts over the years, whether at the United Nations or through the variety of networks across the globe in which he has been involved. I never thought that I would say it, but he really has gone global. We should never underestimate the amount of time that he puts into those roles, and in that respect he is an excellent ambassador for the peace movement. Such is the extent of his travels that he is also an excellent ambassador for Scotland. I will back off now; that is enough praise for Bill Kidd. I will move on to some other stuff, but I thought it was important to get that on the record.

My first real hands-on experience of nuclear weapons came about because I come from the Vale of Leven, and Faslane is within those general environs. I remember very well campaigners such as Les Robertson and Jim Bolan at the Faslane peace camp doing their bit on the local front line. Irrespective of what people think about nuclear weapons—the majority of members are against them but a minority still support them—we should never forget the selflessness of people who protest against weapons of mass destruction every day, even when it is not fashionable to do so. I put on record my praise for those individuals.

I want to talk about peace and nuclear weapons. I know about the hypocrisy whereby we think it acceptable for certain nations to have weapons of mass destruction but are hell-bent on preventing others from having theirs. Of course, the answer is that no one should have them at all. The more important point for me as a Scottish person is that we do not need nuclear weapons to start a war, although they represent the worst-case scenario and are the driving force behind a lot of wars.

On the power to go to war, as a Scottish citizen, I feel that it is a moral dereliction of duty that the decision whether Scotland should engage in a war is not in the Scottish Parliament's hands. How can we promote peace when we cannot prevent our Scottish sons and daughters from going to war, whether illegal or otherwise?

I know that there is no constitutional consensus in the chamber around independence. I strive not to be political about that. Although it would be possible for an independent Scotland to be involved in illegal wars—independence is not a magic wand—I believe with all my heart that we are best placed for that not to happen should we become independent. Irrespective of their constitutional views, I pay tribute to members of all parties in Parliament for what they have done to promote peace.

John Finnie made the important point that it is not enough just to object to wars; we have to positively promote peace both to ensure that we have stable communities, a stable country and a stable international community, and to make wars less likely to happen. That is about the nurturing of peace, which is vital.

Who is to say that Libya, pre-conflict, was a peaceful nation? Who is to say that Afghanistan or Iraq is peaceful? Who is to say that Libya, post-conflict, will be peaceful? Who knows what human rights abuses might continue irrespective of which regime or Government is in charge? Indeed, that very point has already been well made.

The best thing this Parliament can do to promote peace is to have a big vision of connection with the international community. The more barriers we break down as internationalists and the more connections we make with other countries and other organisations across the globe, the more we will get an international understanding and international co-operation. We can promote peace in this Parliament if we keep lifting our eyes to the bigger picture.

I once again thank Bill Kidd for securing the debate.

17:40

The Minister for Parliamentary Business and Chief Whip (Brian Adam): There can be no doubt that we do not yet live in a world full of peace. I applaud Bill Kidd for securing this debate. I also applaud him for increasing our understanding of the continued need for peace—as, indeed, the wide variety of speakers from whom we have heard have also done. As we have been reminded by recent events in Libya, among other things, the time is right for us to take a stand and to take action.

Peace is a construct that sounds appealing, whether it is peace in one's life, peace in a family, peace in the community or peace in the world. In some ways it might seem simple and in other ways it might be one of the most complex challenges of all time. Today we take time out to reflect, to celebrate, to raise awareness and to

plan how we can work together to promote peace and eliminate conflict.

However, peace does not have to be associated with the conflict of war; it can relate to violence or intolerance in our daily lives or even to peace of mind. Peace can have a different meaning for each of us but, in the end, it all comes down to a simple definition: a state of calm and serenity, with no anxiety; the absence of violence; and freedom from conflict or disagreement among people or groups of people.

None of the members from whom we have heard has challenged the underlying premise that today we should take the chance to stand alongside millions of others around the world and show that we want to make a difference. I propose that we in Scotland move into a new realm of peace building that draws on the UN's definition. Unlike peace making and peace keeping, which are related to warfare and the settlement of conflicts, the concept of peace building is, according to a UN report,

"the construction of a new environment ... the transformation of deficient national structures and capabilities, and ... the strengthening of new democratic institutions."

The 2011 UN international day of peace is recognised around the world and, like other members, I welcome this opportunity to raise the event's profile and the core that it represents. I also welcome the opportunity for a collaborative approach across political parties in Scotland. Here is a subject on which we can unite; indeed, I believe that today we have united on it and that we will continue to unite.

Elaine Smith: In that case, does the minister agree that it is a shame that no one from the Conservative and Liberal parties is present for the debate?

Brian Adam: I share the member's disappointment that those parties are not represented. As Mr Kidd indicated, the Greens sent an apology.

Members have told us of the breadth and depth of activities that are taking place today. Those activities centre on three guiding principles and actions: peace within, represented by the minute of silence at noon in each time zone; peace without, represented by an act of service for peace that benefits the larger community; and peace year round, which is a commitment to a daily peace practice that involves joining with others to build a worldwide culture of peace.

As Mr Kidd highlighted, President Obama addressed the UN today. Closer to home, I—and I am sure other members—received a communication today from the Scottish branch of the Women's International League for Peace and

Freedom urging the Parliament to reopen the debate on peace and nuclear disarmament. I believe that that wish is echoed by the majority across Scotland and I am glad to report that the Cabinet Secretary for Parliamentary Business and Government Strategy will meet peace groups tomorrow to discuss how Scotland and this Parliament can continue to take a lead role in campaigning for peace.

Today is also a day of global ceasefire. In acknowledging a unified day without violence, a global ceasefire can provide hope for citizens who must endure war and conflict. As well as proving that worldwide peace is possible, a cessation of hostilities for 24 hours can enable relief workers to reach civilians who are in need of food, water and medical supplies.

Although peace is not just about the prevention of war, there can be no doubt that the impact of war is widespread, devastating and continues around the world today. I suggest that those members who are interested take advantage of the website internationaldayofpeace.org to obtain much more detailed information on the impact of war on children, women, the environment, animals, the availability of food and water, and poverty.

Several members have talked about the impact of war on poverty but, for now, I would like to focus our attention on the impact on children. As a father of five and a grandfather of two, I, like many other members, find it hard to comprehend the impact of war on children. Marking international peace day is one way in which we can show that we as individuals, as a nation and as a growing international community are not prepared to tolerate the conflict, tension and destructive nature of war. As the United Nations Children's Fund says:

"The impact of armed conflict on children must be everyone's concern and is everyone's responsibility".

Armed conflict hurts children in a myriad of ways: children die as a direct result of fighting; millions of children live with injuries and disabilities that are caused by armed conflicts and political violence; and thousands of children in armed conflict situations have been conscripted, kidnapped, press-ganged, terrorised or otherwise forced by circumstance into becoming child soldiers. Some—girls especially—may be forced into sexual servitude. In addition, millions of children across the world live with the immoral, horrifying and absolutely unnecessary threat of nuclear weapons. Today, as we recognise the international day of peace, let us take time to think of those children and take steps to change the world on their behalf.

Scotland has a strong record of supporting the creation of peace. We have a history of leading the way in international peace talks, from the Craigellachie talks to the Edinburgh conversations and the Edinburgh peace and justice centre. We have the ability to play a bigger role in international peace building than might be expected of a country of our size.

The Parliament has made clear its firm opposition to the replacement of Trident, and we will challenge the UK Government to listen to the democratic voice of Scotland in calling for the removal of Trident and of all nuclear weapons.

However, let us not become complacent and assume that we are the ones who are leading the way. Even in Scotland's recent past, there has been conflict. There are tensions and, on a daily basis, hundreds of people in Scotland do not live in peace. On one level, however, we have demonstrated our ability to lead a country on the path to independence peacefully, constructively and respectfully.

We can learn from our international neighbours. For example, since the early 1990s, Norway has played an important role as a facilitator in a number of peace and reconciliation processes. Norway's experience has shown that small countries can play a constructive role in resolving complex armed conflicts, even without the direct involvement of the UN or the major powers. We will actively consider what more Scotland can do to create a peaceful world.

I will close with the words of Ban Ki-moon, who calls each and every one of us to action:

"On this International Day, let us promise to make peace not just a priority, but a passion. Let us pledge to do more, wherever we are in whatever way we can, to make every day a day of peace."

Meeting closed at 17:49.

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