



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 9 February 2012

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Scottish Parliament

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

Review of Teacher Employment

The Presiding Officer (Tricia Marwick): Good morning. The first item of business is a statement by Michael Russell on the review of teacher employment. The cabinet secretary will take questions at the end of his statement, so there should be no interventions or interruptions.

09:15

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): It is often said that the quality of a nation's education system is matched by the quality of its teachers. Scotland has a good education system that is supported by a high-quality teaching profession. At the outset, I commend the hard work of the tens of thousands of professional and dedicated teachers across Scotland.

Last month, the Parliament discussed improving learning outcomes. We recognised that a high-performing early years and school system is the single biggest tool to improve the employability and life chances of our young people. It is therefore right that we recognise the achievements of our teachers and pupils. At the same time, we need to be constantly ambitious for our education system. There is always scope for improvement, and we face the continuing challenge of working to reduce inequalities in our society, especially given the current economic climate, and of ensuring that our children and young people gain the skills and knowledge to enable them to thrive in a rapidly changing world.

The case for driving up the quality of teaching is compelling. A study that the American National Bureau of Economic Research recently published highlighted the fact that there is a clear relationship between the quality of teaching that a child receives and how much they earn and how well they get on socially in later life. The study, which was undertaken by leading educationists from Harvard and Columbia universities, concluded that every parent should

"place great value on having their child in the classroom of a high value-added teacher".

In his report, "Teaching Scotland's Future", which was published in January 2011, Graham Donaldson said that

"the foundations of successful education lie in the quality of teachers and their leadership. High quality people achieve high quality outcomes".

I share his belief in the fundamental role of teachers in shaping and delivering the learning outcomes that we all want to see. That is why I commissioned his groundbreaking report, which has challenged us to examine the way in which we train, develop and support our teachers.

"Teaching Scotland's Future" offers us the opportunity to reinvigorate the concept of teacher professionalism. That opportunity was welcomed across the Parliament. In response, I established the national partnership group, which brings together the Government, universities, local authorities, the General Teaching Council for Scotland, teachers and other stakeholders to deliver the positive changes that we all want to see.

However, driving up the quality of teaching through improved training and development is only one part of the equation. Highly trained, highly skilled professionals require modern, flexible terms and conditions that will allow them to deliver the best possible education for our children. That is why I commissioned the independent review of teacher employment, which Professor Gerry McCormac led. I thank him and the six members of his review team for the work that they undertook in completing the important and unanimously agreed report "Advancing Professionalism in Teaching: The Report of the Review of Teacher Employment in Scotland", which was published in September last year.

Since the report's publication, I have been considering its messages and I have taken time to discuss the recommendations with education partners. Teachers, employers, trade unions and parents hold strong views about the issues that the review raised. It is right that, like Graham Donaldson's review, Professor McCormac's review acknowledges the strengths of Scotland's education system but also highlights the challenges that we face. They are not challenges that we can ignore—that would not deliver the Parliament's aspirations for improved outcomes.

The review builds on our current system's strengths, including the arrangements that we have in place for negotiating changes to teachers' terms and conditions. The review endorsed the Scottish negotiating committee for teachers and the local negotiating committees for teachers. The recommendations that relate to teachers' terms and conditions are therefore rightly the responsibility of the Scottish negotiating committee for teachers. I am happy that the SNCT has agreed a work plan, which includes a clear timetable, and has established working groups to consider those recommendations.

Those issues are for the SNCT to discuss. I know that some of the discussions will be challenging, but at all times we must focus on how we support our teachers to maintain and build expertise, so that our education system can continue to deliver excellent outcomes for our children and young people. I assure members that the Scottish Government will play a full part in SNCT discussions to help realise positive change.

However, there are a number of recommendations that fall outwith the SNCT's remit and, following engagement with key education stakeholders, I want to set out how those will be taken forward. Perhaps the most challenging of them is McCormac's clear recommendation that the chartered teacher scheme should be discontinued. This is not a debate about the importance of continuing professional development or professionalism in our teaching profession. Through the national partnership group, we are already committed to delivering an enhanced model of professionalism for all teachers. Specifically, I have tasked the partnership group with considering how to deliver opportunities for teachers to work towards masters-level qualifications.

There are many excellent chartered teachers in schools across Scotland, but I am not convinced that the chartered teacher scheme remains the best model to provide the teaching profession with opportunities to improve and develop. We must do more, not least because the aspirations that prompted the creation of the chartered teacher scheme remain and, indeed, have been reinvigorated by Graham Donaldson's report. This is an opportunity for us to design and develop frameworks that help us to move towards highly successful models of teaching that are seen elsewhere in the world, thereby encouraging a thirst for knowledge and intellectual ambition in the profession that will deliver improved outcomes for our children and young people.

We should aspire to a vision of teaching as a masters-level profession, and we should do so, first, by building on the chartered teacher scheme. It provides us with the opportunity to make a masters profession a reality. Moreover, chartered teachers and those who are in the process of becoming chartered teachers should be, and now will be, among the first to access these opportunities. In developing a masters-level profession, we will ensure that existing chartered teachers and those who are in the process of becoming chartered teachers are given credit for relevant professional development that they have already completed or are currently undertaking, and are encouraged to be the pathfinders in that process.

Although terms and conditions are rightly the responsibility of the SNCT, I want to assure chartered teachers and those who are working towards that standard that the Scottish Government, through our role with the SNCT, will work to recognise their position and their commitment in moving towards a masters qualification.

Raising standards across the board is ambitious, and rightly so—we should be ambitious. There will be many issues to consider in developing the proposals. I am sure that they can and will be understood by moving forward in the way that I suggest. I have therefore asked Education Scotland to work closely with key education stakeholders, including the Association of Chartered Teachers Scotland, the national partnership group and the GTCS, to take the issue forward, first with existing chartered teachers and those who are working towards that status.

Teacher training and development are not just about the acquisition of qualifications. We need to embed such developments in our induction-year activities and continuing professional development. Professor McCormac recommends that a new system of professional review and personal development—PRPD—should be introduced. I welcome that approach. Although there is an existing system of professional review and development, we know from Graham Donaldson's review of teacher education that that system is applied inconsistently across the country. I believe that all teachers should be entitled to a structured opportunity to review their work and plan their development.

The ideas behind the recommendations are not new. McCormac's recommendations on personal development echo those that McCrone made more than 10 years ago. The McCrone inquiry recommended the creation of an effective annual review process. It is time that Scottish education took that forward.

All professionals require the opportunity to reflect on how they go about their work. Teaching is no different, and if we are to achieve a strong, confident and reflective workforce, concepts such as professional review and personal development should be embraced, not rejected. Such ideas provide an opportunity to strengthen teaching as a whole.

The national partnership group is already looking at related issues as it considers the recommendations of "Teaching Scotland's Future". Equally, the GTCS is developing a system of professional update to help ensure that Scotland's teachers maintain and develop their skills. I have therefore asked the national partnership group to work with the GTCS in considering the

recommendations of McCormac that relate to professional development.

Finally, I want to address the issue, as Professor McCormac did, of how we use external experts in our schools. In keeping with the principles of curriculum for excellence, I am committed to helping to ensure that our children receive a broad education that suits their needs. We know that many schools have already created partnerships with universities, colleges, local employers or third sector and community groups. Such partnerships are to be welcomed. I am convinced that if we are to build a varied, pupil-centred education for all children and young people, it will be necessary for our schools and teachers to draw on a wide range of resources, including resources that might currently not be available.

Although there is broad agreement about those positive opportunities, there are also concerns. I have listened to stakeholder opinion on the issue, and I want to move forward with a measured approach. To start the process, I have asked Education Scotland to consider the current arrangements, to identify best practice and to recommend whether further safeguards or guidance are required.

To be clear, this work is not about replacing teachers or diluting their position at the centre of learning. Teaching should be done by teachers. Nor is it about finding ways in which savings could be made from local authority budgets. Indeed, I am explicitly ruling out the model that is proposed by Renfrewshire Council, or variants of it. Instead, I want to build on existing good practice.

In taking forward the McCormac recommendations, there is a great deal of hard and detailed work to be done. I do not want to rush what will be sensitive discussions, but equally I want progress to be made by all the working groups, including the SNCT, by the autumn of this year. Ultimately, I expect a new teachers agreement by April 2013, which will allow any new arrangements to be in place for the new school session that starts in August 2013.

As ever, the stakes are high. Scotland's young people deserve to receive the best possible education. They deserve a flexible curriculum that is responsive to their needs as learners, and curriculum for excellence is delivering that. They also deserve to be taught by skilled and motivated teachers who are supported by the right terms and conditions. Our work in taking forward the recommendations of "Teaching Scotland's Future" and "Advancing Professionalism in Teaching" will help to deliver that aspiration.

If we are to offer the best possible educational experience, these are challenges that we must

face together, and I invite all parties to play their part in this agenda for positive change.

Hugh Henry (Renfrewshire South) (Lab): I thank the cabinet secretary for the advance copy of his statement.

The McCrone review was about improving morale in Scottish education, supporting professionalism among teachers and fairly rewarding experience and expertise. The McCormac review, on the other hand, will, I fear, help to destabilise and demoralise the teaching profession. It is a charter for cost cutting by managers and is an academic fig leaf to allow the Scottish National Party Government to facilitate budget cuts across Scotland, building on previous education betrayals by the SNP, including the pledge to cut class sizes and the pledge to maintain teacher numbers.

I disagree profoundly with the cabinet secretary's decision to abandon the chartered teacher scheme. I believe that it can be amended and improved, but the concept—that we should find a way of supporting and rewarding excellent teachers who want to remain in the classroom—remains the right one. The cabinet secretary has said nothing about supporting teachers who see that as a preferred career option.

I welcome the cabinet secretary's rejection of the Renfrewshire Council model of replacing teachers with unqualified staff, and I hope that any suggestion of bringing others into our schools will be based on teacher professionalism, with proper safeguards and checks built in.

I do not oppose the idea of supporting teachers to improve and develop their skills, but does the cabinet secretary recognise that there are fears that there could be an attempt to introduce reaccreditation, and will he rule that out?

The cabinet secretary has said nothing about probationary teachers. Will he rule out any attempts to move away from the current structure on class contact time, and will he guarantee that hours will not be blocked to allow schools to use probationers to cover for absence?

I regret that the cabinet secretary has glossed over the key issues around conditions. Teachers should not have to do continuing professional development during school holidays. We should not casualise promoted posts by having temporary promotions based on the lowest salary point. Will he guarantee that he will not ignore the overwhelming response to McCormac from those who want the retention of annex B, the list of teacher duties, and annex E, the list of teacher tasks?

Michael Russell: The idea that a unanimous report from a group as distinguished as the

McCormac review group was designed to destabilise and demoralise Scottish education is so ridiculous that it devalues most of the rest of Mr Henry's contribution. However, let me be positive about what we have announced today.

The move from the chartered teacher scheme to a masters profession fits well with the McCormac report, the Donaldson recommendations and education worldwide. If Mr Henry thinks back to when he was briefly in my job, he will realise that, worldwide, the desire to ensure a masters profession is something that has driven continuous improvement in teaching. The existing chartered teachers and those who are working towards that position are being given an opportunity to enter a masters profession as pathfinders. I think that many will welcome that and that it will, in time, be seen to drive the whole profession forward.

I am happy to give a commitment to the probationary teacher scheme. The fact that I did not mention changes to the scheme means that there will not be significant changes to it. Of course, from time to time there are always changes to any scheme as education moves forward and develops, but the probationary teacher scheme, which is a very important part of our teaching profession—indeed, it is world renowned—will remain in place.

I have been very clear since McCormac reported that we should try to discuss this in a calm and constructive way with all stakeholders. It was important that we did that, and that is why it has taken me several months to get to the stage of bringing my statement to the chamber. I repeat the closing words of that statement and commend them to Mr Henry, even having heard his contribution:

"I invite all parties to play their part in this agenda for positive change."

If there are positive suggestions about how we could improve our approach, I am happy to listen to them; if, however, suggestions are merely reactionary and backward looking, I am afraid that they will do nothing to help Scotland's education and Scotland's young people.

Liz Smith (Mid Scotland and Fife) (Con): I thank the cabinet secretary for prior sight of statement and wish him a speedy recovery in restoring his voice to its normal tone.

I want to ask the cabinet secretary about three things. First, he is well aware that some areas of the teaching profession are concerned—whether they are chartered teachers or not—about the fact that chartered teachers do not always have enough time to read up on their subject material given all the other curriculum for excellence and CPD material that they have to get through. How

does he envisage the situation improving in the context of the McCormac recommendations?

Secondly, Gerry McCormac is on record as saying that he wants Scotland to look at best practice in other countries, at home and abroad. Apart from looking at the American examples that the cabinet secretary listed, what specific plans are there to make a comprehensive analysis of best practice in other countries?

Thirdly, recommendations 17 and 34 in the McCormac review encourage greater devolution of planning and staffing decisions to headteachers instead of leaving more responsibility with local government. Does the cabinet secretary agree with those recommendations, and if so, why does he feel it appropriate to say, in the context of the section about external experts,

"I am explicitly ruling out the model that is proposed by Renfrewshire Council, or variants of it"?

Irrespective of whether we agree with Renfrewshire Council's decision, is it the cabinet secretary's job to make that explicit statement?

Michael Russell: I thank Liz Smith for her kind words. I recall that only last Thursday morning she was criticising my tone, so I am glad that absence has made the heart grow fonder.

On CPD, I welcome the constructive tone that Liz Smith has taken, and I hope that she will continue to contribute in that way, because we regard CPD as a very important element. That is demonstrated in many ways in the McCormac report and in what I have said today. We should be moving towards structured CPD that is challenging and leads to a masters-level profession. In other words, we should gather up CPD in a way that leads forward in terms of capability. Of course, Graham Donaldson was a member of the McCormac review, and those ideas are carried through into it. The proposals on professional review and personal development show how seriously we take the issue.

On best practice, the masters is based on a Finnish model that has been applied very successfully. I always look to examples from elsewhere, as does everybody in education. Some we reject. For example, we rejected the Swedish free schools model—which Liz Smith came close to supporting, but which she steered away from—on the grounds that we think that it is incompatible with the Scottish model of education and would not work here. We saw free schools in operation—indeed, we saw the same school as Michael Gove—but drew different conclusions as to how they might work here. I have talked to education ministers and educational practitioners in many different countries, and I will continue to do so. Part of the work that our researchers do in education is to look at examples worldwide to

make sure that we understand what is happening elsewhere.

I think that Liz Smith referred to two different things in relation to the Renfrewshire model. As regards responsibility for staffing, before Christmas the Cameron report took forward, with the Convention of Scottish Local Authorities, the idea of devolved school management. Implementation is still being worked on, and I am sure that we will see continued progress.

I say frankly that I think that the Renfrewshire model was wrong and would not work, and that to introduce it now would be a distraction. We need to consider existing good practice. That is what I have encouraged Education Scotland to do, and that will lead us forward in the right way. I think that even in Renfrewshire some people accept that the model was perhaps not the way in which they should have been going forward. To continue to talk about the model would be a distraction.

Marco Biagi (Edinburgh Central) (SNP): The McCormac recommendations have been welcomed by a number of organisations, including the Association of Headteachers and Deputies in Scotland, which also said that time for discussion is needed, to ensure that any changes are successful. Will the cabinet secretary elaborate on the rationale behind the timeline that he briefly outlined in his statement?

Michael Russell: Yes. The timeline declares itself, to some extent. The current teaching salary agreement concludes in April 2013. The establishment of the McCormac review was agreed while that agreement was being negotiated and the intention was that the new agreement would be able to be in place around April 2013 or, at the latest, as the school session commences in August 2013.

The timescale is challenging, because there needs to be full discussion, as the member was right to say. Discussion is taking place. There will also be local authority elections on 3 May, and COSLA will perhaps not be fully functioning for a period. I am not putting pressure on people but I think that we should have a target date that all stakeholders recognise and agree to.

Neil Bibby (West Scotland) (Lab): I welcome the cabinet secretary's explicit ruling out of the model that was proposed by Renfrewshire Council, whereby teachers would be replaced with unqualified staff for 10 per cent of the school week. That is a slap in the face for Renfrewshire Council and the council leader who tried to introduce the model. Will the cabinet secretary give a guarantee to parents and teachers that there will be no dilution whatever in the teaching week in Scottish schools?

Michael Russell: It is not a slap in the face at all. No progress is made in life unless people come up with ideas and discuss them. The ideas either go forward or are rejected. Mr Bibby's approach flies in the face of evolution; there would be no progress for the human race at all—I think that perhaps that turns out to be true, as I look at the Labour benches.

Of course we will carefully discuss with all stakeholders any changes that are in the McCormac report and we will reach a negotiated agreement and settlement. I have made that point again and again and I could not be clearer about it. The moment when Mr Bibby asks me to hamstring the process is the moment when I say no. We must trust the negotiating skills of the unions, the local authorities and ourselves to try to get the best not just for teachers but for Scotland's young people.

Clare Adamson (Central Scotland) (SNP): What measures are being taken to ensure that support is available for supply teachers, so that they have an opportunity to continue their professional development?

Michael Russell: I have been keen to ensure that supply teachers are in the loop on CPD. Indeed, I have visited and addressed the organisation that is involved in that. I have made it clear on every occasion that supply teachers should be part of the CPD process, and I want that to continue to be the case.

It is important that every part of the teaching profession regards itself as involved in continuing professional development and a process of learning. Leaders of learning must themselves learn all the time. That is essential, and I am sure that no one in the teaching profession doubts it. We are trying to lay down an opportunity for that to happen in a structured fashion that produces real progress. Like all other teachers, including teachers who are temporarily out of the profession, supply teachers should have the opportunity to continue to update their skills.

Neil Findlay (Lothian) (Lab): Supply teachers would like a job first, before they do any CPD.

Given the uncertainty and confusion about the new curriculum, and given the absence of comment on tasks and flexibility of hours in his statement, will the cabinet secretary give teachers some idea of his thinking on those important issues? Maybe it is the man flu, but he is never usually so backward in giving his opinion.

Michael Russell: I share Mr Findlay's concern on the supply teacher issue, which I keep constantly under review. As Mr Findlay knows, local authorities make decisions all the time on how they should take forward those agreements. Indeed, I understand that the budget that Mr

Findlay voted for, which was proposed by his council group in West Lothian, included savings on supply teachers. That perhaps indicates that, as the First Minister has pointed out, Mr Findlay has one position for Mr Findlay MSP and one for Mr Findlay as a councillor.

The issue of supply teachers continues to cause concern. We examine closely areas where there are shortages. I am waiting for information on where those shortages are and we will take the necessary action.

However, it is important that we take forward the issues in negotiation. Mr Findlay knows that payments for supply teachers were part of the negotiated settlement last year that was agreed to by the Educational Institute of Scotland and taken through the SNCT process, and therefore finalised by all parties. As it was agreed to, it can be returned to if any of the parties wish to return to it, and then there will be a formal negotiation. However, let us get the evidence first, rather than treating the issue as a campaigning cause with nothing other than political advantage in mind.

The Presiding Officer: I remind members that their questions must be based on the cabinet secretary's statement.

Liam McArthur (Orkney Islands) (LD): I thank the cabinet secretary for advance sight of his statement and empathise with his struggle against the man flu.

I associate myself entirely with the cabinet secretary's comments about the importance of high-quality teaching to the success of our education system. He seems to accept that the need that gave rise to the creation of the chartered teacher scheme still exists and that such teachers add value. Why, then, is he unwilling to develop and enhance the existing scheme and would rather rip it up and start again?

The cabinet secretary has accepted the valuable contribution that external experts can and do make, but states that

"Teaching should be done by teachers."

We know that he rejects the Renfrewshire model, but can he be a little more precise on what he presumably sees as the non-teaching role that those external experts can perform?

Michael Russell: On the second point, I have asked Education Scotland to look at existing best practice, and that will take us forward.

I stress that my statement was absolutely clear on the chartered teacher scheme. I am not ripping it up and starting again. I went out of my way to say how important the scheme had been for its time but that we needed to move on and do more. I said that we could add to the scheme by moving

to a masters-level profession and that the people best able to take us there were existing chartered teachers and those who were training to be chartered teachers. I expressed my support for them and opened that opportunity up to them. The member's question was based on a false premise, and I hope that he will accept that he got that part wrong.

Roderick Campbell (North East Fife) (SNP): The cabinet secretary said in his statement that chartered teachers should be among the first to access the new professional development opportunities. What specific assurances can he give teachers who invested a great deal of time and effort in achieving chartered status that they will be able to use any new arrangement to build on the recognition that they currently enjoy through the scheme? In effect, what flesh can we put on the bones of the word "credit"?

Michael Russell: I am sure that Mr Campbell wants to rely on my word; others in the chamber apparently have difficulty in so doing.

I made it clear in my statement that those who are chartered teachers and those who are in the process of becoming chartered teachers are encouraged to be the pathfinders in the move towards masters degrees. I indicated that they would be given credit for previous work done; indeed, I have met and made that point to the Association of Chartered Teachers Scotland, and my officials will continue to have those discussions. It is my intention that chartered teachers be given every opportunity to continue their progress and be supported in the work that they have done and will continue to do in their new role.

Joan McAlpine (South Scotland) (SNP): Will the approach outlined by the cabinet secretary today impact on the education of teachers at university level? If so, will he tell us what arrangements have been made to take that forward?

Michael Russell: I indicated in my statement that universities were a key partner in every part of this. Discussions are taking place with the universities as partners—for example, in the partnership group—so that they can participate fully. The masters will have to be supervised and delivered at university level, and discussions are under way on how that might take place. I hope that the Association of Chartered Teachers Scotland will be part of that discussion, too.

Universities are deeply involved in taking forward the Donaldson proposals and they are vital in ensuring the production and supervision of our probationers.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Last Thursday, the Cabinet

Secretary for Justice abolished prison visiting committees and said that he would build on them. Today, his colleague has said that he will abolish the chartered teacher scheme and build on it. There seems to be a pattern here. Does Mr Russell not think that it would be wise to keep the chartered teacher scheme until he has developed concrete proposals to provide accessible opportunities and concrete arrangements for the masters profession that he wishes to create?

Michael Russell: No. The McCormac committee's recommendation was entirely clear. It was not a great surprise, because there have been many comments that we need radical change to the chartered teacher scheme.

I believe that we are providing an opportunity for those who have shown their willingness to take forward a higher degree of professionalism to ensure that they keep moving in that way and that they contribute something new. That is a positive thing and it should be welcomed.

Sandra White (Glasgow Kelvin) (SNP): Although organisations such as the Association of Headteachers and Deputies in Scotland, the Association of Directors of Education in Scotland, the National Parent Forum of Scotland and COSLA have welcomed much of the McCormac report, others such as the EIS and the National Association of Schoolmasters Union of Women Teachers have raised concerns. What work is being done with unions to reassure them that the changes will benefit teachers, particularly those at the end of their training and supply teachers?

Michael Russell: I am happy to give the member the reassurance that lies in the full membership and involvement in the negotiating procedures of the unions. They are a critical, key part of the SNCT, which is a tripartite arrangement. The SNCT has now set up its sub-groups to take forward the terms and conditions issue. The unions are centrally involved in that process, which will be one of careful discussion and negotiation from now on. I hope that the member accepts that reassurance. I want the process of negotiation to be detailed, careful and ultimately successful.

Mary Fee (West Scotland) (Lab): How does the cabinet secretary plan to retain probationary teacher numbers while local authority budgets are being slashed? In Renfrewshire, teacher numbers have fallen by 14 per cent under the SNP and Lib Dem coalition. Does he agree that the current scheme to give new teachers a one-year probation is failing, given that very few end up in full-time teaching jobs?

Michael Russell: The last point is not true. The figure has improved greatly over the past few years. Off the top of my head, I think that the

figure in terms of jobseekers allowance is now four per 1,000, which compares favourably with the figures in the rest of these islands. The figures in Northern Ireland, south of the border and in Wales are substantially worse. We have made considerable progress on the matter and we continue to do so.

The probationary system has not failed. I think that the member, on reflection, would regret her remark. The probationary system is a highly successful system that produces excellent teachers, and the member should support it rather than trying to run it down.

The reality is that Scottish education—I have always said this—is good but could be better. We are trying to make it better through a careful process of discussion and negotiation. I welcome constructive contributions to that. What I do not welcome is the use of language that runs down the system, and to say that the probationary system has failed is such a use of language.

Graeme Dey (Angus South) (SNP): The curriculum for excellence is already transforming education throughout Scotland. How does the McCormac report support the curriculum for excellence agenda?

Michael Russell: Everything that we do in education is designed to support the curriculum for excellence, which lies at the heart of the work that we do. Since I became Cabinet Secretary for Education and Lifelong Learning over two years ago, I have kept a close eye on the curriculum for excellence. Where additional support or help has been required, I have put it in place, and I will continue to do so. Indeed, I will meet the EIS later today to take these issues forward.

I want to ensure that education in Scotland is a collaborative and consensual activity. McCormac ensures that the teaching profession has the opportunity to adapt and change to reflect the way in which the curriculum for excellence works—indeed, that was part of its remit. All the McCormac proposals are in keeping with the curriculum for excellence. Now, we need to ensure that, as we negotiate our way through many of these issues, we keep in mind the importance of the curriculum for excellence in our negotiating procedures, and in the things that are undertaken by other bodies. That is definitely what we will do.

Mark Griffin (Central Scotland) (Lab): Chartered teachers make a positive contribution to our education system; that is what headteachers and the General Teaching Council for Scotland tell us. In fact,

"Chartered Teachers can be a valuable resource to assist and lead other teachers in improving educational outcomes."—[*Official Report, Written Answers*, 22 December 2011; S4W-04603.]

Those are not my words; that is what the cabinet secretary said in December. Despite recognising again today chartered teachers' important contribution to the education system, why has the cabinet secretary decided to accept recommendation 19 of the McCormac review and cast aside the views of 75 per cent of people, who told the Government that it would not be in the best interests of school pupils, the education profession and the whole education system to abolish the chartered teacher scheme?

Michael Russell: I feel it necessary to repeat part of my statement.

"There are many excellent chartered teachers in schools across Scotland, but I am not convinced that the chartered teacher scheme remains the best model to provide the teaching profession with opportunities to improve and develop. We must do more, not least because the aspirations that prompted the creation of the chartered teacher scheme remain and, indeed, have been reinvigorated by Graham Donaldson's report. This is an opportunity for us to design and develop frameworks that help us to move towards highly successful models of teaching that are seen elsewhere in the world, thereby encouraging a thirst for knowledge and intellectual ambition in the profession that will deliver improved outcomes for our children and young people.

We should aspire to a vision of teaching as a masters-level profession, and we should do so, first, by building on the chartered teacher scheme. It provides us with the opportunity to make a masters profession a reality. Moreover, chartered teachers and those who are in the process of becoming chartered teachers should be, and now will be, among the first to access these opportunities."

If necessary, I will set that to music and sing it. I do not think that I can be any clearer.

The Presiding Officer: I remind the cabinet secretary that singing is not allowed in the chamber.

Jean Urquhart (Highlands and Islands) (SNP): In his statement, the cabinet secretary mentioned Graham Donaldson's report "Teaching Scotland's Future" and in his responses to questions he has touched on that report and the McCormac review. How will those reports complement each other to make a positive contribution to the future of teaching in Scotland?

Michael Russell: The interlinking of the two is well seen in Graham Donaldson's involvement with the McCormac review panel. I am grateful to everyone on that panel, which comprised, among others, a former president of the EIS; a distinguished headteacher from Lanarkshire; Alf Young, the former deputy editor of *The Herald*; and a lawyer from Glasgow. Although the people on that panel had a range of knowledge, Graham Donaldson's involvement was fairly crucial because we knew from the outset that his report would have to dovetail with the recommendations of a review of terms and conditions.

As a result of Graham Donaldson's presence on the McCormac review, we were able to ensure that those two elements could come together. That approach has been very positive and in the announcements that I have made this morning we now have a way of taking forward both sets of proposals, linked together not only through the partnership group but through Education Scotland and the GTCS. This is an agenda for positive change and reform that should be welcomed and encouraged by every member and I look forward to negotiating on it constructively. After all, that is what we are talking about today: constructive negotiation.

Local Government Finance (Scotland) Order 2012 [Draft]

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-01979, in the name of John Swinney, on the Local Government Finance (Scotland) Order 2012. As the three front-bench speakers are in their places, we will begin. Mr Swinney, you have up to 13 minutes.

09:54

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Today's motion seeks agreement to the main allocation of revenue funding to local government for 2012-13 to ensure that our councils continue to deliver the vital services on which communities across Scotland depend. In 2012-13, the Scottish Government will provide councils with a total funding package of £11.5 billion, which includes total revenue funding of £10.9 billion and support for capital expenditure of almost £0.6 billion. The motion seeks Parliament's approval for the distribution and payment of £9.9 billion out of the £10.9 billion total. The remainder will be paid out as specific grant funding—mainly for police funding—or will be distributed at a later date.

I will bring a second order before Parliament next month to distribute a further £70 million to compensate the councils that have frozen their council tax in 2012-13 for a fifth consecutive year. Following agreement with the Convention of Scottish Local Authorities, the total in that further order will be subject to council leaders providing formal assurance by the end of this month that their budgets for 2012-13 include provision to deliver the full package of measures that are outlined in finance circular 11/2011, including the council tax freeze.

The Government has reached an agreement with the leadership of the Convention of Scottish Local Authorities on an approach to delivering joint priorities between national and local Government. That was described in my letter to COSLA of 21 September, which set out the terms of the local government settlement for 2012 to 2015.

The purpose of the approach to joint priorities has been to entrench the approach that the Government took in its first parliamentary term through the establishment of the concordat between national and local Government, which essentially established a framework of partnership working in which national and local Government would work together to deliver shared objectives and outcomes. That spreads across a range of policy interventions and approaches, but it can

also include specific policy commitments. I will describe a number of those in due course.

At the heart of the thinking behind the concordat, which has developed into the joint priorities approach that the Government has progressed with local authorities, is the desire to create a common focus in the work that we undertake and the objectives that we try to secure as public authorities working together in the common interest of Scotland.

I am pleased that COSLA has confirmed that local authority leaders from all 32 councils have signalled their provisional acceptance of the package of proposals that was presented by the Government and agreed with the COSLA leadership in December, and that there has been support for that from all 32 local authorities.

As part of the settlement, local authorities will deliver certain specific commitments. Those include freezing the council tax, which is continuing to help families during very difficult economic times; passing on funding to police boards as a contribution to allow them to maintain the number of 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 citizens by working with the national health service to improve adult social care. Those are some of the specific policy instruments to which I referred earlier, and they offer clear evidence that the Government and local authorities are working together in the interests of our communities.

Local government will have a key role to play in taking forward the preventative spending approach, which is a major feature of the 2011 spending review that I announced in September. Local government strongly supports that approach, and it has committed to contribute resources to the change funds, which—together with contributions from national Government and community planning partners—are expected to deliver approximately £500 million to invest in early years, older people's services and reducing reoffending.

I should explain that the total revenue funding to be paid out to local authorities in 2012-13 includes the £502.8 million of ring-fenced grants, which is mainly the police grant; £281.9 million for police and fire pensions, which is paid to police and fire boards; £33 million for additional police officers; £86.5 million paid to criminal justice authorities; £70 million for the council tax freeze; and £37.6 million for the teacher induction scheme. The overall package further includes—although it is not part of the order before us—support for capital funding of more than £563 million.

I made a number of announcements relating to the allocation of additional resources subsequent to setting the budget in September. Those moneys will be used to further support economic recovery, and approximately £34 million will be allocated in the current financial year to spending associated with local government programmes to support our priorities. As part of those measures, local authorities will benefit directly from the cities investment fund, which the six cities in Scotland have been involved in formulating alongside the Government.

The Minister for Youth Employment, Angela Constance, will engage in further dialogue with local government on the impact that the additional £30 million that we allocated for youth employment measures will have on local authority budgets and provisions. Given the scale of the challenge of addressing youth unemployment in certain parts of Scotland, I have made it clear in my discussions with local authorities—a number of which are investing in youth employability schemes in their areas, some of which I will refer to later in my remarks if I have time—that, whatever decisions they take on youth employment measures, that will not prejudice in any way further decisions that the Government must take on youth employment resources that it could allocate to them.

On 31 January, I announced details of changes for 2011-12 that will have an effect on a range of programmes that affect local authorities. They include £10 million for affordable housing supply; £2 million for housing adaptations for older and disabled people; £4.5 million for roads maintenance and other works, which will include £2 million to help local authorities to maintain local roads; and £2.5 million for potential claims under the Bellwin scheme from local authorities arising from the recent storm damage from before and after the Christmas break.

Furthermore, as part of my opening speech on the Budget (Scotland) Bill yesterday, I was able to announce the allocation of £382 million in additional funding for 2012 to 2015. Within that total figure, I have been able to provide local government with its pro rata share of 28 per cent, which amounts to £94 million over the three years 2012 to 2015. We have agreed with our local government partners that that money will be used in infrastructure investment to support the economic recovery and that a proportion of that—£40 million—will be targeted specifically at supporting our digital action plan, particularly in rural areas. It will be for local authorities to decide how the balance of the additional funding can best be spent to support economic recovery in their localities.

In addition, local authorities will benefit from the announcement that we are investing another £45

million in the housing budget over the 2012 to 2015 period to supplement the £10 million that we have added for affordable housing in 2011-12. On top of that, the £42 million of funding that will be used for loans and shared-equity arrangements will supplement the housing provision and, in essence, free up resources to be used in wider social housing projects involving our local authorities.

The order contains a number of additional sums that relate to 2011-12. We seek approval to distribute an additional £62.3 million to allow councils to carry through a number of agreed spending commitments that have arisen since the Local Government Finance (Scotland) Order 2011 was approved last year. Those commitments include £37.5 million for the teachers induction scheme, £15.3 million for teachers' pay and £7 million to help to support the cities strategy. Those resources are provided to help local authorities to address the many challenges that they face now and in the future so that they can continue to provide the vital services that our communities need and on which they rely.

In developing all those financial arrangements with local government, we must, of course, use a sustainable and agreed distribution arrangement for the resources. The distribution formula for the disbursement of the local government settlement to each individual authority was reviewed in 2009 and the conclusions of that review were agreed with local government in Scotland.

The principal drivers of the local government distribution formula are a mixture of factors, the most significant of which is the population distribution around the country. There are, however, other major factors that influence the distribution formula, including the age distribution of the population—particular account is taken of the number of younger and older people in each local authority area—the rural character of some local authority areas, the impact of deprivation factors and, for a number of authorities, the special islands needs allowance that is applied to all authorities that have island population groupings within their areas. The distribution formula drives the way in which those resources are allocated to all local authority areas.

Yesterday, I confirmed our approach on business rates. We will match the English poundage and the large company supplement. I set out revised proposals on the public health supplement, and the regulations are published today. On the general business rates issue, I appreciate that the inflation increase for 2012-13 is significant. That is why I have put in place the deferral scheme that I announced in December, which will provide flexibility to businesses by allowing them to spread the retail prices index-

linked inflationary increase for 2012-13 over three years. More details on that scheme have been published today.

Also in December, I announced that we would maintain the small business bonus scheme for the lifetime of the current parliamentary session and that the thresholds for 2012-13 would be maintained at 2010-11 levels. The small business bonus scheme benefits two in every five commercial premises in Scotland and will continue to support small and medium-sized businesses across the country. The small business bonus scheme is just part of a relief package that is worth more than £500 million a year, which benefits many sectors including around 63 per cent of Scottish retail premises that currently pay zero or reduced business rates.

In summary, the total funding from the Scottish Government to local government next year will amount to £11.5 billion. The share of the budget that is allocated to local government is higher in 2012-13 than it was when this Administration came to office, despite the unprecedented pressure that the budget has been under. The Government works actively with local government to agree shared priorities, and I welcome very much the approach that local government is taking to working with the Government in our efforts to deliver economic recovery. That is evidenced by the steps that are being taken to support recovery through both capital programmes and employability programmes in the localities of Scotland. I welcome that constructive approach from local government in Scotland.

I move,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2012 [draft] be approved.

10:07

Sarah Boyack (Lothian) (Lab): This year's local government budgets are shaping up to be bad news for thousands of families throughout Scotland. In its budget, the Scottish National Party has allocated council cuts that are twice the level of the cuts that the Scottish Government has received from the United Kingdom Tory Government. That will mean a squeeze on local services, job losses and increased charges for services, which will impact particularly hard on people on low or modest incomes. As councils throughout Scotland set their budgets and as local people look at the small print and hold them to account for their priorities, we should let them know that the squeeze on local government services was made in Scotland by the Scottish National Party. The SNP Government took a cut from the UK Tory Government, doubled it and then passed it on to councils.

John Mason (Glasgow Shettleston) (SNP): Will the member take an intervention?

Sarah Boyack: No, thank you. Let me get started.

That is on top of last year's difficult settlement for councils, to which the cabinet secretary has referred. Last year, 13,500 jobs were lost from local government, and Unison tells me that another 13,500 will be lost this year. This is not just a technical debate, although I thank the staff of the Scottish Parliament information centre for their assistance in processing the raft of statistics that we have received from the cabinet secretary, particularly as they have been unveiled over the past few days.

This year's SNP budget will affect councils' capacity to use the spending power of local government to create local jobs and training opportunities—something else to which the cabinet secretary has referred. The additional money that was announced yesterday is obviously welcome, but when one looks at the detail, one sees that it is much more a triumph of expectation management than a boost to local services.

The SNP makes great play of its council tax freeze, but there is a con at the heart of that approach because the council tax freeze is not being fully funded by the Scottish Government and it will add massive pressures on top of last year's cuts by the SNP.

Our view is that the budget settlement is a bad deal. The SNP promised to protect people from Tory cuts.

Kenneth Gibson (Cunninghame North) (SNP): The member talks about alleged SNP cuts. How much more money would Labour put into local government and from where would it find the money in the Scottish block?

Sarah Boyack: We are discussing the order, and I am afraid that we can only discuss what is on the table. We are criticising the settlement, because that is the issue that we are debating. Ken Macintosh addressed the member's point in the debate yesterday.

The deal is a bad one for local government and local communities—there is no getting away from that. We are now three months away from the local government elections, during which people will be able to raise the issues in detail.

John Swinney: Will Sarah Boyack take an intervention?

Sarah Boyack: I would be delighted to take an intervention.

John Swinney: To follow up on my colleague Mr Gibson's point, yesterday, the Labour Party gave us not a single idea about where additional

resources would come from—apart from the idea of using the £10 million for the referendum campaign—and it opposed my revenue-raising measures. Perhaps Sarah Boyack will take the opportunity to answer fully the point that Mr Gibson raised and which I reiterated. If there is to be criticism of the size of the local government settlement—as there is in the Labour Party amendment—she should say what additional resources Labour would put in and where the money would come from.

Sarah Boyack: To give just one example, the SNP and Labour groups on the council in my area have asked for flexibility and the opportunity to consider a bed tax to take the pressure off. I understand that the council will have a current debt of more than £1.5 billion, even with the additional money as a result of the 85 per cent floor. There are ideas in local communities, and the cabinet secretary would do well to listen to them. Pleas are being made locally, but they are not being listened to.

The approach is one of expectation management: make massive cuts, see which are the most popular and then put a little back into the pot. However, the local government settlement is bad news for people, whether they are the parents of children who are unhappy with class sizes and the loss of 3,000 teachers under the SNP's watch; carers who are seeing the quality of their services undermined daily or rationed; or people who desperately want a decent home and who have been let down by the SNP's failure to live up to its election promise on social rented housing. The cuts to the bus service operators grant will also hit local communities. Local councils are struggling to decide whether to lose local bus services or to use some of their hard-pressed budgets to fill the gaps, as the City of Edinburgh Council is considering doing.

People in every part of Scotland will be let down by the settlement. The provision of services locally, collectively provided, is why we have local government. The capacity to improve communities and make them good places to live is what drives people to stand for election as councillors. In the four years of the previous SNP Government and in the six months or so of the majority SNP Government, the capacity of local councils to set their priorities has been diminished. There is no way to get away from that. Local councils are tied into a financial straitjacket, with all the blame being passed down to them for every local cut that they make. Labour councillors across the country, whether they are in power or in opposition, have argued for protecting vital local services on which people depend and using the power of local government to help to bring the country out of recession through the power of local spending to help economic development.

The debate is needed as a reality check—it is our chance to hold the SNP Government to account for its approach to local government and for letting down people throughout Scotland by doubling the cut from the Tory Government. There is a human cost to this year's local government financial settlement. Backroom civilian police staff will be sacked to meet the SNP's promise on front-line police numbers. That will result in front-line police being dragged back to the bureaucratic details that the backroom staff were there to let them away from.

On education, class sizes are nowhere near the 18 that the SNP offered in 2007 and they are still not at the 25 that the SNP promised. Supply teachers are being put off because of cuts to their terms and conditions and new teachers are still finding it hard to get their first job. The school building programme, even with the changes that were announced yesterday, is being slowed and delayed across Scotland. For parents, childcare is becoming increasingly expensive, and working parents are under particular pressure because of the lack of affordable nursery provision. Our priorities must be to support people through the recession, to make the best use of local services and procurement and to stimulate local economic development.

That is why, in Falkirk, Glasgow and now North Lanarkshire, the focus is on training. Furthermore, we have to give a chance to people who are furthest from the labour market, which is why we argue for the use of article 19 of the European Union public procurement directive to let local government help factories that offer supported employment. That would give people a chance to find work. Last year, the SNP-Lib Dem council in Edinburgh allowed Blindcraft to go to the wall. That should be contrasted with the fantastic work done by Glasgow City Council to support disabled people.

The cabinet secretary's speech referred briefly to preventative spending. However, pernicious cuts in social care are taking place at local level across Scotland. Following today's finance order, and following the budget settlement that the SNP has chosen to offer local authorities, the cuts will be all the more challenging. A key way in which local government can help is by taking the pressure off carers and by ensuring that social care is available. However, across councils, social care is being rationed. There is also a huge squeeze on the voluntary sector. The voluntary sector brings experience to the table—experience of people who are discriminated against and are vulnerable. It also brings volunteering hours that local government gets for free through trading arrangements. The budget settlement will make it infinitely harder for local government to work with the voluntary sector. It is a bad deal.

The cabinet secretary mentioned social rented housing, money for which is incredibly cost effective, not just in helping to tackle our housing shortage but in kick-starting the construction industry. The SNP Government promised 6,000 new affordable rented homes a year, but, after yesterday's budget, there was a 30 per cent cut in affordable housing. That is not helping communities such as those in Midlothian with a focus on new council house building.

We deeply regret the SNP Government's choice to pass on twice the level of cuts, in real terms, that it received from the Tory Government. I hope that the rest of the chamber will agree with us that today's local government finance order could have been better and should have been better. It will hold back local investment; it will limit the capacity of local government to do everything it can to help people and businesses to come out of recession; and it will result in cuts at local level, with the underfunded council tax freeze adding to the pressures on services. The order will affect local government's capacity to address what motivates people to stand as councillors in the first place. I encourage colleagues to support the amendment in my name.

I move amendment S4M-01979.1, to insert at end:

"but, in so doing, regrets that the Scottish Government's real-terms budget cut to local authorities is more than twice the cut to the overall Scottish budget."

10:17

Margaret Mitchell (Central Scotland) (Con):

The motion seeks approval for the Local Government Finance (Scotland) Order 2012, so I will begin by confirming that Scottish Conservatives support the council tax freeze for the forthcoming financial year, and warmly welcome the fact that the small business bonus scheme—which the cabinet secretary will recall was originally a Conservative initiative—is to continue. The scheme has provided not merely tangible support but, in some cases, a lifeline for many small to medium-sized local businesses. It is an excellent example of preventative spend in action.

However, Scottish Conservatives have a number of concerns about the Scottish Government's funding proposals. The first concern relates to the collection rate targets outlined in the business rates incentivisation scheme. In the present financial climate, we consider those targets to be too optimistic. There is little likelihood that many local authorities will achieve the targets, thereby benefiting from additional funding by retaining 50 per cent—the Scottish Government pockets the rest—of the target surplus raised. It is a great pity that the opportunity has been lost to

introduce a scheme like the one that was suggested by Scottish Conservatives in 2009, whereby local authorities could keep 100 per cent of the surplus. Together with revised collection targets, that would offer a real incentive to local authorities. It would also help to create jobs and boost the economy.

The Scottish Government has not provided any funding for town centre regeneration. Instead, it is reviewing the scheme. Figures that were released this week by the Local Data Company revealed that five towns—East Kilbride, Hamilton, Coatbridge, Grangemouth and Falkirk, all of which are in Central Scotland—are in the top 10 list of the towns with most vacant shops. In some areas of Scotland, one in four shops is vacant. It is therefore especially regrettable that there is no funding for town centres.

Furthermore, despite the cabinet secretary's adjustment to the public health levy, it remains a regressive, Scotland-only tax that will now penalise large retailers to the tune of £95 million as opposed to £110 million.

John Mason: I am interested in the fact that the member thinks that we should not target the larger stores. They seem to be doing very well compared with some of the smaller shops to which she has referred, which have had to close down. Is there not an inconsistency in the member's approach?

Margaret Mitchell: Absolutely not. Let me explain why. I will speak about the impact. Jane Bevis, who is director of communications for the Scottish Retail Consortium, has said:

"The Scottish government has a hole in its local authority budget and has chosen the retail sector to fill it, simply because supermarkets are profitable businesses. The public health justification for this levy is completely unfounded."

Given that the retail sector is the country's largest private employer—it employs approximately 240,000 people—the adverse consequences of that discrimination are potentially far reaching, and they put in jeopardy the 59 per cent of part-time jobs in Scotland in the retail sector that are flexible and attract young people and women in particular. In fact, 62 per cent of the Scottish retail workforce is female, and those jobs often represent second incomes that bolster household incomes and are a source of additional spending power that benefits other local business and the local economy. That fully answers John Mason's point.

A third of retail employees are under 25. Many young people get their first employment opportunity in the retail sector. Given that more than 100,000 16 to 24-year-olds are unemployed in Scotland, the discriminatory tax that I am discussing runs the risk of adding to the depressing figures by denying young people the

opportunity to gain their first foothold on the employment ladder. Perhaps it is not surprising that the sport, tourism, hospitality, food and drink, and transport industries are all mentioned as possible sources of employment for young people in the Scottish Government's "Scotland's Youth Employment Strategy", but mention of the retail sector is notable by its absence.

I turn to the direct funding provision for criminal justice social work. In cash terms, the funding remains the same over the next three years but, in real terms, that represents a cut in excess of £6 million. This is a vital allocation that provides core funding to ensure that adequate resources for criminal justice social work and workers are in place to enable them to deliver pre-sentence reports to courts; provide community sentences and supervise probation orders; carry out the post-release supervision of offenders on statutory licence and voluntary throughcare; and generally assess the risks and circumstances of offenders in the community. In other words, this budget investment represents a clear and compelling example of preventative spend. It is therefore a concern that, despite the Government's much-vaunted commitment to spend to save, the area appears to have lost out. I look forward to the minister's comments on why he considers that to be justified.

In general terms, I accept the figures in the order, but there is no doubt that an opportunity has been lost, in light of the examples that have been highlighted, to maximise preventative spend and boost the local economy.

10:23

James Dornan (Glasgow Cathcart) (SNP): I thank the cabinet secretary for confirming once again the importance of local government to him and the rest of the Scottish Government. That is shown by the £38 million extra in funding that they have found.

As a previous leader of the opposition in Glasgow City Council and a sitting councillor, I consider local government to be critically important to our society's wellbeing. That will hardly come as a surprise to members. We charge local government with responsibility for extremely important services, from the schooling of our children and grandchildren to the social care of our families and loved ones. We ask it to look after our roads and to regenerate areas that need a wee bit extra work to make them shine again. Its importance in the running of our communities cannot be overstated.

Local government is the best-placed level of government to determine changes at a local level and it is strongest when it works in partnership

with the national Government. Given its responsibilities, it is, of course, imperative that it is funded appropriately. It is clear from the cabinet secretary's statement that the Scottish Government also holds that view. Even working under the draconian cuts that have been imposed by successive Westminster Governments, which have seen the Scottish budget reduced year on year since 2007, the Scottish Government continues to ensure that local government settlements are fair, affordable and at a level that is, despite the aforementioned Westminster cuts, higher than it was in 2007-08 when the SNP took power.

In the coming year, Glasgow will receive per capita funding to the tune of £2,786, which is the highest of any wholly mainland local authority and £500 more than the Scottish average, although we would not believe that if we listened to the constant publicity-seeking, politically motivated greeting of the leader of Glasgow City Council. I am not the only one who thinks that Mr Matheson has got it wrong. The Edinburgh Labour Party agrees with me, as does the Edinburgh *Evening News*, which criticised Mr Matheson for having a go at Edinburgh when Glasgow is receiving, as Edinburgh Labour put it, £2,617 per head while Edinburgh gets £1,821. If a party is going to attack us, maybe it should speak to its colleagues before it decides to play party politics with the funding of local government.

Glasgow has done well out of the small business bonus scheme, and I am delighted that Mr Swinney has reiterated that today. It will do well out of the £30 million youth employability money, which I am sure it will get more than its fair share of. The long-term commitment to the council tax freeze has saved families hundreds of pounds in these difficult economic times. Many projects are funded in Glasgow by the Scottish Government, such as the south Glasgow hospitals, the Clyde fastlink, the City of Glasgow College, the Edinburgh to Glasgow rail improvement programme, and the recently completed M74, and tens, if not hundreds, of millions of pounds have been invested across the city in preparation for the Commonwealth games in 2014.

I am proud to be from Glasgow, which houses magnificent public buildings, including stunning art galleries and museums, and the largest number of public parks of any city in Europe. Hampden Park, in my constituency, is the home of Scottish football. Glasgow has so much to be proud of, but its local government leaves a lot to be desired. Glasgow City Council receives the highest per capita funding settlement from the Scottish Government of any wholly mainland authority, but people who live in some areas of the city have the lowest life expectancy and highest infant mortality rates in western Europe. Those problems are

connected to the high levels of heart disease and alcohol-related illness, which are associated with poverty. That is why I welcome the public health levy. Despite the Tories' claims, it can only be a good thing.

For all the investment in schools by successive Scottish Governments, some schools in Glasgow's more deprived areas still have the lowest educational attainment rates in the country and despite, or perhaps because of, the fact that Glasgow City Council was the biggest landlord of social rented housing in western Europe until 10 years ago, far too many houses in Glasgow are still in a chronically poor condition that adversely affects the health of thousands of residents of the city.

It is clear that money alone cannot solve every problem. The Scottish Government has to play its part in providing fair resources and funding for Glasgow, and it has done so.

James Kelly (Rutherglen) (Lab): Mr Dornan is talking about fair allocations to councils. How does he feel about the fact that 89 per cent of the cuts in the budget settlement have been allocated to local government, which means that local councils will be penalised as they try to provide the vital local services that he has outlined in his speech?

James Dornan: We are facing the most difficult economic time that we have had since devolution, so local government has a responsibility to spend the money that it is given wisely and carefully.

We expect local politicians who are responsible for administering the services to be more committed to spending tens of thousands of pounds on filling potholes than to paying for medals for bailies and portraits of the lord provost. We also expect them to protect the most vulnerable in our society instead of financing huge payoffs for council officers and chief executives of arm's-length external organisations within the so-called larger council family. Sometimes the word "family" is very appropriate.

We also expect our local and national Government to use methods of financing public projects such as schools and hospitals in a way that will not penalise our children and grandchildren for our incompetence. Shamefully, Glasgow pays in excess of £50 million per annum in repayments for the scandalous private finance initiative and public-private partnership projects that originated from the dead hand of Prudence Brown. That money could be spent on keeping additional support for learning schools open, fixing our roads and assisting those who are most in need.

Thankfully, the people of Glasgow will have the chance in May to remove the incompetent Labour administration, which continues to hold Glasgow

back, and to put in place an SNP administration that is full of innovative ideas about how to use Glasgow's funding wisely to benefit Glasgow's citizens in an open and transparent way, in contrast to the opaque, secretive and obstructive way in which Glasgow is run at present. I look forward to the day—it is coming soon—when Glasgow is run by an administration that would rather work with the Government of the day for the benefit of Glasgow's citizens than cry wolf at every opportunity to make cheap political points.

The Deputy Presiding Officer (John Scott): I call Anne McTaggart, who has a generous six minutes.

10:30

Anne McTaggart (Glasgow) (Lab): I thank Mr Dornan for his somewhat humorous speech. I am tempted to say that I would like to take it and do the reverse of it.

I welcome the opportunity to speak in the debate. Like Sarah Boyack, I aim to highlight the disproportionate budget cuts that local authorities are receiving from the Scottish Government relative to the cuts that the Scottish Government is receiving from Westminster. Even with yesterday's welcome sweetener, the Scottish Government appears to be hammering local authorities and their approach to delivering public services. Glasgow's cash-terms cuts mean that our city will be millions of pounds worse off.

Kenneth Gibson: Given her concern about Glasgow's funding, is the member dismayed that, when Labour was in power, it cut Glasgow's aggregate external finance from 15.6 to 14.4 per cent of the Scottish total? That cost Glasgow in excess of £130 million in revenue support a year.

Anne McTaggart: I will continue.

Glasgow City Council will be the third worst-off local authority under the spending plans, although Glasgow is the largest city in Scotland, and it will be the only local authority to have its budget cut five years in a row. Glasgow is again being penalised by the Edinburgh-based SNP Government.

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

Anne McTaggart: No.

Protecting Glaswegians' priorities will be a greater task this year as we struggle to balance the decreasing budget with the needs, issues and aspirations of our communities, which we strive to serve. The impact will hit the most vulnerable in our communities—those who depend on local government services—and will ultimately result in

more people losing their jobs. That is the reality of bleeding Scotland's local authorities.

The SNP will continue to assert its council tax freeze for hard-pressed households, but the reality for Glasgow City Council is that the past two years have evidenced an increase in the number of council tax exemptions, which has led to a shortfall in council tax income that is received against the council's budget.

The casualty list from the bleeding of the local authorities includes the wider community and voluntary organisations that have benefited from local grant awards to enhance service delivery for and by communities. The rising pressure on local partnerships to increase service delivery with a decreasing budget is only too apparent in the single outcome agreement commitments. A cut of £16 million over the next three years will increase the difficulty of delivering high-quality locally accessible public services.

All that comes after the SNP tried to cut Glasgow's housing budget by £122 million. The council forced the SNP to delay that cut for one year, but we know that it will be back with it.

The Minister for Local Government and Planning (Derek Mackay): Is the member not aware that the budget that the Labour Party failed to support yesterday assures the financial package for housing and includes a new injection of funding for housing across Scotland?

Anne McTaggart: It still equates to a 30 per cent cut.

The finance secretary, John Swinney, and the SNP Government may still struggle to justify the housing budget cut to the people of Glasgow.

I know that the Labour administration in the city chambers, which is led by Gordon Matheson, will continue to struggle on the city's behalf against the bias that I have described, in order to protect our communities from the worst of the cuts. Putting the city first is Glasgow's priority. This SNP Government is very good at passing the buck and blaming others for the impact of its cuts.

Kevin Stewart: Will the member give way?

Anne McTaggart: I am just coming to my last sentence.

Here again we have the same old rhetoric: the SNP administers on local authorities real pain, and brandishes Westminster with all the blame.

10:35

George Adam (Paisley) (SNP): I declare an interest as a member of Renfrewshire Council, mainly because we work in partnership with the Scottish Government to deliver despite the

challenges that we face. I sometimes wonder whether I live on the same planet, let alone in the same country, as some Labour members, because they do not seem to get the idea of local authorities working together in partnership. Sarah Boyack said that the local government settlement is bad news for thousands of families throughout Scotland. I am tired of hearing such gloom and doom. I believe that there is no such thing as a problem; there are only solutions. It may be because my mother introduced me to John Lennon at an early age that I believe that it is possible to find a solution to every problem.

The position that we are in is the result of the squeeze from the Westminster Government. If we had the full economic powers of independence, we could make a difference. I know that the Labour Party has great difficulty with that, but it is quite a simple solution. Kenneth Gibson and the cabinet secretary asked Sarah Boyack what Labour had to offer the people of Scotland in the next couple of years during these difficult times. Yesterday, one Labour member said that the £10 million that is to be spent on the referendum should be redistributed throughout the country in a way that only the Lord himself could do. Today, we have been told that Labour's other big idea is a bed tax. Is that it? Is that all that we are to get from Labour? During these difficult times, does Labour have anything else to offer? Labour members can intervene if they want. The people of Scotland are looking for ideas, leadership and a way forward, but Labour has nothing. I can tell from the silence among Labour members that they have nothing to offer.

Local government, like national Government, is about responsibility and leadership. In these challenging times, we must live in the here and now and deal with the current challenges. The cabinet secretary has supported and helped local authorities. It is up to members such as me and other councillors throughout the country to take on the responsibility of providing for people in our areas.

I listened to what my colleague James Dornan said about Glasgow City Council. Renfrewshire Council is looking for solutions for the people of Renfrewshire, whereas, 7 miles away in Glasgow, Labour Party members blame everyone else and want to stay in their city chambers like dinosaurs, locking themselves away from the real world and the issues at hand.

The leader of the Glasgow City Council administration, Gordon Matheson, has already been mentioned. Leadership is about being responsible and showing the way forward; it is also about being able to work with people. In the *Evening Times* of 20 September last year, Gordon Matheson said:

“not only is your council tax bailing out the Edinburgh trams”—

which I believe the Labour Party wanted—

“your city is being asked to run up debt interest payments of around £2.1 million so that Mr Swinney can build a bridge on the other side of the country”.

That is Labour's idea. Labour in Glasgow is concerned about one wee pokey part of the country instead of the whole of the country. Glasgow is a major city and it is a major part of Scotland, but the Labour administration in Glasgow has to look at the bigger picture.

Kevin Stewart: I have in my hand a copy of the Labour Party publication *The Edinburgh Voice*, which castigates Glasgow for the amount of money that it gets and says that Edinburgh deserves more. Is Labour playing divide and rule across the country?

George Adam: I agree—that is the case. It is a Labour tactic that has been used since the old days of the regional councils, when it was in charge of the regional councils and the district councils. Those bodies used to blame each other for everything that went on; it was never their fault. Luckily, the people of Scotland have seen through the sham of the way in which Labour carried on.

I would like to look at some of the positives and the responsible things that we have done in Renfrewshire—we are in an election year, after all. I am always one for positive Paisley and Renfrewshire. Some £140 million has been spent on the Scottish quality housing standard—warm homes, kitchens and bathrooms in Renfrewshire. Labour in Renfrewshire offered nothing. In fact, it threatened that either the housing stock would have to be privatised or the rents would have to be put up by 10 per cent every year in order to deliver such investment. That is one solution that the SNP administration brought in.

In Paisley, which is my area, the council is working in partnership with a private developer on the redevelopment of the Arnotts site.

James Kelly: Can Mr Adam tell us how many teaching posts have been lost in Renfrewshire and say how the council is going to be able to expand the number of teachers when £650 million-worth of cuts have been handed down to local councils by the SNP Government?

George Adam: We were talking about the redevelopment of Paisley town centre, but the member has decided to talk about teachers. I will take him on, though. Labour wanted to cut the number of teachers in Renfrewshire. Can I—

Sarah Boyack: Will the member give way?

George Adam: I am sorry, but I want to make some progress and am running out of time.

The Labour group in Renfrewshire Council agreed with and voted for the SNP administration budget. I will not listen to Labour MSPs.

We have major retailer development in Paisley. Margaret Mitchell says that retailers are not investing, but I say to her that they are coming to Paisley. We have student accommodation in the town centre, which will bring in 300 or 400 students. We have also had major, large-scale events in Paisley throughout the year, including a lights-on ceremony that was attended by 37,500 people. That ensures that we can get footfall in the town.

We also have the small business bonus scheme, which has made a massive difference in all areas. It will continue to 2016, whereas the Westminster chancellor, playing catch-up, is offering it only to 2013.

There are many more positives. I could go on, but I will try to bring my speech to a close.

It is important for local government and national Government to work together. We have a joint responsibility to deliver services and provide opportunities for all the citizens of Scotland. All 32 local authorities must work together with the Government to do that. During my years as an elected member of Renfrewshire Council, I have seen at first hand the challenges that we face. However, my colleagues in Renfrewshire Council and I have accepted that responsibility. All members of the Parliament must accept the responsibility and look for solutions to the challenges that we face. We must not put our heads in the sand and hope that the problems go away. There has to be a positive vision for Scotland's future. Working together with the Scottish Government, the 32 local authorities can deliver it.

10:42

Kenneth Gibson (Cunninghame North) (SNP): I think that James Kelly needs to talk to his colleagues in local government. Thirteen days ago, I met the leader of North Ayrshire Council, David O'Neill, who castigated the Scottish Government for not allowing local authorities to get rid of more teachers so that they could free up additional money. Perhaps the Labour Party should co-ordinate itself not only from east to west but from MSP level to local authority level.

If we were to listen to Labour Party representatives today—although only four were here at the beginning of the debate, which shows the party's interest in local government—we would think that everything is so bad in local government that everyone is turning to the Labour Party. Is that right? In that case, maybe Anne McTaggart can tell us why one of her colleagues in Glasgow

defected to the SNP last week, why one of them chucked the party yesterday, accusing the Labour Party of bullying and control freakery, and why another Labour councillor joined the SNP in Clackmannanshire earlier this year. The Labour Party in Glasgow is so confident of its record that, although it had 45 councillors in 2007, it is putting up only 42 candidates in 2012. Clearly, it knows that momentum for change lies with the SNP, because we have a positive vision for Scotland at all levels.

I say to Labour members—including Anne McTaggart, who did not seem to understand the point that I made about aggregate external finance—that the figures for the distribution of funds to local authorities for the period when Labour was in charge show that the safer a Labour council area was, the less additional funding it got. Glasgow got the worst settlement and Inverclyde, North Lanarkshire, South Lanarkshire and North Ayrshire all suffered because Labour put the money into winning marginal council areas and betrayed its own supporters who had traditionally voted for it over many years.

As we know, local government's share of the Scottish budget will be 38 per cent next year. That is a higher share than in any year when Labour was in office and compares with the share of 37.1 per cent when we came to power. Thus any difficulties that are being experienced by councils can clearly be attributed to reductions in the funding of local authorities due to Westminster cuts to our budgets which, if we listen to Ed Balls and Mr Miliband, Labour bosses in London have no intention of reversing.

Sarah Boyack: Apart from the fact that that is a complete misrepresentation, does the member agree with the SNP applying 89 per cent of the cuts to local government?

Kenneth Gibson: The SNP has had to do its best with the money that has been available. Unless Labour members can come up with alternatives, they have a non-argument. They cannot just say, "Do you agree with this?" or, "Do you agree with that?" when they have put forward no proposals other than a bed tax, which I am sure Scotland's tourism industry will be less than amused to hear about.

How dare Labour attack us on cuts? Not only did Labour wreck the economy but, as members may recall, Wendy Alexander, in her "hungry caterpillar" speech in the previous session, advocated that we at least match the 3 per cent year-on-year top-sliced efficiency savings that were then being imposed in England. Her colleagues, including Sarah Boyack, who was an MSP at the time, must have agreed with that, because Wendy Alexander was elected

unopposed as Scottish Labour leader only a few weeks later.

"The hard facts are that Scottish Local Government is under-funded and the Executive is resorting to bully-boy scare tactics because it is losing the reasoned and evidenced argument."

So said Labour councillor and COSLA president Pat Watters on 7 February 2006. Local government is better off under the SNP because we abolished ring-fencing and top-slicing of budgets. As my colleague George Adam said, we work with local government; we do not dictate to it. That is why all parties signed up to the concordat in the previous session. The order targets what can be achieved in the current economic climate, and the COSLA agreement, which is supported by all 32 local authorities, aids and supports councils in achieving their priorities and providing a quality service to communities.

I cannot let the Tories off after Margaret Mitchell's remarks. It is laughable to say that the £30 million-odd retail levy is having a terrible impact on retail. Asda did not seem to take that view just over two weeks ago when it announced new stores and new jobs in Scotland. Are the Tories really saying that retail will be crippled by a levy of £30 million a year for the very biggest stores given that that is less than 0.1 per cent of their turnover; that the chief executives of the four biggest retailers earn £34 million a year; and that the Tories introduced a VAT increase that will cost Scottish retail £1 billion a year, which is more than 30 times the impact of this necessary retail levy?

Gavin Brown (Lothian) (Con): Is it the member's view that extracting £95 million out of one industry over three years will have no impact on jobs?

Kenneth Gibson: Yes, that is exactly my view. I do not believe that it will have any impact and have seen no evidence to suggest otherwise. Scottish retail is healthy at that level. It is well known, for example, that the burden of rates is significantly greater on medium-sized stores than it is on the larger stores. This will help to balance retailing in Scotland, as well as providing much-needed money. Like Labour, the Tories have failed to come up with any suggestions as to where the £95 million would otherwise come from.

As we have heard, the small business bonus scheme, which Labour opposed, helps small businesses. The Federation of Small Businesses has pointed out that, without the scheme, one in eight of Scotland's 160,000 small businesses would have gone to the wall. There would be 20,000 fewer businesses if Labour members had had their way. So much for Labour focusing on jobs and growing the Scottish economy.

Given the strictures that have been imposed on Scottish local government by the UK parties, we have done the best possible job. Scottish Government is better off under the SNP than under anyone else, and that will be proved in May when we win more councils than we have ever won before.

10:49

Alison McInnes (North East Scotland) (LD): Scottish Liberal Democrats will support the order. Councils throughout Scotland will meet later today to set their budgets. Democratically-elected councils deliver valued services to local communities, week in and week out.

As we heard, all councils continue to face significant pressures this year. Difficult decisions will have to be made locally to balance the books. Like the budget that we debated yesterday, the local government settlement is tight. A significant cut faces local authorities, and we cannot ignore the impact of capital allocations that have been borrowed or deferred, which creates a greater cost to councils.

As in other years, councils have had to agree to a series of Government demands, on maintaining police and teacher numbers, contributing to change funds and reprofiling capital funding. If a council agrees to the demands, the council tax freeze will be funded for another year—it will not be fully funded, though; local councils stress that the funding gap is growing.

When the SNP removed ring-fenced budgets, it said that doing so would free up councils to make local decisions—many of us said that it was actually to mask cuts to budgets. Now the SNP has replaced the constraints of ring fencing with a different straitjacket. When will Mr Swinney address that? Government ministers make much of their focus on outcomes, yet they are demanding that councils protect teacher numbers and police numbers. Those are inputs; surely we should focus on results.

It is clear that councils' autonomy is being rapidly eroded, which is quite ironic given that the SNP Government never stops demanding to be set free from UK Government restraint. The moratorium on planned school closures and the proposals for national police and fire services are further examples of creeping centralisation. Locally elected representatives have lost the right to determine local priorities and generate additional income to fund local services if they want to do so. Present for this debate are plenty of MSPs who have council experience, who know that that is an insult to local democracy.

For years I have argued for fair and transparent funding for all local authorities. The grant-aided

expenditure process must be simplified. Currently, more than 100 indicators are used, several of which are extremely flawed. About 66 per cent of expenditure is determined by only 12 indicators. The reality is that the existing grants system, which has been in place with a few modifications since the late 1970s, was designed to meet the needs of the larger regional councils. At that time, ups and downs in relation to individual criteria could be ironed out over the piece.

Kevin Stewart: Ms McInnes knows as well as I do that a reason why the formula has not been changed is intransigence in COSLA. Maybe a change in COSLA will change that. Does she agree that the 85 per cent floor, which will benefit Aberdeen City Council, is a welcome move by the cabinet secretary and the Government?

Alison McInnes: I will come on to that. Mr Stewart knows that I think that it is a step in the right direction—of course it is. The review that was handed to COSLA was a missed opportunity, as I said at the time. We needed leadership from Mr Swinney on the issue. Of course the status quo prevailed: he had asked people who benefit from the current system to carry out the review. We can always go back to it and I hope that we will do so.

The indicators are not fit for purpose and must be reviewed. New criteria should target the main areas of spending need in councils. We could use indicators that are intuitively as well as statistically and logically valid.

The cabinet secretary knows that for years I have campaigned for the introduction of a floor. I have backed Aberdeen city and shire's fair funding campaign, which called for no council to receive less than 90 per cent of the Scottish average. We heard this morning that an 85 per cent floor has been put in place. If that has happened, it is a step in the right direction. Aberdeen City Council and City of Edinburgh Council, in particular, will benefit.

However, by my calculations, which used the most recent population figures, the cabinet secretary has not quite secured an 85 per cent floor. I ask the minister to explain in his closing speech how those figures were reached. It seems to me that the cabinet secretary worked out an average after removing some of the councils that get the most. The Scottish Government, in its documentation on the settlement, said:

"For similar reasons to the introduction of the 85% minimum floor, the Scottish Government has applied a notional ceiling to the formula of 115% to exclude the outlying per capita allocations which would otherwise distort the calculation".

That seems to be a bit of smoke and mirrors.

Derek Mackay: I advise the member that the calculation excluded the island authorities, for

clear reasons to do with comparing like with like. Is she aware that her colleague the MSP for Orkney Islands requested a specific mechanism to benefit Orkney? We looked at that, and there was a zero-sum outcome. It appears that there are two different positions from the five-member Liberal Democrat group.

Alison McInnes: No. That is not the case. I accept that the island authorities are in a different position. We can examine the figures in greater detail but, as I understand it, it is not only the island authorities that have been excluded—some of the mainland authorities have also been excluded.

The truth is that 85 per cent does not go far enough. If Aberdeen received 90 per cent of the national average, it would receive an extra £26 million; Aberdeenshire would get an extra £13 million. Aberdeen, Aberdeenshire, Edinburgh, and Perth and Kinross continue to receive less than 90 per cent of the national average. The gap between the best-funded council and the poorest is still too great, given that they all have statutory services to deliver. I repeat my calls for a safety net for those poorest funded councils and ask the Government to continue to consider a 90 per cent average per head of population funding floor. The situation needs to be fairer. I urge the cabinet secretary to look at that.

The council tax freeze is not sustainable in the long term, and yet the longer it goes on, the harder it will be to return to local decision making on setting council tax. Will the cabinet secretary outline his long-term vision for returning decision making to locally elected representatives?

As Liberal Democrats, we know that responsive and effective services are best delivered when they are under local control. Central Government, with a central agenda, simply cannot do it. We have to do things differently. The evidence from around the world supports our view that if local people are given the power and control, they can bring innovation and new ideas into action and do more for less.

10:56

Richard Lyle (Central Scotland) (SNP): I declare an interest as a member of North Lanarkshire Council. I will retire from North Lanarkshire Council this May, so I welcome the opportunity to speak in the debate as this may be the last time that I can record my appreciation of the time that I have spent as a councillor. I will certainly miss it, as I was first elected in 1976 and have held my seat continually for the past 36 years.

When I joined the council I soon learned how much it cost to provide services. Local councils

are at the cutting edge of services that are provided to constituents. Most electors do not realise what services are provided or the cost of those services. That is why I welcome the cabinet secretary's proposals. Local government's share of the Scottish budget will continue to be higher than in 2007-08. The small business bonus scheme will continue and will offer a better deal to Scottish business. The new local government funding floor will ensure that all authorities in Scotland get their fair share of resources. I well remember Kevin Stewart continually bleating about that at COSLA.

Kevin Stewart: Bleating?

Richard Lyle: Bleating, yes.

I note that some councils will see a shift in resources. Some councils will lose and some will gain. Funding is available to continue the council tax freeze for a fifth year, which I am sure will be welcomed by many of my constituents as it will help them with their family budgets.

Clare Adamson (Central Scotland) (SNP): The member knows that on previous budget days in North Lanarkshire a press release from Jim McCabe had the council tax freeze as the headline benefit of the budget.

Richard Lyle: Yes. Mr McCabe used to describe the benefits on many occasions. I will come to Mr McCabe shortly.

The freeze will save many of my constituents more than £500. Average water charges are now 10 per cent lower than in England and Wales. Primary class sizes are now at a record low, although not all councils—particularly North Lanarkshire—have embraced the policy. We have also ended ring fencing.

During the past 36 years, I have had to deal with many Labour politicians at local and national level. I was honoured at the start of the previous SNP Government to be elected as SNP group leader in COSLA. I pay tribute to its president, Pat Watters, who I understand may retire this year.

During my time in COSLA, I was privileged to work with the cabinet secretary, John Swinney, who constantly had an open-door policy. I suggest that Mr Swinney is one of the best finance cabinet secretaries that we have had in Scotland in recent years.

I well remember when the present Labour leader of COSLA, Councillor Jim McCabe, who just happened to be the leader of my council, asked me to get him a meeting with the cabinet secretary. When I asked him what day suited him, he was astounded, as previously he had had to wait up to six weeks to meet his Labour counterpart in the Scottish Parliament. Mr Swinney gave him a meeting within two days. That shows why the Government has done so well over the

past few years—it is because it cares, it listens, and it has an open-door policy.

It was interesting to be in COSLA, but if I ever needed to rattle some cages, I used to send in my Rottweiler, Derek Mackay. I congratulate the minister on his new job and wish him well. Like his friend George Adam, I will share a few stories about him in the chamber—well, only one.

Derek Mackay: Please do not. [*Laughter.*]

Richard Lyle: When I decided to stand down as SNP group leader in COSLA, Derek phoned me and told me that he was thinking of standing, and I told him that I would support his nomination. I was proud to nominate and support him, and I am sure that George Adam seconded me on that day. Derek Mackay did an excellent job in the previous two years as SNP group leader in COSLA.

My story was not all that bad, minister.

Councils will always suggest that they need more money, just as Governments and parties do. North Lanarkshire Council, which was Labour run for more than 60 years, always says that it needs more money. The Labour leader in the council added that he would pick out from the concordat whatever he wanted and leave the rest. Let me inform members what North Lanarkshire Council's cumulative surpluses have been over the past five years, during the council tax freeze. The figures were supplied to me by the council's finance department.

In 2006-07, the figure was £16.271 million. In 2007-08, it was £27.016 million. In 2008-09, it was £20.194 million. In 2009-10, it was £18.743 million, and in 2010-11 it was £20.377 million. Even after we take off the financial reserve and a variety of committed resources, recurring resources were available in three of the five years.

I am running out of time, so I will move on and end by reiterating my support for something that I have always supported—increasing councillors' pay, which has been frozen again this year. Councillors get only just over £16,000. I point out that secretaries in councils earn £17,000 to £19,000. I believe that councillors do a good job—all councillors, from every party—and they should be better paid. I suggest that the freezing, which was done for seven years under Labour, should not continue under this Administration.

11:02

Mark Griffin (Central Scotland) (Lab): I draw members' attention to my declaration in the register of interests as a member of North Lanarkshire Council.

I welcome the opportunity to speak in the debate, but I certainly do not welcome the

particularly poor budget settlement for local authorities in comparison with the overall budget settlement that the Scottish Government received. According to figures from SPICe, the Scottish Government budget for the next three years has been cut by 1.3 per cent, 2 per cent and 2.2 per cent respectively, in real terms, compared with the 2011-12 level. I recognise that that is a challenging environment for the Government to work in, but I am concerned by the figures that show that it has chosen to cut local authority budgets by a staggering 3.1 per cent, 5.6 per cent and 5.7 per cent over the next three years in comparison with the 2011-12 level.

How does the new local government minister feel about the fact that his department is being squeezed to such an extent at a time when the cut to the Scottish Government budget is less than half that level? The overall levels of cuts to departments, excluding local government, are 0.4 per cent, 0.1 per cent and 0.4 per cent over the next three years, compared with the cuts of 3.1 per cent, 5.6 per cent and 5.7 per cent to his department.

Derek Mackay: Is the member aware that the protection of health spending in the budget, which will ensure that there is real-terms growth in that area, results in the figures that he describes? Health is supposedly a priority for parties across the chamber. Is the member saying that we should not increase the health budget in real terms?

Mark Griffin: I am arguing for a fair share for local government, as are councils throughout the country. They want the share that has been passed on from the Westminster Government to be reflected in the budgets that are passed on to local government. That would be a fairer distribution for local authorities. The budget highlights just how little the SNP Government values local authorities, their staff and the services that they provide.

Kevin Stewart: Will the member give way?

Mark Griffin: I want to make some progress just now.

If we look at the cumulative impact of year-on-year cuts to local government, we find that local authorities will be £1.66 billion worse off in real terms at the end of the next three years. No doubt the Scottish Government will try to blame the Westminster coalition for that reduction, but it must accept that £1 billion of those cuts are a result of this Government depriving local government and communities of much needed funds. If this Government had chosen to maintain the local government share of the overall budget at the 2011-12 level of 34.45 per cent, at the end of the spending review local councils would have had an extra £1 billion to spend on maintaining services,

boosting staff levels and improving local facilities, all of which would, in turn, boost the local economy. How can the minister continue to argue that this is a good deal for his department and local authorities?

Kevin Stewart: Mr Griffin has served on the Local Government and Regeneration Committee of late and I know that he is not in any sense a silly man. However, something that has become more and more apparent over the past few days is that Labour wants to spend money galore without telling us what it will actually cut. We seem to be going back to the fantasy economics of Gordon Brown. Will Mr Griffin tell us which budget he would cut to secure the moneys for local government that he is talking about?

Mark Griffin: I am not asking for preferential treatment for local government; I am simply asking that it and the communities that it serves get their fair share of the Westminster cuts.

When we drill down into the figures and analyse the impact on North Lanarkshire Council, which covers a large part of my region, we see that over the next three years local services will have to be cut to the tune of £98.3 million in real terms. Of that cut, the proportion that is a result of the coalition's cuts to the Scottish Government budget is £37.5 million. However, the Government is making a cut of over £60 million to North Lanarkshire Council. Does the minister really expect the people of North Lanarkshire to accept from the SNP a cut to their council's budget that is almost double the cut being made by the Tories?

Moreover, local authorities will have £220 million withheld from their capital allocations over the next two years. Although that money will be paid back—but not until years 3 and 4 of the budget settlement—local authorities that cannot cover the revenue costs of borrowing will have to postpone projects of local importance such as schools, nurseries or council houses and for the next two years the local economy will be starved of investment at a very delicate time of already high unemployment. Instead of being used to meet local priorities, this £220 million is being channelled into projects of national significance such as the Forth replacement crossing, from which my Lanarkshire constituents could have benefited from an increase in employment as a result of the steel supply contract. Now they face the double whammy of a reduction in local projects and a Forth replacement crossing made in China.

For a comparison between that approach and what a Labour administration can do, we need look no further than North Lanarkshire Council, which is investing £150 million in its council stock to build over 1,000 social rented houses. That promise to the residents of North Lanarkshire will not be watered down to 1,000 affordable houses;

the council will deliver 1,000 new and much-needed council houses while maintaining one of the lowest weekly rent levels in Scotland.

North Lanarkshire Council has also unveiled a £15.8 million package to help 5,000 young people back into work over the next three years through a mix of apprenticeships and entry-level private sector jobs. Again, that shows what local authorities can do if they are bold and show the

“good leadership and clear vision”

that Audit Scotland has credited North Lanarkshire with. *[Interruption.]* Audit Scotland said that, not me.

Local government and communities are not asking for much; they are asking only for their fair share. If this Government simply passed on the same cut that it was hit with, local authorities would be better off by over £1 billion and my area by £60 million. If we add to that constraints on local authorities with regard to maintaining police and teacher numbers and the fact that they will be unable to raise income through local taxation over the next five years, the only option is massive cuts, which will have a disproportionate effect on the families of both local authority employees who will be made redundant and those who manage to keep their jobs and end up stressed and sick because of increased workloads. Cuts will also impact on vulnerable elderly service users and children's education.

So much more work could be done on service delivery, capital investment, employment and regeneration if only this Government valued local authorities as highly as I do. That is why I support the amendment in Sarah Boyack's name.

11:09

John Mason (Glasgow Shettleston) (SNP):

There is a lot to welcome in the settlement for local government, not least the fact that the share of the Scottish Government budget stays at 37.2 per cent, which is comparable with 2007-08, 2008-09 and 2009-10. Once again, we all agree that we would like to give more to local government, but once again we have heard little from Opposition parties about where that money is to come from.

If Labour and others want to give more to local government, we must assume that they would cut another major part of the Scottish budget, which would presumably be the NHS. Mark Griffin says that if we just pass on all the cuts automatically, there would be £1 billion more for local government. That would therefore mean £1 billion less for the health service, so I assume that it is Labour policy to sack nurses and doctors and close Lightburn hospital, among other things.

One of the SNP's key successes has involved the concordat, the end of ring fencing and better relationships with local authorities. The single outcome agreements have helped to move the focus from resources input to outcomes achieved. I remember from my time in Glasgow City Council and COSLA that there were endless complaints from councillors of all parties that there was far too much dictation from central Government and too much ring fencing. Local authorities often know what is best for their local areas.

Kenneth Gibson: Does John Mason recall that Glasgow City Council under Labour withdrew from COSLA because it felt that the then Labour Administration in Holyrood was giving it such a bad deal?

John Mason: Yes—when I was a councillor, the constant criticism from Labour towards COSLA and the then Scottish Government was amazing.

We welcome the fact that, in an age of seemingly inevitable cuts, when English councils are losing 18.6 per cent from 2011-12 to 2014-15, the figure for Scotland has been restricted to 6.2 per cent. It is worth remembering some of the achievements of the SNP Government past and present. I find when I meet with my constituents that the council tax freeze is one of the most popular achievements. Of course it is true that some of the very rich people could afford to pay a bit more, and that some of the poorest people are not paying any council tax at all, but we should remember the ordinary people who are in the middle, especially the pensioners. Those extra few pounds a week can make a huge difference to people's lives.

Another achievement that I think we can say is shared between local and central Government is the living wage. Both the SNP Government and local councils have been pushing for that, and one hopes that it can be built into more contracts in the future. However, the fact remains that the living wage is voluntary for the private sector. We must move towards a higher statutory minimum wage, which is currently outwith this Government's power and which both Labour and the coalition in London have failed to address.

Glasgow continues to have a good deal, and I welcome the fact that we are fifth on the list for funding per head after the island authorities, including Argyll and Bute. Some people might ask whether Glasgow is getting too much, to which my answer is clearly no.

One of my arguments in that regard is that funding should follow need, which is where I disagree with Alison McInnes, who was talking about moving to a floor of 90 per cent or some other—fairly arbitrary—level. I am happy with 85 per cent, and we should have a certain amount of

fairness. However, we should remember the needs of not only Glasgow, but some of the other areas at the top of the list, such as West Dunbartonshire in sixth place, Inverclyde in seventh place and Dundee City in eighth place.

There is, for example, a much higher proportion of people abusing drugs in Glasgow in comparison with its population. Museums and art galleries are funded in different ways throughout Scotland: in Glasgow they are primarily under the council umbrella, but in Edinburgh a lot more are funded nationally. All those factors must be taken into account if we are looking at rearranging local government financing.

I do not always agree with Glasgow City Council's decisions or with how it does things. I defend its right to make decisions, although it often makes the wrong ones. For example, the council was given plenty of money to implement smaller class sizes, but it absolutely refused to do that, to the detriment of the children in my constituency and a number of others. It lavished money on an iconic transport museum while primary schools continued to operate in an awful state.

I recently visited a primary school in my constituency that has huge gaps in the ceiling; the water is coming through, and the staff are really struggling. In Glasgow schools, smart boards, which should be pretty standard these days, are largely funded by parent councils, which means that the better-off areas have them while the poorer areas do not. Another major criticism is the fact that many council departments in Glasgow have been moved outwith democratic control.

Other points that I welcome include the suggestion that councils will be allowed more freedom on council tax for empty properties. We have a number of such properties in Glasgow, and I know that there are others elsewhere. If we could bring some of that revenue back in, that would be great.

I will touch on the public health levy. It is clear that some of the big supermarket chains are extremely profitable and some of the smaller shops have suffered, so moving the burden a little bit towards some of the highly profitable companies must be a good thing.

It has been suggested that those same large supermarkets will get a boost from minimum unit pricing, so it sounds like the levy will have a balancing effect. When I was elected last May, there were three large supermarkets in my constituency. Now, there are five, which suggests that the supermarkets, far from being worried, are doing extremely well.

In the long term, we must consider other measures. We need to replace the council tax eventually, but we are where we are.

I welcome the settlement for local government and encourage the voters of Scotland to vote in May for the very best councillors that they can find for their wards and their councils.

11:16

Gavin Brown (Lothian) (Con): This morning's debate on the draft Local Government Finance (Scotland) Order 2012 has been interesting, although it has fluctuated at points between being a municipal hustings and a series of councillor retirement speeches.

I pick out Richard Lyle's retirement speech. I hope that he gets another chance to speak in the chamber before he stands down as a councillor in May but, if he continues to demand more money for councillors, I suspect that Derek Mackay may try to block him.

Mr Swinney was not in the chamber when Richard Lyle described him as one of the best finance cabinet secretaries in recent years. I am sure that I picked the comment up correctly, but I would like to know who is ahead of Mr Swinney on the pile, if he is only one of the best.

I will pick up on some important points connected with the order and local government finance for next year and the coming years.

I turn first to the general resource grant. A number of times, SNP members made the point that, at 37.2 per cent, the local government share of spending will be higher in 2012-13 than it was when the SNP came to office. However, all parties—not only the Government—must focus on the direction of travel for local government in the spending review.

Yesterday, we voted on only the 2012-13 budget but, according to the spending review that was published in September last year, the cash that goes to local government for revenue, as opposed to capital, will decrease from £7.7 billion to £7.3 billion while, at the same time, the overall departmental expenditure limit resource budget will go from £27.9 billion to £28.5 billion.

That, of course, could be subject to spring and autumn revisions but, in his closing speech, the minister ought to give us his analysis of the direction of travel for the local government budget over the next three or four years, given that its amount of cash is predicted to go down as the Scottish Government's amount of cash increases. That suggests that the 37.2 per cent figure will inevitably drop. Will it, potentially, drop to below the level that it was at when the SNP came to office?

The Scottish Conservatives welcome the business rates incentivisation scheme. We had a similar policy a couple of years ago called the business dividend fund. However, my slight concern is that the targets have been set fairly high and there is a danger that, although the policy may look good on paper, only one or two—or, potentially, none—of the 32 local authorities will end up getting any money back through the scheme. I accept entirely that, if the bar is set too low, it will not incentivise people, but I am slightly concerned that it has been set particularly high, given the current climate. Is the Government willing to share its prediction for what each local authority will get through the scheme?

We have touched on the retail levy. I do not intend to dwell on it because, as the cabinet secretary said, the separate order relating to it has been laid before the Parliament today. Nevertheless, I return to Kenneth Gibson's view that the levy will have no impact whatever on jobs. His justification for saying that was that Asda announced last week that it is creating some jobs, and he asserted that there is no evidence that the levy will have any impact. However, the Scottish Government has failed repeatedly to carry out a business impact assessment on the retail levy. That is not a difficult concept—it is Government policy to carry out such an assessment in relation to most orders and other legislation that it introduces. It has carried out impact assessments on many other orders that would have a much smaller impact on the economy. It is beyond belief that it has failed to carry out an impact assessment on the levy.

John Mason: We have information from, for example, Asda, about the impact on its profitability and so on. What information is the member looking for that he does not have?

Gavin Brown: For just about any order that the Scottish Government makes, it produces a business and regulatory impact assessment, which determines the effect on businesses and the potential cost or gain of a particular measure in terms of jobs. When the Scottish Government announces that it has invested a couple of million pounds in a business or scheme, it is able to tell us accurately how many jobs that scheme will create. However, when it extracts £94 million it appears to be unable or unwilling to tell us how many jobs will be lost.

In closing, I request that Derek Mackay specifically address this in his winding-up speech. A number of members are worried that the assumptions about non-domestic rates collections are a little optimistic. I know that the cabinet secretary has dealt with that issue in the past, but it was a recommendation of the Local Government and Regeneration Committee—backed up entirely

without division by the Finance Committee—that there ought to be regular reports on performance regarding the collection of non-domestic rates. I point out gently that Mr Mackay agreed to that when he was a member of the Finance Committee. Will he confirm to the Parliament that those regular reports will be published, and will he tell us how regularly they will be published?

11:22

Sarah Boyack: It has been an interesting debate. Across the chamber, we all agree that it is crucial that we use the power of local government spending to help local communities and businesses to weather the storm. However, one of the key ways in which we could do that would be to get a better settlement for local government. The order that we are debating does not do a good job. Even with yesterday's last-minute changes to the budget, which the cabinet secretary has mentioned—

Kevin Stewart: Will the member give way?

Sarah Boyack: Come on—let me get started. I am not even 30 seconds into my speech.

Kevin Stewart: Will the member take an intervention on a point that she has already made?

Sarah Boyack: No, I will not. I took a number of interventions in my opening speech. Let me respond to the debate, thank you.

Even with yesterday's last-minute changes to the budget, the SNP Government is making huge cuts to housing, our colleges and the services that people rely on locally. The new money for local government is putting back some of the money that was previously cut, returning some of the capital spend money that had been delayed and reinstating some of the housing money that had been cut, but it is still nowhere near enough to deliver the 6,000 social rented houses that the SNP promised last year. I would be interested to hear from the Minister for Local Government and Planning, in his winding up speech, whether the SNP Government still stands by the promise of 6,000 social rented houses that it made in its election manifesto just a year ago, given its 30 per cent cut in the housing budget. Also, adding in money for broadband on the local government line does not save services that have already been cut in order to enable the cabinet secretary to spend the money elsewhere.

The Minister for Local Government and Planning will have to put on a brave face in handling the budget, his first order and the prelude to his own local government election campaign. He has been dealt a bad hand by John Swinney and the problem is that this is not a game of cards; it is a real debate about the future of our

communities and their ability to provide local services—the whole reason for having local government.

John Mason talked about crumbling schools in Glasgow, which shows that there is a problem with capital spending. I could show John Mason a school only five minutes away from the Parliament that is equally crumbling and that has a leaky roof—that is a problem across Scotland. When local communities ask why they are losing services, we will point to the priorities that the SNP Government has adopted. In last year's election, the SNP promised to protect people from the excesses of the Tory Government, but today the SNP is passing on cuts to local authorities that are twice the level that it received in real terms.

We know that the way in which councils spend their money can make a huge difference to the local economy. In Edinburgh, we campaigned against the wholesale privatisation in our local council that the SNP-Liberal Democrat administration proposed to save money. That process cost £4 million before it was scrapped. As I said in response to an intervention from the cabinet secretary, even with the application of the 85 per cent floor, the City of Edinburgh Council has a current debt level of more than £1.5 billion. Councils across the country, regardless of whether they are Labour controlled, SNP controlled or run by a coalition, will be taking tough decisions because of the local government finance order that will be passed today. It piles on severe pressure.

John Swinney: I return to the intervention that I made earlier. I ask the member to use her time to tell us how much more resource the Labour Party would allocate to local government and where the money would come from. We have not had an answer to that question throughout the debate.

Sarah Boyack: It is simply not possible for us to delve into the SNP budget on the basis of our finance spokesperson having had a half-hour meeting with John Swinney. We are not in control of the budget—the SNP has majority control of the Parliament, so it is the SNP's budget. We cannot even propose amendments to it. John Swinney knows the answer to his question as well as I do.

John Swinney: Will Sarah Boyack give way?

Sarah Boyack: No, not again. The SNP is in control of the budget—it is the SNP's budget.

We have heard that 89 per cent of the cuts in the budget are to local government. We talk about preventative spend, but the health service's money will be used to shore up gaps in local government spending on some of the most vital social care services, which I mentioned in my opening remarks.

John Swinney: That is scaremongering.

Sarah Boyack: It is not scaremongering. In Edinburgh, we had to force our local council to remove proposed cuts in its budget that would have affected the most vulnerable people in our community. Those are the people who deserve and need local government services. If those services are cut, the issues will have to be picked up through spending on the health budget line, which will make preventative spending all the tougher.

Last week, the Local Government and Regeneration Committee produced a report on the living wage, which is another interesting challenge for local government. John Mason said that we have to wait for independence before we can really discuss that, but that committee report is on the table now. Will consideration be given to enabling local authorities to make progress on the living wage for their staff and through procurement processes, or will authorities be left to find the cash without Scottish Government support, as has happened on so many issues? One of our jobs as MSPs is to ensure that we get fair deals for our constituents, and not just for those who are well organised or vocal, but for those whose daily lives are a struggle and who depend on local services to support their relatives, such as adults with learning disabilities, children with special needs or older members of the family.

The test of the local government finance order will be its impact on budget settlements across the country. We regret the fact that, far from protecting the most vulnerable people in our communities, the Government's budget settlement will make their life harder and will result in tougher choices for every local council. Our amendment merely draws attention to the fact that the SNP Government has more than doubled the budget cut from the Tory Con-Dem Government. It will be up to SNP candidates across the country to explain that to hard-pressed constituents. We lodged our amendment so that, although the order will be passed, that point can at least be made clear to people.

The most vulnerable people in our communities will not look at the finance secretary's detailed calculations. In Fife, they will look at the 6.6 per cent rise in council tenants' rent this year. Preventative spending will be harder because of the budget. I hope that colleagues from all parties will support the amendment in my name. In the budget that the minister proposed yesterday, 89 per cent of the cuts were passed on to local government. How is that fair?

11:29

The Minister for Local Government and Planning (Derek Mackay): It is unfortunate that the Labour Party's contribution to the debate has been so predictable; it has been negative, with a complete absence of ideas about how to approach the local government budget settlement. I note, too, the absence from the chamber of members who have made a number of commitments over a period of months. They have not been in attendance today to tell us how they would pay for such commitments, particularly in their local areas.

I am satisfied with the budget settlement for local government in view of the resounding mandate that the Scottish Government received at the elections, when one issue was protection of the health budget, which had a resounding endorsement from the people of Scotland. If we exclude the health figures, with the clear mandate that the Government had for that, the share of spend on local government is actually growing, contrary to what the Labour Party has said this morning.

Further, on Gavin Brown's challenge, there is not a reduction in the cash settlement but a broad, consistent and moderate cash increase over a three-year period, so local government will experience a flat cash settlement.

What the Labour Party says on the share of local government spend is completely different from what it did when it formed an Administration with the Liberal Democrats. Under that Administration, the share of spend for local government decreased; whereas under the SNP Administration it has increased.

Members: Hear, hear.

Derek Mackay: In the financial year 2011-12, the budget protection to local government was 2.5 per cent compared with a reduction of 6.4 per cent in unprotected budgets elsewhere. We have therefore practised a methodology that protects local government finance while maintaining the commitments that we have made to the people of Scotland.

If it is such a bad deal, why is it that all 32 council leaders have written to Mr Swinney to sign up to the financial package that the Scottish Government has outlined? That is not the case in England, where one fifth of local authorities will turn down funding for a council tax freeze. They will therefore have the worst of both worlds in England, with tax rises at the same time as deep cuts. The cuts for local government in England are three times deeper under the Administration there than those that we have experienced in Scotland. So, when the Labour Party tells us to look to Westminster for the answers on local government finance, I think that we will politely decline that

request, because it would mean much deeper cuts in local government and the redundancies and council tax rises that people in England will suffer.

We can consider, too, what the Labour Party has done in Wales. Its broad settlement there for local government is very similar to that of the Scottish Government in Scotland. So, the different approach that the Labour Party suggests here is not what it is doing where it is in power.

The real-terms reduction in England will be 18.6 per cent compared with 6 per cent in Scotland. They are doing there in one year what we will do over a three-year period, which shows that our settlement for local government is far more generous.

The massive investment that we will provide through the new budget finance that was approved yesterday will be welcomed across the country. However, Labour did it again today: Anne McTaggart said that Glasgow is discriminated against in favour of Edinburgh, while sitting in front of her was the Labour spokesperson, who said the opposite.

Sarah Boyack: I did not say that.

Derek Mackay: Okay, perhaps Sarah Boyack did not say it, but the Labour Party in Edinburgh says it pretty clearly. Labour councillor Ricky Henderson said that the SNP is funnelling money out of Edinburgh, but of course the Labour Party in Glasgow says the opposite. That inconsistency and hypocrisy is completely unacceptable. It is not that the SNP Administration has given up on Glasgow; it is that the people of Scotland have given up on Labour. That includes one of their own councillors—the defector, ex-Labour Councillor Rabbani—who pointed out that it seems that his party would rather pick fights with the SNP Government than stand up for the city of Glasgow. He is exposing the myth that Glasgow does not get a fair deal from the Scottish Government.

I will return to health. Glasgow will, of course, be one of the major beneficiaries of the real-terms increase in health spending, which will help to turn around the appalling levels of poor health in Glasgow.

Jackie Baillie (Dumbarton) (Lab): I apologise for not having been present for the debate, but I heard the minister say that there is a real-terms increase in health spending. Given that there is a £319 million decrease in health spending over the spending review period, does he wish to correct that?

Derek Mackay: It is clear that Jackie Baillie has not been informed that the Labour Party's position this morning has been to abandon an increase in health spending and turn to increases in local government spending.

On what the SNP has ever done for Glasgow, there is the new south Glasgow hospital, the Commonwealth games investment, Clyde fastlink, the City of Glasgow College, further rail improvements and the M8, M73 and M74 work. There has been massive investment in Glasgow, which I am sure the people of that city will continue to welcome.

Sarah Boyack: Will the minister take an intervention?

Derek Mackay: No, thank you.

If the Labour Party continues on the current track, I am sure that it will continue to lose members from its city group.

Right across the country, the Labour Party has said that the budget is unfair and that money is going to some other part of the country. In reality, the review of local government finance distribution was led by a Labour president of COSLA and a Labour finance spokesperson, and Labour unanimously approved the review when it was presented to COSLA. In fairness, I say that only Aberdeen City Council dissented, but it is now very happy with the funding package that it will receive and the 85 per cent floor that has been presented. Even in the amendment, the Labour Party makes no reference to how it would change the distribution system.

Let us talk about the realities on the ground. More budgets will be set today, this week and over next week. The doom-and-gloom world that Sarah Boyack described is not one that local government, through its local settlements and budgets, is approving. Rather, it is approving—I checked this morning—new projects for youth employment, investment in infrastructure and housing, agreements to freeze the council tax, and more support for programmes that make differences to people's lives. That is the reality right across the country.

I have checked a list of Labour's spending commitments—I do not have time to turn to the Tories' or Liberal Democrats' spending commitments. There is a 20-page list of spending commitments from the Labour Party, which include Jackie Baillie's on kinship care, Elaine Murray's on bus services, Johann Lamont's on job creation and Drew Smith's on child care. That is just page 1. I could go on at great length and wax lyrical about the number of completely unfunded promises that the Labour Party has made. The Labour Party says that we are targeting resources at our geographical areas of support, but it is pretty hard to be in the SNP and be biased about targeting resources to areas of support, because we represent every part of the country, such was the mandate that the party was given at the previous election.

The deal is a good one for local government in the circumstances, and I think that councils will continue to be positive about the arrangements and the consensual way in which we have approached the budget discussions.

Gavin Brown: In December, Mr Mackay signed up to a report that said that non-domestic rates collection rates should be published regularly for the Local Government and Regeneration Committee. Does he stand by that?

Derek Mackay: Yes, I do. What is more, there is the commitment on housing investment to meet the 30,000 affordable homes target. Will that be met in this session? Yes, it will. So—yes and yes.

In summary, we have before us a budget deal that will deliver for local government and enable much progress to be made across Scotland. The Labour Party carelessly voted against it yesterday—that also goes for the Conservatives, of course. They asked about town centre support. More than £0.5 billion of rates relief in the package, which the town centres will benefit from, has been opposed by the Conservatives.

We are asking members to agree to a settlement that will take Scottish local government forward by working in partnership with others to deliver on our joint priorities: continuation of the council tax freeze, further investment in education and school building, record attainment levels, record primary 1 to P3 class sizes, maintaining police numbers, housing investment, substantial youth employment schemes across the country—before the Minister for Youth Employment, Angela Constance, makes further enhancements to the programme—a capital boost to encourage economic recovery, the tackling of the waste agenda and environment issues, investment in infrastructure, promotion of social care, and further implementation of the living wage across Scotland.

Sarah Boyack: Will the minister take an intervention?

Derek Mackay: I have three seconds left. Further financial flexibility will allow local government to deliver on its priorities. In the circumstances of the drastic Westminster cuts, this is a good, fair and positive deal for local government.

Scottish Executive Question Time

General Questions

11:40

Forth Replacement Crossing

1. John Park (Mid Scotland and Fife) (Lab): To ask the Scottish Executive whether it will provide an update on the Forth replacement crossing project. (S4O-00659)

The Minister for Housing and Transport (Keith Brown): The project is making good progress since construction commenced in 2011 and it remains on budget and on time to be delivered by 2016.

John Park: Is the minister in dialogue with Transport Scotland and the relevant contractors about the quality of employment on the bridge project? Some constituents are concerned that people will not be permanently employed for the duration of the contract, and that there will be an overreliance on agency workers and bogus self-employed people who do not pay national insurance contributions. Will the Scottish Government make a commitment to ensuring that will not happen on the new Forth road bridge project?

Keith Brown: I will be happy to look into specific instances if John Park would like to write to me about them. However, the project has been extremely successful thus far. Perhaps some of the past week's headlines have missed the fact that the tender came in at around £400 million below budget, so that £400 million will now be available for other things, including job creation. We have been successful in ensuring that business goes to Scottish subcontractors and suppliers, although I am more than happy to look into the issue that John Park has raised.

Transport Infrastructure (North East Scotland)

2. Richard Baker (North East Scotland) (Lab): To ask the Scottish Executive what action it is taking to improve transport infrastructure in North East Scotland. (S4O-00660)

The Minister for Housing and Transport (Keith Brown): The Scottish Government is continuing to make record levels of investment in transport projects right across Scotland, including in Aberdeen and the north-east. We remain committed to delivering the Aberdeen western peripheral route and the Balmedie to Tipperty project, and we have recently completed the £31.5 million A96 Fochabers and Mosstodloch

project. On rail, we remain committed to service improvements between Aberdeen and Inverness.

Richard Baker: I welcome the £5 million that has been earmarked for the design of the improvements at the Haudagain roundabout that was announced yesterday, but people in Aberdeen have waited for a long time for them. When will the work begin? Also, having rightly agreed that the Balmedie to Tipperty dualling should no longer have to wait until completion of the western peripheral route, will the minister also now agree that the works to address congestion at Haudagain should not have to wait until then, and so prevent further years of delays?

Keith Brown: If Richard Baker looks at the case on the Haudagain roundabout that was made by the north east of Scotland transport partnership, he will realise that the benefits from the roundabout rely on the AWPR and the Balmedie to Tipperty project being in place. He should really read that case because it explains why we have always said that we will start the improvements to the Haudagain roundabout once we have completed the AWPR. It is also true to say that the member got it wrong last week when he talked about the Balmedie to Tipperty project. Construction is not starting there, but design work is. We are doing that work in the same way as we are now doing the work on the Haudagain so that, as soon as the AWPR is finished, we can start work on those projects without further delay.

We know the reasons for the delay; Richard Baker also knows the reasons. They are not just because of the on-going court cases, but are because of the delays of previous Administrations in getting started on the project in the first place.

Alison McInnes (North East Scotland) (LD): Recent local press coverage has made much of the advertising of the contract for ground investigations on the Balmedie to Tipperty project. Will the minister set out his timetable for the building of that vital link? Is he saying today that the project has not been decoupled from the AWPR? He could decouple it and get it built right away.

Keith Brown: We have listened to representations from a number of interested parties, including Ms McInnes's council colleagues, and we are bundling together the AWPR with the Balmedie to Tipperty project. There are good reasons for doing so. What we announced last week will ensure that we can start the design work on the Balmedie to Tipperty project in anticipation of a positive outcome for the AWPR in the courts. We will then be able to start on that with no delay. That approach has the full support of Aberdeenshire Council and Aberdeen City Council, and that is how we intend to proceed.

Higher Education (European Union Students)

3. David McLetchie (Lothian) (Con): To ask the Scottish Executive whether it welcomes the increase in the number of students from European Union countries receiving free higher education in Scotland's universities. (S4O-00661)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Scotland welcomes students from all over the world. I am pleased that increasing numbers of overseas students from the EU and further afield recognise the superb quality of the higher education that is available in this country.

David McLetchie: Further to his previous parliamentary answers, will the cabinet secretary advise us of what—if any—progress he has made on introducing a management fee for students from other European Union countries, which would defray at least some of the £75 million a year that it costs us to provide them with free higher education? Does he expect to introduce that fee in the forthcoming academic year?

Michael Russell: My officials and I continue to have discussions with EU officials and a range of others to explore this difficult area. My view remains that we should introduce such a mechanism if possible; I wish for such a mechanism to be introduced. Whether it is possible is the subject of the discussions that are taking place.

PIP Implants (Public Inquiry)

4. Jackie Baillie (Dumbarton) (Lab): To ask the Scottish Executive whether it will hold a public inquiry into the PIP breast implant situation. (S4O-00662)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): The regulation of medical devices is currently reserved and lies with the Medicines and Healthcare products Regulatory Authority. As a follow-up to the expert group's interim report, which was published on 6 January, Lord Howe is leading a review of what happened with the PIP silicone breast implants and what lessons need to be learned. My officials will work closely with colleagues in the Department of Health on that review and we will consider fully any implications for the national health service in Scotland.

Jackie Baillie: I thank the cabinet secretary for her helpful response. I am sure that she agrees that the women involved have had their lives turned upside down by the scandal and that they deserve answers. Will she provide us with an update on the number of women who are affected and the latest information on rupture rates? Does she believe that there is now merit in introducing a

national register of surgical implants? How will we ensure that such a situation never happens to anyone ever again?

Nicola Sturgeon: I thank Jackie Baillie for asking a number of questions. I will try to answer all of them, and I am more than happy to write to her to give further information on all the points, as well.

I fully understand the anxiety that women who have had PIP implants have suffered; what they are going through is difficult for the rest of us to imagine. The Scottish Government stands ready to do everything that we can to assist those women.

On the number of patients, we have confirmed that no women received PIP implants on the national health service. Our best estimate is that 4,000 women in Scotland might have received PIP implants from private providers. That figure is not exact, but it is our best estimate right now.

I have made it clear, and do so again today, that private providers—which, we should remember, took advantage of the business opportunities and made money from implants—have a moral obligation to do the right thing by the women involved. I expect private providers to meet that obligation. However, I have also made it clear, and do so again, that the NHS will leave no woman high and dry if a private provider is not facing up to its moral obligation. I have made clear the support that will be provided and I advise any concerned women to contact their general practitioners in the first instance.

Jackie Baillie asked about a register. As she is aware, Professor Sir Bruce Keogh is leading a further review of the regulation of cosmetic surgery, which is—critically—looking at the value and feasibility of a comprehensive register of significant surgical devices, including breast implants, and how best to put that into action. My officials will work closely with colleagues in the Department of Health on that and will consider any implications for the NHS in Scotland.

I assure Parliament that I take the issue very seriously. If any member wants to discuss it further with me or to have any of the information to which the Scottish Government has access, I am happy to have such discussions and to provide whatever information I can.

Elaine Smith (Coatbridge and Chryston) (Lab): Normally, we do everything possible to encourage breastfeeding. However, given that the French regulatory authorities have recommended that women with PIP implants should not breastfeed their children, what advice can the cabinet secretary give mothers in Scotland with PIP implants?

Nicola Sturgeon: I know of Elaine Smith's close interest in breastfeeding and I understand the concerns that have been raised. I am sure that she understands that it is for experts to give the best possible advice to women who have PIP implants and for me to advise women to listen to and follow that advice.

The Government's wider efforts on breastfeeding will continue. As Elaine Smith is aware, we are doing a range of work to encourage women to breastfeed, because of the advantages and benefits that breastfeeding delivers for their children. We will continue to do that, and I am keen to work with members across the chamber to continue to get that message across.

Dyslexia

5. Margaret Mitchell (Central Scotland) (Con):

To ask the Scottish Executive what assistance it provides for the early identification of, and how it raises awareness of and supports people with, dyslexia. (S4O-00663)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): In order to help all teachers to identify the signs of literacy difficulties and dyslexia early in a child's school life, the Scottish Government, in partnership with Dyslexia Scotland, launched the online assessing dyslexia toolkit in June 2010. That was supported by four regional seminars, which were attended by 338 teachers.

On 17 November 2011, the Scottish Government announced an additional £40,000 grant to Dyslexia Scotland, which will be used to review and update the toolkit, to add new materials on how to support children and young people with dyslexia effectively, to make it more accessible for teachers, and to develop a section for local authorities on how best to implement it.

In addition, Education Scotland supports public and third sector organisations that support adults with dyslexia. In 2010, they delivered 45 training sessions across Scotland. The Scottish Government has also allocated £38,000 to Dyslexia Scotland for this financial year to support its headquarters running costs, and an additional £10,000 to develop an awareness-raising DVD to be used in prisons.

Margaret Mitchell: I thank the minister for that comprehensive answer. Does he endorse the working definition of dyslexia that has been developed and agreed by Scottish Government officials, Dyslexia Scotland and the cross-party group on dyslexia as a good working definition? If so, what is the Government doing to promote its wider use? Will the minister consider encouraging all local authorities to introduce, as part of teachers' continuing professional development, a

mandatory session to make them aware of the working definition and the toolkit to aid the early identification of, and the provision of support for, children with dyslexia?

Dr Allan: I thank Margaret Mitchell member for her question and the spirit in which it was asked. Needless to say, I know that, through her involvement in the cross-party group on dyslexia, she is very knowledgeable on the matter.

Teacher training endeavours to ensure that teachers are aware of a range of conditions, not least dyslexia, given the immense impact that it can have on people's later lives. I mentioned prisons in my initial answer because we are acutely aware of the proportion of people in prison who have dyslexia and the role that staff in school have in ensuring that we deal with that.

As far as the working definition is concerned, the toolkit has an involvement in that, but we have not gone down the route of introducing mandatory standardised assessment tests for dyslexia because that approach was rejected by, among others, the cross-party group on dyslexia in 2009.

Attention Deficit Hyperactivity Disorder

6. Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): To ask the Scottish Executive what action it will take to improve services for children and adults with attention deficit hyperactivity disorder. (S4O-00664)

The Minister for Public Health (Michael Matheson): In our consultation on a new mental health strategy for Scotland, we continue to highlight the importance of action in the early years and childhood, and the role in that of child and adolescent mental health services, through which many children with ADHD will be treated. We also identify services for adults with developmental disorders, which include ADHD, as a priority for service development. We will publish the mental health strategy later in the spring.

In addition, NHS Healthcare Improvement Scotland is supporting service providers through an exercise to follow up on areas for improvement and development that it identified during the scoping of the ADHD Scottish intercollegiate guidelines network guideline.

Malcolm Chisholm: I thank the minister for that response, and I certainly acknowledge the work of Healthcare Improvement Scotland on childhood ADHD.

However, at a recent meeting of the cross-party group on mental health, we were told about the lack of a strategy, guidelines, training and clinics for adult ADHD, in particular. Given that improvement challenge 2 of the draft mental health strategy refers to developmental disorders,

will the minister ensure that the development of services for child and adult ADHD is given particular attention in the final strategy?

Michael Matheson: As Malcolm Chisholm knows, we have given priority to the matter and we highlighted it in the consultation document. I hope that, in the next few weeks, we will be in a position to publish some of the detail that we have received from the more than 300 submissions to the consultation exercise. This is an area in which we want continuing progress.

I mentioned the work that Health Improvement Scotland is undertaking. Part of that work is to identify exactly where each individual health board needs to make more progress on improving and developing services around ADHD. Health Improvement Scotland will then undertake a number of regional events with individual boards in order to consider how we can improve services yet further. This is an area in which I wish further progress to be made. I intend to see something within the forthcoming mental health strategy to assist in doing that.

The Presiding Officer (Tricia Marwick): Question 7, in the name of Dennis Robertson, has been withdrawn, for understandable reasons.

Home Energy Efficiency

8. Nigel Don (Angus North and Mearns) (SNP): To ask the Scottish Government what support it gives to people living in homes without cavity walls to help them reduce their carbon footprint and stay warm. (S4O-00666)

The Minister for Housing and Transport (Keith Brown): The Scottish Government is aware of the issues affecting householders living in homes without cavity walls, and we are also conscious that that property type is more prevalent in rural parts of Scotland. Advice is provided through the energy saving Scotland advice centre network, which has advisers who are specially trained in dealing with such properties. The Scottish Government also provides an interest-free loan scheme for householders.

Local authorities can include within their bids for support under the universal home insulation scheme special programmes aimed at dealing with properties without cavity walls.

Nigel Don: I thank the minister for his recognition that such properties are often in rural communities. Does the minister agree that the green deal, although it is welcome in principle, is unlikely to give us a structure and a model that will help rural communities, simply because of the low density of buildings that will be appropriate?

Keith Brown: Nigel Don makes a valid point. We have highlighted issues relating to remote

areas of Scotland to the United Kingdom Government, and we have encouraged other stakeholders to highlight such issues in their consultation responses to the Department of Energy and Climate Change. At the same time, we are investigating a number of innovative finance options that might support delivery of green deal finance in rural and urban areas of Scotland. Yesterday, we announced a fund to assist certification bodies to become accredited and pass on the benefits to installers and assessors to ensure that Scotland can provide skilled people to deliver at the time of the green deal launch, particularly in remote and rural areas.

I encourage Nigel Don to make his views known also to the UK Government.

Claire Baker (Mid Scotland and Fife) (Lab): Ensuring that the existing housing stock, particularly private homes, reaches minimum energy performance standards presents a challenge. Section 64 of the Climate Change (Scotland) Act 2009 provides for the introduction of regulations in this area. Does the Scottish Government intend to introduce those regulations and, if so, what is the timescale for introduction and delivery?

Keith Brown: It is fair to say that those issues have to be considered at the same time as the green deal, and how that takes things forward. As I have mentioned previously, that is still a matter of consultation with the UK Government. We will continue to examine that area and will take a decision on it at the right time.

Transport Priorities (Scottish Borders)

9. John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Executive what its transport priorities are for the Scottish Borders. (S4O-00667)

The Minister for Housing and Transport (Keith Brown): The Borders railway project remains a priority for our investment in the Scottish Borders transport infrastructure.

John Lamont: I note that the minister did not mention Selkirk. A few weeks ago, I received a letter from a constituent. It reads:

"I voted for the SNP last year because I supported their campaign and petition to bring a bypass to Selkirk.

Can you find out for me when the bypass will be built by the SNP please?"

Does the minister still support the building of the Selkirk bypass and, if so, when will it be built?

Keith Brown: It is perfectly clear from the statements that were made prior to the election that the Selkirk bypass was not supported in the strategic transport projects review. We do not have plans for a bypass in Selkirk. *[Interruption.]*

The Presiding Officer: Order. There is too much noise.

Keith Brown: We are spending several hundreds of millions of pounds on the Borders railway, which was not taken forward by previous Administrations. That underlines the commitment that we have to the Borders. Spending that amount of money on transport infrastructure in the Borders obviously takes us well past the commitment of previous Governments. Of course, we could spend even more, were it not for the fact that the Government that Mr Lamont supports has withdrawn £800 million of funding from our budget.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): The minister will be aware that, although Gorebridge residents in my constituency fully support the development of the Waverley line, they are not being given advance notice of structural works. Will the minister undertake to get in touch with the relevant agencies to ensure that they explain to people what is happening along that line with regard to tree felling and so on?

Keith Brown: We will do that. We have seen the letter that the member wrote, which seemed to concern one particular household being omitted. We have reiterated to the relevant agencies that they should make people aware of work in advance. That will happen in the future.

First Minister's Question Time

12:00

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00461)

The First Minister (Alex Salmond): Later today, I will be speaking to the chief executive officer of Scottish wind turbine manufacturer Gaia-Wind, who has today announced the signing of a £5 million contract to provide up to 200 small turbines for installation in England and Wales. I am sure that the whole chamber will wish to welcome a successful company agreeing contracts and enhancing its reputation as a leading manufacturer of small wind turbines across these islands.

Johann Lamont: Indeed we do.

The new Forth crossing is the most expensive public project in Scottish history and is central to attempts to sustain and grow Scottish businesses and to create much-needed jobs. The project should have a legacy that goes beyond a bridge; people understand that. So why did the First Minister sign away the contracts—and the Scottish jobs—to Spain, Poland and China?

The First Minister: In reality, 118 out of 155 subcontracts for the project have been awarded to Scottish companies, which represents 76 per cent of the total. As for supply orders, for 870 out of 1,041—[*Interruption*] That is 83.5 per cent, Ms Baillie, the principal contract for which has been awarded to Scottish companies, which is a very substantial percentage. That means that the Forth replacement crossing project will support 1,200 Scottish jobs and secure an additional 3,000. Every year, construction will deliver 45 vocational training positions, 21 places on professional bodies and 46 positions for the long-term unemployed, and it will maximise the number of modern apprenticeship opportunities. All in all, it looks to me like Scotland is getting a substantially good deal from the Forth replacement crossing.

Johann Lamont: I am stunned by the limit of the ambition that the First Minister shows. This contract was to be a legacy for the people of this country and for the economy but, on his own minister's account, it is worth £20 million out of a contract worth £1.5 billion. The First Minister has no excuses. In Wales, a Labour Government had the political will to ensure that Welsh companies had equal access to public contracts, thereby saving businesses and creating jobs, but rather than look to our neighbours, Alex Salmond went to China and pulled off a master deal—the Chinese

got an £800 million steel contract and we got two pandas. If Wales can deliver for Welsh businesses, what is stopping the Scottish First Minister delivering for Scottish businesses and Scottish families?

The First Minister: The total value of the principal contract for the Forth replacement crossing is £790 million, of which the steel component represents 5 to 10 per cent. I am not sure whether Johann Lamont knows this, but we do not have manufacturing facilities for steel fabrication in Scotland thanks to the depredations of past Westminster Governments, and so no firms that submitted tenders for the steel fabrication subcontracts were Scottish. Perhaps a quarter to a half of the 5 to 10 per cent of the £790 million is for steel plating, which we do produce in Scotland. Johann Lamont says that there is an £800 million contract, but steel represents only 5 to 10 per cent of that, of which 25 to 50 per cent is the sort of steel that we produce in Scotland. I know that this is not the script that she wanted to hear, but having 76 per cent of all the subcontracts awarded to Scottish companies not only represents a good deal for Scottish companies but is amazingly better than anything that happened when the Labour Party was in power in Scotland. [*Interruption.*]

The Presiding Officer (Tricia Marwick): Order. Ms Baillie, could you please keep quiet?

Johann Lamont: The First Minister thinks that this is a game. The script that the people of Scotland want to hear is not one in which he says, "Oh, it's not £1.5 billion; it's £20 million out of £790 million, so that makes it okay." That is a tiny proportion of the money.

The reality is that the biggest contract in Scotland for a generation is creating jobs in Spain, in Poland and in China. Alex Salmond is spending £800 million on steel—[*Interruption*—and from that contract not a single job is being created in Scotland, at a time when 200 people are losing their jobs every day. Even the London Olympics have benefited Scottish companies to the tune of £100 million—five times more than the benefit from the Forth replacement crossing contract.

How can it be value for money in the long term to send abroad the profits, business creation, research and development and high-quality jobs that such big contracts generate? How can that make sense?

The First Minister: There is a great disadvantage in reading from a script. Occasionally a person reads a wrong line; but it also means that they do not listen to the answers.

In my previous answer, I pointed out that the total value of the contract is £790 million, of which 5 to 10 per cent is for the steel contract. We do not

do fabricated steel in Scotland. Of the fabricated steel contract, perhaps a quarter to a half is steel plate, which we do in Scotland.

Now that Johann Lamont realises that the £800 million figure that she was given in her script is not the actual figure, which is a small fraction of that, will she revise her opinion of the total impact of what the Scottish Government is doing?

I agree with Johann Lamont that we must do our absolute best to ensure that contracts come to Scottish companies. Johann Lamont would have been in the chamber at the time, so I wonder if she remembers Jack McConnell, at First Minister's question time on 16 June 2005, saying, "restricted I am by the rules of procurement", and having to explain why a fisheries protection vessel was going to a Polish shipyard instead of Ferguson Shipbuilders at Port Glasgow. What a contrast with Alex Neil's announcement in November of a £20 million contract for a new ferry for Ferguson's in Scotland.

Johann Lamont: And he accuses me of not being able to read my script. [*Laughter.*] I am sure that it was well worth it for civil servants to do the research to find that quotation.

Can we deal with what people in this country are saying now? They include Community trade union workers, who are concerned about their jobs, and all the businesses and people—beyond steel—who thought that the contract would bring work to their communities.

A fortnight ago, in response to the shocking unemployment figures, the First Minister claimed that his Government puts the greatest emphasis on job creation; yet here we are in a situation in which Scottish trade unionists from the Dalzell steelworks have written to David Cameron—I cannot believe that I am saying this, but I have the letter here—to ask a Tory Prime Minister to protect them from the actions of a Scottish First Minister. [*Interruption.*] I know, I cannot believe it either. The steelworkers and Community trade unionists in Scotland wrote:

"To date, First Minister, Alex Salmond MSP, has failed to give any satisfactory explanation why foreign suppliers were given preference over Scottish firms".

Why is the First Minister not doing his job? Why is he not standing up for Scotland? Will he stand up for Scottish workers and instruct an immediate review of a disgraceful contract, which will have huge consequences in our communities?

The First Minister: Let us try four reasons. First, given that Johann Lamont did not return to the issue, I think that we are probably agreed that we are talking about not an £800 million contract but about 5 to 10 per cent of that.

Secondly, can we agree that there is no steel fabrication proposal from Scotland? No firm that submitted a tender for the steel fabrication subcontracts was Scottish. That is because we do not have steel fabrication facilities in Scotland any more, thanks to the depredations of past United Kingdom Governments—Labour and Conservative.

Thirdly, can we agree that there is substantial evidence, from the figures on subcontracts that I put forward, that 76 per cent of subcontracts have been awarded to Scottish companies?

Fourthly, can we agree, as Johann Lamont must be aware, that contracts cannot just be directed to go to Scottish companies but have to be competitively placed out? By establishing the portal for contracts, this Government has allowed tens of thousands of small and medium-sized businesses in Scotland to obtain the benefit of public procurement and purchasing. That has happened under this Administration. Under a past Administration, largely due to Labour's fascination with the private finance initiative, there was no ability whatsoever to influence those things.

Given that Ms Lamont now knows the actual value of the contract, that she probably now knows that there are no steel fabricating facilities in Scotland, that she now knows that 76 per cent of the subcontracts have gone to Scottish companies, and that she is aware of the efforts that have been made through the portal, will she finally agree that the situation is hugely better now than it was under the Administration of her and her colleagues?

Secretary of State for Scotland (Meetings)

2. Ruth Davidson (Glasgow) (Con): Now that he is finally live on the BBC, I ask the First Minister when he will next meet the Secretary of State for Scotland. (S4F-00451)

The First Minister (Alex Salmond): I understand that, on the basis that the Secretary of State for Scotland is fully recovered, we are meeting this coming Monday.

Ruth Davidson: After the First Minister claiming grudge and grievance for being pulled from BBC radio and television sports programmes, it has emerged that it was in fact he who asked the BBC, not once, not twice but three times if he could be a rugby pundit. On reflection, does the First Minister think that it was acceptable to use the bully pulpit of his office to liken a BBC employee to a Nazi? Will he now apologise?

The First Minister: Let us take those points in turn. I assume a number of things: first, that Ruth Davidson will be aware that the noun "gauleiter" is defined in "Chambers 21st Century Dictionary" as

“an overbearing wielder of petty authority”.

It has been used in public parlance a number of times. There is nothing—[*Interruption.*]

The Presiding Officer: Order!

The First Minister: There is nothing petty about the authority that the Tory Government in London tries to exert over Scotland.

I hope that Ruth Davidson is aware that the tradition that we have come to expect in the BBC is that editorial and journalistic decisions are free to be made and not overridden by political factors. Of course my programme, including my attendance at the rugby on Saturday, was made available to news outlets of all kinds, as indeed was Ruth Davidson's, because I saw her pre-release that very day.

I have an e-mail from Carl Hicks, the head of sport at the BBC, which I am happy to put in the Scottish Parliament information centre to correct Ruth Davidson's misapprehensions. The proposal is:

“I've been having a little think and I'd like to ask if the First Minister would take part in our six nations challenge.”

He goes on to describe the nature of the programme he wants me to take part in, saying:

“I think this would be a great way of us involving the First Minister in the BBC's TV coverage. We'd be doing this live in the west carpark, it would be live around 1.45. Happy to discuss any of this. I am currently checking this out with our editorial policy team but we don't anticipate any problems.”

The reason why Mr Hicks did not anticipate any problems was that he did not know that there would be an instruction from the political adviser to withdraw the First Minister of Scotland from a programme. Journalists have a right to expect better from the British Broadcasting Corporation.

Ruth Davidson: By “having a wee think” presumably he meant after the First Minister's office had been on the phone.

With such outrage at the weekend, I thought that I would check the First Minister's rugby qualifications. He has the build for it; surely he must have a glittering career behind him. However, in the Linlithgow academy rugby team archive, there is no mention of A Salmond, and there is no mention of him in the University of St Andrews rugby team or the Royal Bank of Scotland rugby club.

In today's papers, the First Minister's official spokesman says that the First Minister is so outraged that he will raise the snub with the head of the BBC trust, Lord Patten. This is all about the First Minister—his bruised ego and his injured pride. Today's meeting was supposed to be about the future of broadcasting, people's jobs, their careers and their livelihoods. Those are surely

more important than the First Minister's stymied ambitions. Will he confirm to the Parliament, to those who are broadcasting this exchange on the BBC and to those who are watching at home that he will not waste a second of his meeting with Lord Patten on this petty sideshow but will focus on what matters—Scottish jobs?

The First Minister: I am afraid that the reasons that were given for the BBC's withdrawal of the invitation that its sports editor made are not petty and really must be confronted. There were two reasons. One was the proximity to the local government elections. We are not in the local government election period. Secondly, there was the claim of heightened tension in the political arena. Now, there might be some heightened tension on the Tory back benches, but what I detect is taking place is merely political debate.

If this period of heightened tension is to last for the next two and a quarter years, can I assume that we will not be treated to the sight of David Cameron on any Olympics coverage from London? Can I assume that, during this period of heightened tension, politicians will not be asked to take part in sports programmes? We will never get the benefit of Ruth Davidson's opinions on rugby football or anything else—even on kick boxing, in which I understand she has substantial expertise. This is a nonsensical decision.

If the BBC is going to adopt the position that politicians are to be withdrawn from broadcasts, overriding journalistic and editorial decisions, we will go down a very difficult road indeed. It should be entirely possible to revert to a position where journalistic and editorial judgment is sacrosanct in the BBC, or is this just another reason why we must ensure that Scottish broadcasting is free from diktats from London? [*Interruption.*]

Finally, when I meet Chris Patten this afternoon, I will not—[*Interruption.*]

The Presiding Officer: Order. Please settle down.

The First Minister: I will not make the accusation this afternoon that Chris Patten's former chairmanship of the Conservative Party has anything to do with current BBC decision making.

Drew Smith (Glasgow) (Lab): Presiding Officer, you will be aware of the uncertainty that is facing thousands of Clydesdale Bank workers. Clydesdale Bank is headquartered in Glasgow and is a major employer across Scotland. It is a strategically important company for the Scottish economy, and it is the bank of many small and medium-sized businesses.

Following the Scottish Government's reported contact with Clydesdale Bank, what assurances

can the First Minister offer its workers and their families, who face an uncertain beginning to 2012 as a result of the statements from the parent bank, National Australia Bank? Specifically, will the First Minister agree to meet Unite the Union, as representatives of the workforce, to listen to their fears and hear at first hand their suggestions on how the long-term future of the business as a Scotland-headquartered company can be secured?

The First Minister: I have already spoken to the chief executive of Clydesdale Bank—and I know that Mr Swinney has spoken to him as well—about the implications of the statement from the chief executive officer. I gladly agree to meet Unite the Union and workers' representatives as well.

The statement from the chief executive officer in Australia should give us great cause for concern. He certainly cited in relation to the structural review of the Clydesdale and Yorkshire banks the underlying difficulties of the euro zone, but he also cited in the strongest terms the United Kingdom Government's policy of retrenchment, the period of austerity and the lack of growth prospects in the United Kingdom economy.

A lot of us will find it somewhat ironic that, on the one hand, we have baseless claims from the Chancellor of the Exchequer about the impact on investment of constitutional change in Scotland while, on the other, the chief executive officer of one of the world's major banks is pointing directly to the United Kingdom Government's austerity programme as a reason for having a significant review of the bank and its policies. We will certainly meet the unions and workers and continue a dialogue with Clydesdale Bank and Yorkshire Bank to protect employment in Scotland, but let us hear no more of the argument that a no-growth austerity programme is good for jobs and investment in Scotland.

Nigel Don (Angus North and Mearns) (SNP): As the First Minister will be aware, last week Ross and Bonnyman, which has been based in Forfar since 1973 and specialises in designing and manufacturing lifting products, went into liquidation with the loss of 80 jobs. Does the First Minister share my concern about the impact of such job losses on this small community? What support can the Scottish Government provide to ensure that some highly skilled members of that workforce find employment as swiftly as possible?

The First Minister: I share the member's concern about Ross and Bonnyman's going into administration and the impact that it will have on the affected employees, their families and indeed the whole town of Forfar. I assure the member that we are doing everything possible to minimise the time that the individuals affected by redundancy

are out of work and confirm that we have already taken immediate action through partnership action for continuing employment to provide support for the affected employees. The local PACE team is also at this moment discussing arrangements for an event for employees in the Reid hall in Forfar to give people the opportunity to meet a range of partners for advice and support. I understand that interest has been expressed by an employer in the area who is seeking to recruit employees, and we will do everything we can to facilitate that and other such interest.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00454)

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

Willie Rennie: Before Scotland's freedom of information commissioner, Kevin Dunion, stood down last week, he warned that Scotland's freedom of information system is at risk of slipping behind that of other countries, including the rest of the United Kingdom. Surely that is a serious blow to our aims of being a beacon for progress. Why did the First Minister block the extension of information laws to cover housing associations, private finance initiative companies and other public bodies?

The First Minister: There are two answers to that question. First, the freedom of information laws in Scotland are substantially better and more progressive than those elsewhere. Secondly, representations from a range of organisations explained why this time of some difficulty would not be the moment to extend freedom of information legislation. I gently point out to Willie Rennie that if the Liberal party had thought this issue to be so important, it would have used its very substantial influence in the last coalition Administration to bring forward such legislation in Scotland.

Willie Rennie: We are very proud of the progress that we made on freedom of information when we were in government; the First Minister should reflect on the progress that he has made. I also point out that it was Kevin Dunion who said that Scotland was in danger of slipping behind the rest of the UK. The First Minister seems to have let others' objections overrule the commissioner's sensible proposals.

Access to information is important in a free and liberal Scotland if we are to challenge those who wield power. Why can tenants in Lanarkshire get information about their rent increases while

tenants in Glasgow cannot? How can an arm's-length company spending millions of pounds of taxpayers' money dodge giving answers while councils cannot? It was not me but Kevin Dunion who said:

"I am not entirely clear why the Government has decided to row back"—[*Official Report, Justice Committee*, 10 January 2012; c 811.]

Can the First Minister be clear? He always wants to be David but is he not now Goliath, blocking the rights of ordinary Scots?

The First Minister: No—I will stick to being David, if that is all right. I remember the result of that particular contest.

The matter is under consideration and we are sympathetic to suggestions. I am particularly sympathetic to the suggestion that we examine PFI contracts in detail, although I gently point out to the member that we have not signed many such contracts as opposed to the huge volumes that were signed by the Labour and Liberal parties when they were in government in Scotland. One might argue that that is why the public procurement policy supported by this Government is proving significantly more successful than our predecessors' private procurement policy.

Leuchars (Multirole Brigade)

4. Roderick Campbell (North East Fife) (SNP): To ask the First Minister what recent discussions he has had with the Secretary of State for Defence regarding the establishment of a multirole brigade at Leuchars. (S4F-00460)

The First Minister (Alex Salmond): The impact of the United Kingdom Government's basing review decisions on Leuchars and other affected communities throughout Scotland remains a key concern for the Scottish Government. The Cabinet Secretary for Parliamentary Business and Government Strategy wrote to the Secretary of State for Defence on Friday 3 February to request an urgent meeting to discuss progress and to seek reassurance that the commitments that were made in July 2011 will stand, including that Leuchars will become home to part of the multirole brigade.

Roderick Campbell: The First Minister will be aware of press comments, saying that the secretary of state, Philip Hammond, has cast doubt over the deployment of the multirole brigade, seven months after his predecessor confirmed that very commitment in a statement to the House of Commons. Does the First Minister agree that such fearmongering is very unsettling for my constituents? Will he join me in condemning the comments, and urge Mr Hammond to offer clarity on the situation as a matter of urgency?

The First Minister: Roderick Campbell makes a very good point about his constituents. When communities accept military bases—whether those are air force or army bases—they have a right to expect a long-term commitment. That is exactly the long-term commitment that the Scottish National Party proposes the Government should give.

The defence review last year took some very hard decisions for Scotland. There were hard decisions for Kinloss and for Leuchars but, following significant cross-party representations from this Parliament and others, a policy was announced that in the overall balance had some benefits for Scotland. It would be disgraceful if there was any attempt by the new defence secretary to unpick that arrangement. Of course, he has not said that that is the policy; he has hinted at it in a letter to a member of Parliament. In policy terms, the Ministry of Defence says that there is no change from last year's commitment.

I will say two things. First, politicians—whether they are the Secretary of State for Defence or anyone else—should not use the future of bases as some sort of political weapon in arguments by hinting to MPs in letters. Secondly, the outrage in Scotland if there is any reneging on the commitments that were made last year would encompass every part of the community and every single party in Scotland.

Secondary Education (National Exams)

5. Hugh Henry (Renfrewshire South) (Lab): To ask the First Minister whether the Scottish Government considers that the introduction of new national exams in 2013-14 is on schedule. (S4F-00459)

The First Minister (Alex Salmond): The new national qualifications are on course for 2013-14. The track record of the curriculum for excellence programme shows that we have met every target and request for additional support from education authorities. In taking forward implementation of curriculum for excellence, dispensation for targeted delays of one year to new national qualifications will be available where the circumstances justify it.

Hugh Henry: The Cabinet Secretary for Education and Lifelong Learning has assured Parliament that the introduction of curriculum for excellence is on track, but Scotland's teachers are telling us that the materials—and they—are not ready. Are Scotland's teachers wrong?

The First Minister: That is not the view of stakeholders throughout Scotland. As Hugh Henry knows, East Renfrewshire Council is a very particular example, because it—uniquely—

stopped using standard grades in 2005 and replaced them with the intermediate qualification.

The view of stakeholders is not as Hugh Henry has presented it. For example, Glenn Rodger, the president of the Association of Directors of Education in Scotland, says that ADES

“has been fully involved in, and remains committed to, the ... implementation of ... curriculum for excellence, including the broad general phase through to S3; an exciting and challenging senior phase; and the new qualifications framework. There has been strong consensus about this approach”.

That consensus includes teachers in Scotland, the vast majority of whom are enthusiastic about the opportunities that curriculum for excellence involves.

Liz Smith (Mid Scotland and Fife) (Con): The Cabinet Secretary for Education and Lifelong Learning said on “Good Morning Scotland” last Friday that

“East Renfrewshire is in a very special position”

and that he was not surprised that it wanted to do things differently. Why, then, should all other local authorities be told that it would be tremendously disruptive if they were to do things differently?

The First Minister: As I have already mentioned, East Renfrewshire Council’s unique position is that it stopped using standard grades in 2005 and replaced them with the intermediate qualification. The other 31 local authorities all still use standard grades, and have all confirmed that they will move to the new national qualifications within their current secondary 2 cohort in 2013-14. The unique position of East Renfrewshire explains the difference in its decision making.

In fairness to East Renfrewshire, I point out that it has said that it is fully and absolutely committed to the implementation of curriculum for excellence, stating as it did on 31 January:

“Our staff have engaged fully in the implementation of Curriculum for Excellence and the introduction of the new Nationals and will continue to do so.”

There is a huge fund of goodwill and optimism about the new qualifications in Scotland. The curriculum for excellence has wide and broad-based support. I hope that, at some point, that broad-based support across the educational community in Scotland will be reflected across the political parties in this Parliament.

Renewables Targets (Offshore Opportunities)

6. Stuart McMillan (West Scotland) (SNP): To ask the First Minister how important offshore opportunities in the west of Scotland are in helping to meet the Scottish Government’s renewables targets. (S4F-00463)

The First Minister (Alex Salmond): Offshore renewables projects totalling 2.2GW—the Argyll array at 1.5GW and the Islay array at 680MW—have already been proposed for the west of Scotland. That is the equivalent of the power requirements of more than 1 million households. Those projects involve an estimated investment of more than £6 billion and up to 5,700 direct jobs.

The west coast is important to our offshore renewables ambitions, as set out in the Irish-Scottish links on energy study. At peak construction phase, the building of offshore grid could support up to 2,000 direct and indirect jobs in Scotland.

Stuart McMillan: I am delighted that the west of Scotland will play such an important role in Scotland achieving its renewables potential.

I note that, this week, Conservative politicians made comments critical of the development of renewable energy. Will the First Minister offer my constituents in the west his reassurance on the Government’s commitment to renewables and that Tory scare stories will not affect people’s chances of gaining employment in that industry, which is vital for Scotland?

The First Minister: Yes, I will. Today, we heard another significant announcement: the United Kingdom Government has announced that the technology and innovation centre at the University of Strathclyde has been recognised as the headquarters of the new catapult initiative. That comes on top of the £89 million that the Scottish Government invested last year in establishing the centre, which is creating 700 new research jobs in the offshore wind sector in Scotland. Prominent people in the Conservative Party—Struan Stevenson, supported, I understand, by the former deputy leader, Murdo Fraser—are now opposing that sector. Hundreds of new jobs are coming to the city of Glasgow. Will the Conservative Party leader at any point address the people involved and explain why prominent members of her party want to eliminate their jobs? Will any Conservative politician go on a tour around the places in Scotland that already benefit from the offshore revolution—Machrihanish, Glasgow, Methil and Aberdeen—or to the places that are shortly to benefit, such as the port of Leith, Dundee or Nigg, and tell people there that the Scottish Conservative and Unionist Party wants to eliminate thousands of jobs in Scotland because some of its prominent members think that it will give them a press headline or two?

Duncan McNeil (Greenock and Inverclyde) (Lab): Given his optimistic view of opportunities on the west coast, will the First Minister tell us when we can expect a review of the national renewables infrastructure plan to ensure that the skills and infrastructure that we have in places such as

Inverclyde are fully recognised to give us the best chance of gaining green jobs?

The First Minister: The infrastructure plan is under constant appraisal. For example, it was appraised at a meeting only yesterday.

I assure Duncan McNeil that ports the length and breadth of Scotland will benefit from the investment that is taking place in the offshore renewables industry. The announcements that have been made have been hugely encouraging for the ports involved. There are a number of announcements still to come, and the Scottish Government is ensuring that every port in every area around the coastline of Scotland is set to benefit.

The great enterprise of engineering and fabricating for the future energy requirements of not only Scotland but these islands and, perhaps, much of Europe offers the prospect of reindustrialising Scotland and, I hope, will have maximum cross-party support. That balance of cross-party support has put Scotland in the lead, and we intend to maintain that lead as we move forward. Members should give the workers and engineers in the industry a bit of backing and let them get on with the job for Scotland.

12:34

Meeting suspended.

14:15

On resuming—

Scottish Executive Question Time

Justice and Law Officers

Gypsy Travellers

1. Siobhan McMahon (Central Scotland) (Lab): To ask the Scottish Executive how many offences against Gypsy Travellers have been recorded in the last 12 months. (S4O-00669)

The Cabinet Secretary for Justice (Kenny MacAskill): That information is not held centrally. Police recorded crime figures are based on an aggregate data return from each of the eight police forces, which does not include information on victims or their ethnic group.

Siobhan McMahon: I hope that we can look at ways of recording such information in the future, because we do not have information about offences that have been taking place for a considerable time.

Does the cabinet secretary agree that Gypsy Travellers remain at considerable risk of racially aggravated crime and that more needs to be done to protect them? He will be aware of the latest social attitudes survey, which indicates that 37 per cent of the population still hold prejudicial attitudes to Gypsy Travellers and that 92 per cent of young Gypsy Travellers experience some form of bullying because of their ethnic origin. We can infer from that that prejudicial attitudes to Gypsy Travellers are still prevalent. What action will the cabinet secretary take to offset that?

Kenny MacAskill: Siobhan McMahon raises an interesting and important question. The information is not recorded because it is not straightforward. The recording category of “other ethnic white” would include many in the Gypsy Traveller community, but it also includes many from an eastern European background. We are happy to look at such matters. The Gypsy Traveller community incorporates not just Scottish and Irish Travellers but Gypsies and the Roma community.

The fundamental point that Ms McMahon raises is not so much about the importance of recording crime, although we view that as important and the police and the prosecution take it on board, as about the discrimination that—sadly—exists against the travelling community, whether they are ethnic Scottish and Irish Travellers or are from the Roma community and have come in with east European immigration. The Government takes

action to provide support through Article 12 in Scotland, the Minority Ethnic Carers of Older People Project and the Scottish Traveller education programme. I am happy to discuss matters and engage further with Ms McMahon and those who represent the Gypsy Traveller community.

I assure Ms McMahon that we take any prejudice against the Gypsy Traveller community seriously. Such matters are incorporated in the Race Relations Act 1976 and we recognise our obligations under other portfolios to look after the community and protect its interests. Whether people are from the travelling community or are different from others in our community, they are still citizens of this land and they are entitled to the dignity, respect and treatment that everybody else receives.

The Deputy Presiding Officer (John Scott): I call Jenny Marra.

Jenny Marra (North East Scotland) (Lab): To ask the Scottish Executive how many prisoners have completed an alcohol-related course in the last year.

The Deputy Presiding Officer: I am sorry—I called you because you had pressed your request-to-speak button to ask a supplementary question.

Jenny Marra: I was confused—I thought that you called me to ask my later question, Presiding Officer. I do not have a supplementary.

Single Scottish Police Service (Superintendent Posts)

2. John Finnie (Highlands and Islands) (SNP): To ask the Scottish Government whether the proposed single Scottish police service will result in a reduction in the number of police superintendent posts. (S4O-00670)

The Cabinet Secretary for Justice (Kenny MacAskill): The internal structure and staffing of the police service of Scotland will be determined by the chief constable and the Scottish police authority.

John Finnie: Given the wide variation across Scotland's eight forces in the ratio of police superintendents to operational officers, will the cabinet secretary cause Her Majesty's inspector of constabulary to ensure that all promotion processes for superintendent ranks cease with immediate effect, pending a review of the numbers that will be required for the single service to be efficient?

Kenny MacAskill: We take the matter seriously as a Government. Fundamentally, the question is for the current services. The Government has made clear its decision not to approve permanent appointments at assistant chief constable rank and

above, which will ensure that we do not have a surplus of senior officers on day one. It would be appropriate for chief constables to consider the implications of promotions now for the new service's operational effectiveness.

We understand that the eight fire and rescue boards have already put in place arrangements to avoid such issues in the fire and rescue service. Promotions might be appropriate in some areas because of the service that is given and the area's needs and requirements but, as we move towards a new service, police boards and chief constables should take cognisance of the issue, as has happened in relation to the very senior ranks.

I thank the member for raising the issue and I will ensure that that is fed back to HMIC.

Single Scottish Police Service (Chief Constable)

3. John Mason (Glasgow Shettleston) (SNP): To ask the Scottish Government when the chief constable will be appointed for the proposed single Scottish police service. (S4O-00671)

The Cabinet Secretary for Justice (Kenny MacAskill): The Scottish Government has introduced to Parliament a bill to establish a single police service. It provides for the appointment of the chief constable by the Scottish police authority. Subject to the passage of the bill and the completion of the public appointments that it provides for, the chief constable could be appointed by the end of this year.

John Mason: Following on from John Finnie's questions, does the cabinet secretary feel that, given that there is a bit of a changeover period, the potential exists for good decisions to be held back and for a few bad decisions to be made?

Kenny MacAskill: It is a matter of balance. We are aware that many authorities wish the chief constable to be appointed as soon as possible, and we have great sympathy with that view.

There are two matters to consider. First, we have given an indication to Parliament, which I think has been accepted, that the chief constable should not be appointed by the Cabinet Secretary for Justice, whether that is me or anyone else. On that basis, we require to go through the formal protocols that will allow us to establish the Scottish police authority and to ensure that, thereafter, it takes action to select the appropriate person, whoever he or she may be.

There are also practical matters to consider. Until the police service of Scotland is established and in situ, whether on 1 April 2013 or at some other time, we must ensure the running of the police, with which the eight chief constables are currently charged. As I mentioned in response to

John Finnie, we must ensure that we encourage them to work effectively and that, collectively, we take action to that end. We are seeking to work towards a position in which we can have the chief constable in place by the end of this year.

We think that it is important that that decision should be made openly and transparently, and that it should not be made by a political person such as me. That means that we must wait for the establishment of the Scottish police authority.

Alison McInnes (North East Scotland) (LD): What arrangements is the cabinet secretary putting in place for the policing of territorial waters and offshore installations under his reform plans? How many local authorities will be involved in approving such plans?

Kenny MacAskill: As far as the North Sea is concerned, such matters have fallen within the jurisdiction of the chief constable of Grampian Police and Grampian authority. When it comes to broader matters of resilience, not simply the police but other agencies are involved. Particular local authorities have been involved in such discussions, as Ms McInnes will probably be aware, given the implications for Scottish island communities of an oil spillage or similar event.

Such matters are clearly operational matters that must be dealt with by the appropriate level of authority, locally and nationally. Even as we move towards a single service, the likelihood is that an oil spillage or some other catastrophe would have to be dealt with by the divisional commander.

Good work is being done in this area by Chief Constable Smith, who is working with others, including Deputy Chief Constable Neil Richardson from Strathclyde Police, so I can assure the member that such matters are being considered. Presently, they are dealt with on an operational basis by the police and other agencies, including local authorities and the Maritime and Coastguard Agency. They will ensure that the particular challenges that we face as a country with a coastline such as ours will be dealt with and that there will be no diminution of service as we move towards a single service.

Lewis Macdonald (North East Scotland) (Lab): Given the importance of independent oversight of the new police service from the outset, and given what the cabinet secretary said about his aspirations for the appointment of a new chief constable, what does he have in mind as regards the appointment of the police investigations and review commissioner? What timetable does he think is practicable for that?

Kenny MacAskill: I pay great tribute to the service that the Police Complaints Commissioner for Scotland has given. I noticed that he was in the Parliament to meet Mr Macdonald—I am sure that

they had an interesting and informative chat. There will be a slight role change because of the requirement to deal with matters that would previously have been dealt with by other services. I welcome the service of John McNeill. The good work that he and his staff in Hamilton have carried out will have to be added to, but I look forward to him—or his successor, if that is the situation—continuing to provide outstanding service and meeting the new challenges that will have to be faced to ensure that justice is not only done but seen to be done. Those who have some doubts can be assured that matters will be resolved not simply internally, but by an external body.

Single Scottish Police Service

4. Dave Thompson (Skye, Lochaber and Badenoch) (SNP): To ask the Scottish Executive what progress it has made with its plans for a single Scottish police service. (S4O-00672)

The Cabinet Secretary for Justice (Kenny MacAskill): The Government introduced a bill to Parliament on 16 January to establish a single police service for Scotland.

Dave Thompson: I am keen that the new Scottish police service decentralises some of its support functions and backroom jobs, such as those in finance, information technology and human resources, to the Highlands and Islands. Can the cabinet secretary tell me whether there will be a process for considering that, and what sort of timetable we should be working to if we are to bid for such functions?

Kenny MacAskill: Ultimately, it will be for the Scottish police authority and the chief constable, once they are appointed, to determine how the service is organised. However, we believe that there is considerable scope for support functions to be located throughout Scotland, and I am keen that jobs are not concentrated in the central belt.

The proposals that we have in the legislation provide a framework that will encourage resources to be located across Scotland to meet best the needs of all our communities. There are opportunities for them to be located in the north, and I know that Mr Thompson has campaigned for that. Equally, following my visit to speak to the chief constable of Dumfries and Galloway Constabulary and many of his officers, I know that requests will be made from that area.

I give the member an assurance that it seems appropriate to this Administration that many of the matters that he raises should be dealt with outwith one centralised pot in the central belt, as they are capable of being dealt with elsewhere.

The issue should, perhaps, have been dealt with before now. I understand that, in the current situation, in which there are eight services, the

payroll for Lothian and Borders Police is dealt with in Birmingham. It seems to me that it might be better for there to be one payroll service for the police in Scotland and for it to be located somewhere more appropriate than Birmingham.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Can the cabinet secretary tell us whether the functions of the British Transport Police might become the prerogative of the single Scottish police service?

Kenny MacAskill: We see merit in that. Presently, the British Transport Police has to work closely with our constabularies—with Lothian and Borders Police in Waverley station in Edinburgh; with Strathclyde Police at Central and Queen Street stations in Glasgow; and with Northern Constabulary in the north of Scotland. I have written to the secretary of state to open a dialogue about the matter. To her credit, she has indicated a willingness to look at it. It is not something that we anticipate would be done immediately on the establishment of a single Scottish police service.

However, as we move towards the establishment of that service, and at a time when issues around aviation and ports such as Cairnryan are dealt with by the Scottish police, it appears to us that there is logic to the suggestion that the current functions that are carried out in Scotland by the British Transport Police—to whose members, from Assistant Chief Constable David McCall down, I pay tribute—would have a better linkage with the single Scottish police service rather than with a body whose functions are, to all intents and purposes, headquartered in Birmingham, when not in London.

The Deputy Presiding Officer: I remind all members that they should be here in good time for their questions.

Sentencing (Offenders Released on Licence)

5. Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): To ask the Scottish Government whether it will consider changing the law so that sentences for crimes committed by an offender released on licence are served consecutively rather than concurrently. (S4O-00673)

The Cabinet Secretary for Justice (Kenny MacAskill): We are considering whether legislative changes are required to provide the courts with wider sentencing discretion to deal with people who commit offences after having been released from prison under early release provisions.

Christina McKelvie: I am encouraged by the significant reductions that we have seen in knife crime this week, and fully support the Scottish Government's approach to tackling it. I am

delighted that the cabinet secretary joined me and others last night at the launch of the no knives, better lives campaign at the street project in Hamilton.

It is crucial that the public has confidence in our courts and justice system. People in my constituency have made it absolutely clear to me that, when sentences for separate offences are served concurrently, their confidence in justice is undermined. Can the cabinet secretary assure me that he will give serious consideration to taking action to ensure that individual sentences for separate offences are served consecutively?

Kenny MacAskill: I thank Ms McKelvie for raising that matter, which has also been raised with me by the families of some victims, and which the Crown and I have clearly indicated that we are happy to consider. It is not a straightforward matter. It relates to legislation that predates not only my accession to office but the establishment of this Parliament. It is important to note that any offender who commits an imprisonable offence having been released under early release statute from a custodial sentence for a previous offence will spend longer in prison as a result. Courts currently have the power to impose a further sentence on an offender where an offence has been committed while the offender is still serving a previous sentence, but there are restrictions on the way in which that further sentence can be imposed. A further sentence cannot be imposed to run consecutively where a person has already been released in respect of the previous sentence.

We want the courts to have the necessary powers to be able to deal with the offender and to provide the appropriate sentence for that offender in the circumstances, and not to be unnecessarily constrained. I am happy to assure Ms McKelvie, as the Lord Advocate and I have assured the—tragically—recently bereaved families of victims that we will look at this matter. It is a complex area of law, but we recognise that it needs to be looked at, and we will do so.

Police and Fire Reform (Scotland) Bill (Independent Custody Visiting)

6. Patrick Harvie (Glasgow) (Green): To ask the Scottish Executive what its reasons are for placing independent custody visiting on a statutory footing as part of the Police and Fire Reform (Scotland) Bill. (S4O-00674)

The Cabinet Secretary for Justice (Kenny MacAskill): Independent custody visiting, which is carried out by volunteers on a non-statutory basis, plays an important role in checking the treatment of persons held in custody in police stations and the conditions in which they are held. Placing independent custody visiting on a statutory basis will fulfil the obligations of Scottish ministers to the

optional protocol to the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, or OPCAT. The position is different from that of prisons, where Her Majesty's inspectorate of prisons for Scotland already has a statutory duty of inspection. HMIP meets the requirements of OPCAT and is a designated national preventative mechanism. Under one system, we must still meet the OPCAT requirements; under the other, those requirements are already met.

Patrick Harvie: I am sure that there is support across the chamber for ensuring convention compliance, but over and above that, is there not a principled argument for community representation, whereby communities are able, on a voluntary and unannounced basis, to conduct visits in relation to all forms of detention? That is hugely important for our confidence in the standards in detention. We certainly make that case in relation to custody and prisons, and some of us would like to do so in relation to asylum removal centres as well. Should not the Government support that general principle instead of relying on merely technical convention compliance?

Kenny MacAskill: I agreed with most of what Mr Harvie was saying until he got to the final part of his question. We accept that there is an issue. I am aware of Mr Harvie's motion, which was debated as a Conservative motion. I welcome the Conservatives' commitment to prison reform and look forward to David McLetchie's sympathetic ear for the Angiolini commission.

As a Government, we take the view that prison visiting committees are no longer fit for purpose in the 21st century, given that they were established in the Victorian age. We believe that the needs of prisoners as regards advocacy are best dealt with by a more professional body, and that is why we are looking to go out to tender on that.

We are happy to take on board Mr Harvie's point about the requirements for monitoring and to look at how we deal with that area, whether we expand HMIP's role to incorporate other aspects or work in conjunction with local authorities or community justice authorities. I say to Mr Harvie and Ms McInnes that we are happy to discuss with stakeholders and political parties how we build on the requirements that we already meet in relation to OPCAT and HMIP. For example, how do we provide a local aspect? Should that tie in with custody cells in police stations? As per the Conservative debate on Mr Harvie's motion, I am happy to give him an undertaking that we will look at how we build on what we already have and provide understandable and legitimate assurances about how we meet the monitoring requirements in Scotland in the 21st century.

The Deputy Presiding Officer: Question 7 has been withdrawn, for entirely understandable reasons.

Scottish Court Service (Meetings)

8. Lewis Macdonald (North East Scotland) (Lab): To ask the Scottish Executive when it last met the Scottish Court Service. (S4O-00676)

The Cabinet Secretary for Justice (Kenny MacAskill): Officials of the Scottish Government meet the Scottish Court Service regularly. I met officials from the Scottish Court Service most recently on 11 January.

Lewis Macdonald: The cabinet secretary has made it clear that proposals to close courts in Scotland would be subject to approval by the Parliament. Will he tell members what assessment he will make of the impact of a proposed closure before he makes a decision on whether to bring such a proposal to the Parliament? In particular, can he say whether he will publish an assessment of the additional costs of transporting frail and vulnerable witnesses or the additional costs of delays to court proceedings elsewhere?

Kenny MacAskill: Those are hypothetical questions. I am happy to say that proposals require to go before the Parliament. I will be required to appear before the Parliament, and the Justice Committee and Opposition spokesmen will no doubt expect full information.

The principal case must be put by the Lord President and will come to me. A proposal must be robust and sustainable; it must also be open to investigation, critique and, indeed, ultimate refusal by the Parliament.

I assure the member that we are happy to discuss how information should come forward; I happily concede the principle of ensuring that the information is there.

Prisoners (Alcohol-related Courses)

9. Jenny Marra (North East Scotland) (Lab): To ask the Scottish Executive how many prisoners have completed an alcohol-related course in the last year. (S4O-00677)

The Cabinet Secretary for Justice (Kenny MacAskill): The Scottish Prison Service offers a range of alcohol-related interventions to prisoners with alcohol problems, to support their recovery and address offending behaviour. In the period 1 April 2010 to 31 March 2011, 8,827 prisoners completed an alcohol-related course: 8,155 prisoners completed alcohol interventions on a one-to-one basis or in a group-work setting—such interventions were delivered by enhanced addiction casework services; and 672 prisoners completed an alcohol-related prisoner programme.

Jenny Marra: The cabinet secretary is aware that a prisoner is three times more likely to be dependent on alcohol than the average Scottish person. Yesterday, NHS Health Scotland released a report, calling for

“a more comprehensive system of screening and assessment”,

to help prisoners who are suffering from alcohol-related problems.

With reducing offending in mind, what action is the Scottish Government taking to implement the recommendations in the report and help prisoners to recover from alcohol addiction?

Kenny MacAskill: The national health service has taken over the health service in the Scottish Prison Service and we look forward to it implementing matters. The Scottish Prison Service will co-operate fully with the NHS.

More than 50 per cent of people who perpetrate a murder are under the influence of alcohol, and more than 75 per cent of offenders in Polmont young offenders institution indicated that the root cause of their offending was alcohol. I ask Jenny Marra to reflect on those statistics and I hope that she will fully support the Government as the Deputy First Minister proceeds with the Alcohol (Minimum Pricing) (Scotland) Bill.

Rural Affairs and the Environment

Environmental Issues (Attitudinal Data)

1. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the Scottish Government what data is available on the attitudes of people in Scotland to environmental issues. (S4O-00679)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The key source is “The Scottish Environmental Attitudes and Behaviours Survey”, which was published in 2009 and included questions about the environment and climate change. There are no current plans to repeat the survey, but good-quality attitudinal data is available from other sources, such as the Scottish recreation survey and the understanding society survey.

Gordon MacDonald: How will the greener together campaign, which was launched recently, encourage people in Scotland to become even more environmentally friendly?

Richard Lochhead: The purpose of the new campaign is to urge the people of Scotland to appraise their lifestyles and contributions to making Scotland greener. Many campaigns are behaviour specific, whether they focus on recycling or on other action that people can take; the point of the greener together campaign is to ask people to take a general approach, to see

what they can do in their daily lives to contribute to making Scotland greener.

Margaret McDougall (West Scotland) (Lab): The cabinet secretary will be aware of the recent poll by Ipsos MORI, which found not only that politicians are the people whom the public least trust to give information about climate change but that a staggering 50 per cent of people do not believe that climate change will make a difference to their lives. Does he agree that we have a long way to go in persuading the public of the importance of taking environmental issues seriously? What programmes is the Scottish Government developing, and with what funding, to raise awareness of the issue?

Richard Lochhead: I assure the member that no Government ministers will be appearing in adverts on the issue in newspapers or on television.

There is still a long way to go for Scotland's population to reduce its emissions, but recent statistics show that we are making good progress. We are already around two thirds of the way to the 2020 target of reducing emissions by 42 per cent. Some good actions are being taken by the people of Scotland, but we have a long way to go; that is why the Government has a number of budget lines to help to ensure that we are greening right across Government expenditure. As Gordon MacDonald's question illustrated, we are also funding greener Scotland campaigns to ask the people of Scotland to look at how they live their lives and see what actions they can take to reduce their carbon footprints, promote recycling and help to green Scotland.

Forestry Development (Upland Grazing Interests)

2. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government what progress has been made to accommodate upland grazing interests and forestry development targets. (S4O-00680)

The Deputy Presiding Officer (John Scott): Cabinet secretary.

The Minister for Environment and Climate Change (Stewart Stevenson): Minister.

The Deputy Presiding Officer: I beg your pardon, minister.

Stewart Stevenson: Late advice from us, I think. I apologise, Presiding Officer.

We have established a woodland expansion advisory group to provide advice on which types of land are best for tree planting in Scotland, in the context of other land-based objectives. The group, which includes members from the farming sector, is giving careful consideration to the potential

impact of woodland expansion on upland grazing. The group has recently concluded a public consultation exercise, and will be running regional stakeholder meetings later this month. It will report in June.

Rob Gibson: Given the considerable fall in sheep stock throughout Scotland over several years, has there been a measurable pressure on existing upland grazings from forestry development? Has the Forestry Commission bought former sheep farms that have been on the market for some time? Can today's limited number of sheep, which are of higher value, continue to be reared successfully on the upland grazings that are available at present?

Stewart Stevenson: The decline in sheep numbers has not been uniform throughout the country—having been at its highest in the north and west—and there is still demand for upland grazing for sheep in some areas of the country.

Through Forest Enterprise Scotland, the Forestry Commission has planted nearly 2,500 hectares over the past three years. However, the woodland expansion advisory group will look at the issue in more detail and, as I indicated in my first answer, will report in June.

Jamie McGrigor (Highlands and Islands) (Con): Does the minister agree that upland grazing pastures are often critical to the local biosphere and, from the point of view of biodiversity, are preferable to big plantations of sitka spruce?

Stewart Stevenson: Yes. Biodiversity is an important issue for us. In upland areas and grazing pastures, there is often greater biodiversity than in the relative monoculture of the plantations that the member describes. It is important that we continue to ensure that upland grazing is in place.

I should have drawn members' attention to the fact that I have a 3-acre field, which one of my neighbours uses for upland grazing.

Environmental Policy (2011 Interim Performance Targets)

3. Sarah Boyack (Lothian) (Lab): To ask the Scottish Executive whether it will meet the 2011 interim environmental performance targets set out in its environmental policy. (S4O-00681)

The Minister for Environment and Climate Change (Stewart Stevenson): The 2010-11 data regarding the Scottish Government's environmental performance is presently being compiled and will be published when available. However, previous reports have shown that good progress is being made in reducing business travel, and we are on track to meet our 2020 target to reduce the volume of waste material produced.

We remain committed to improving the Scottish Government's overall environmental impact.

Sarah Boyack: I welcome the progress that has been made, but I ask the minister specifically about energy consumption. The most recent environmental performance report published by the Government, in November last year, said that the Scottish Government is less than a third of the way to its 12.6 per cent target for March 2012, even taking into account the fact that some buildings were empty for part of the period. What is the minister doing to ensure that the Scottish Government catches up and meets its target by next month?

Stewart Stevenson: We are making significant progress. We are committed to reducing the size of our estate, and expect to have done so by 25 per cent by 2016. Already, 83 per cent of the electricity that is used in the core Scottish Government estate is from renewable sources, so we are making the kind of progress that members can reasonably expect.

Air Quality (Glasgow)

4. Humza Yousaf (Glasgow) (SNP): To ask the Scottish Government what progress is being made on reducing nitrogen dioxide levels and improving air quality in Glasgow. (S4O-00682)

The Minister for Environment and Climate Change (Stewart Stevenson): Glasgow City Council has produced an air quality action plan that contains a comprehensive list of measures for improving air quality in the city. The council is working closely with the Scottish Government, Transport Scotland and other partners to implement the plan.

Humza Yousaf: When does the minister expect low emission zones to be introduced in Glasgow? What impact does he anticipate they will have on air quality during the 2014 Commonwealth games?

Stewart Stevenson: Low emission zones will be introduced around venues before the games and will be in place for the duration of the games. They should ensure that there is a reduction in pollution due to vehicle emissions in those areas. Monitoring of air quality is taking place at venues in the run-up to the games to ensure that we have comparable data. Both the Government and the council are confident that there will be no impact on the games.

Claire Baker (Mid Scotland and Fife) (Lab): Serious concerns are being raised about the lack of progress on air quality in some Scottish cities, including Perth in my region. Scotland has breached European air pollution targets for the second year in a row. The Scottish Government, as part of the United Kingdom Government's

request to the European Commission, is asking for an extension of air quality targets, including an extension of 10 years for Glasgow. Is the expectation that the request will be accepted on the ground that all reasonable efforts have been made? If so, what will be the consequences for residents' health? Finally, what are the consequences of breaching the targets? Does the Scottish Government foresee possible infraction proceedings?

Stewart Stevenson: The whole of Scotland is expected to comply with the limit values by 2015, with the exception of the missing link on the M8 between Newhouse and Baillieston, east of Glasgow. Within the city of Glasgow area, there are expected to be no exceedances of the limit values by 2015. On the remaining area on the M8, Transport Scotland is estimating completion by 2017-18.

The Deputy Presiding Officer: Question 5 has been withdrawn, much to our annoyance.

Dairy Farmers (Support)

6. Bill Walker (Dunfermline) (SNP): To ask the Scottish Government what measures are in place to support dairy farmers. (S4O-00684)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Scottish Government provides £43 million of support to Scottish dairy farmers each year under the single farm payment scheme. Additionally, the cumulative total amount of support that the Scottish Government has provided under all elements of the Scotland rural development programme since 2007 now stands at £40 million.

Bill Walker: Recently, two farmers in my west Fife constituency of Dunfermline stopped milk production for economic reasons. Does the cabinet secretary agree that, for Scottish farmers to get a fair go at European import markets, a Scottish voice must be heard at all European Union negotiations and discussions, in light of the EU regulations that restrict internal, export and import markets?

Richard Lochhead: That is certainly one area in which it would be helpful for Scotland to have its own voice at the top table in Europe. There are many others, of course, that would also help our dairy farmers. For example, they have taken a close interest for a long time in labelling issues, which are reserved to the UK Government in some contexts and to Europe in others. If we had a voice, we would be able to influence those issues more than we do at present.

There are many other issues, not least the fact that we want to safeguard the single farm payment for the dairy businesses in Scotland that benefit from it. The UK Government would rather that the

common agricultural policy budget was slashed, and I note that the Labour Party supported that position in the House of Commons in the past few weeks, which is disappointing. If the single farm payment was not making its way to many dairy businesses in Scotland, they would face severe financial difficulties. We need a voice for Scottish farming in order to protect our exports.

Claudia Beamish (South Scotland) (Lab): There are organic dairy farms in South Scotland that are part of a countrywide organic dairy co-operative. In the international year of co-operatives, what support is available from the Scottish Government specifically for that part of the sector?

Richard Lochhead: The Scottish Government is always keen and willing to support co-operatives in the agriculture and food sectors. Indeed, we have been doing so; a number of funding streams have made their way to the Scottish Agricultural Organisation Society, which deals with that matter on behalf of the agricultural sector. There is no doubt whatever that many farmers and primary producers have a lot to gain by working more closely together instead of always competing against one another. We will continue to support such efforts, including the promotion of organic produce, in times ahead.

Scottish Environment Protection Agency (Enforcement Powers)

7. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government what action it will take to ensure that the Scottish Environment Protection Agency uses the enforcement powers that it has. (S4O-00685)

The Minister for Environment and Climate Change (Stewart Stevenson): As part of its strategic oversight of SEPA, the Scottish Government works closely with the agency to ensure that agreed objectives are met and that it implements sound policies and procedures, including effective enforcement arrangements, that protect Scotland's environment. SEPA's strong framework for ensuring appropriate use of its enforcement powers includes an enforcement policy that defines how and when enforcement mechanisms will be applied, and detailed guidance for front-line regulatory teams to enable them to carry out their duties proportionately and consistently.

Angus MacDonald: The minister will be aware that, two weeks ago, the cabinet secretary visited the Avondale landfill site in my constituency. The site has enjoyed significant investment in its new waste transfer facility, but the minister might not be aware of significant disquiet in the nearby Polmont community about the smell that regularly emanates from the site. At the other end of my

constituency, the west Carron landfill site, which is run by another operator, has also caused anger in the local community. How will the minister ensure that SEPA uses the powers that it has been given to ensure that local residents are not further inconvenienced by these landfill sites?

Stewart Stevenson: It is up to SEPA to decide when and how it uses its enforcement powers in line with statutory functions. I am aware that it is working on the significant concerns in Avondale and west Carron and engaging with interested parties to ensure that everyone is kept aware of progress.

SEPA is working with the operators of both sites and improvements are being made to Avondale's gas management systems to address odour concerns. However, the agency has indicated that if satisfactory progress is not made in that respect, more formal action will be taken.

Zero Waste Plan

8. James Kelly (Rutherglen) (Lab): To ask the Scottish Executive what measures it will take to ensure the continued progress of the zero waste plan following the Scottish budget. (S4O-00686)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Through the Scottish budget that was passed yesterday, we will invest almost £80 million over the next three years in efforts to reduce waste and recycle more. Of course, that funding is in addition to the money that each council already allocates from its local government finance settlement for waste management services and infrastructure.

James Kelly: I am sure that, like me, the cabinet secretary welcomes WWF Scotland's announcement that local household recycling has contributed to £20 million savings a year by councils. However, does he agree that the local government settlement, which contains £658 million of cuts and makes it clear that councils will have to shoulder 89 per cent of the cuts from the Scottish Government, will hamper councils' efforts in progressing the zero waste plan?

Richard Lochhead: I certainly agree with the member's first point. It is good that councils are saving £20 million a year by promoting recycling. Of course, such promotion is an investment; it helps councils to avoid having to pay landfill tax and, at the same time, it is good for the environment.

As for the member's second point, I really regret that because of the cuts that have been imposed by Westminster we cannot invest even more in recycling facilities. Those cuts also impact on local government and I suggest that the member's energies would be best directed at urging the Tory-Liberal Democrat coalition in London to stop

the cuts and reinstate funding to help Scotland's environments.

Emissions Reductions (2020 Target)

9. Neil Bibby (West Scotland) (Lab): To ask the Scottish Executive what progress it is making in meeting its targets for reducing emissions by 2020. (S4O-00687)

The Minister for Environment and Climate Change (Stewart Stevenson): The latest available data shows that in 2009 Scotland's emissions had fallen by two thirds of the target from 1990, ahead of the targets for 2010, 2011 and 2012.

In March 2011, the Government published its first statutory report on proposals and policies. We plan to publish a second report on proposals and policies in 2012, which will set out the path for delivery of the emissions reduction targets from 2023 to 2027. We will refine the policies that were detailed in the first RPP and continue to develop proposals.

Neil Bibby: The minister will be aware of the report by the independent Committee on Climate Change, which questions whether those targets will be met and points out that it is likely that emissions rose in 2010. What effect will the recent progress report from the Committee on Climate Change have on the Scottish Government's future policies and proposals?

Stewart Stevenson: We had a very encouraging report from the committee, which highlighted what we already knew about the nature of the challenges. One thing that has happened in the recent past is particularly relevant to Scotland. At Durban we got an agreement that the Kyoto protocol would change in respect of peatlands, so we will now be able to incorporate in our numbers our work on rewetting peatlands, including any work that has taken place since 1990. Given that we have a huge proportion of Europe's peatlands and are already investing money in rewetting peatlands in the north of Scotland, that is a very helpful addition to the range of interventions that we have and which we can take credit for.

Youth Employment Strategy

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-01978, in the name of Angela Constance, on the youth employment strategy.

14:56

The Minister for Youth Employment (Angela Constance): I hope that today's debate is another critical step in the development of not only the Government's but the Parliament's—and indeed the nation's—response to rising youth unemployment. When I published the draft youth employment strategy last week at the specially convened national economic forum, I made it perfectly clear that I would bring the strategy to Parliament for debate and, of course, scrutiny.

The strategy encapsulates how the Government has prioritised youth unemployment since the economic downturn in 2008 and how we will continue to move forward, develop fresh impetus and ensure an all-Government and all-Scotland response to what is undoubtedly a massive national challenge.

I have no doubt that all members can bear witness to the pernicious impact of youth unemployment on families, on communities and on our country, and not least on the life chances of our young people. Our objectives are clear: we want to help young people to get into work, to sustain that work and to progress in the workplace. No young person should leave school, college or university simply to become an unemployment statistic.

In essence, the youth employment strategy will build and develop on our post-16 education and training. We are not starting from a standing start, nor are we reinventing the wheel, but there is room—as always—for innovation. The strategy outlines a whole-Government approach, as boosting youth employment is core Government business across all portfolios. It is my job to ensure that I knit all that together.

The strategy will demonstrate our commitment to work with all our partners, including the United Kingdom Government, and to marshal efforts across the public, private and voluntary sectors. We recognise that not all young people are the same and that we need a range of interventions to meet the needs of those young people who are furthest from and those who are nearest to the labour market.

Fundamentally, the draft youth employment strategy makes clear that the Government is committed to responding head-on to the challenge that we face. We will do so through an all-

Government, all-Scotland approach that involves everyone who can make a difference.

Our investment of more than £1.5 billion a year in post-16 education and training is critically important in helping our young people to develop the skills and attributes that they need. Our additional investment of £30 million to boost youth employment will provide vital support.

However, that is only the start. The strategy outlines the ways in which I will focus my efforts, working hand in glove with other ministers. Those opportunities include working with Alex Neil to maximise the benefits of capital investment for young people; working with Derek Mackay and Fergus Ewing to galvanise the public and private sectors towards supporting young people into work; and working with Shona Robison to take advantage of large-scale events such as the Commonwealth games to provide our young people with meaningful experience to improve their prospects.

I reassure the Parliament that that is only the tip of the iceberg. I am absolutely committed to getting into the guts of all aspects of Government and more than willing to come back to Parliament to report on progress.

It is fair to say that, apart from young people themselves, employers are the single most important group. We need employers, large and small, to create opportunities—preferably work—for young people. There was significant employer representation at the best-ever-attended national economic forum last week. I have now had the opportunity to meet the Scottish Chambers of Commerce, the Federation of Small Businesses and industry leaders groups. I will continue to work with employers on how we can make it easier for them to take on young people.

I will shortly lead a number of regional youth employment events, at which employer input is essential. The Scottish Chambers of Commerce has agreed to help to facilitate those events, which will ensure good participation from public, private and voluntary sectors at a local level.

I have made it a priority to consult young people themselves. Indeed, one young apprentice whom I met in Asda this morning suggested to me that I should use the £30 million of opportunities for all funding to build three supermarkets. I told him that, although that was an interesting, innovative idea, I was not confident of full parliamentary support for it.

Since taking up post, I have had the great privilege of meeting a number of young apprentices, young people on national training programmes and young people who seek such opportunities. At last week's meeting of the cross-party group on children and young people, a

number of young people spoke eloquently about how volunteering can be life changing, as well as expressing their concerns about the impact of welfare reform. Earlier this week, I also met members of the Scottish Youth Parliament, who will, no doubt, be pleased at the good news about student support that was announced in yesterday's budget.

Providing young people with the best start to their working lives is critical to Scotland's future economic prosperity. Our policies are designed to support that aim. We have announced opportunities for all, which is an unprecedented offer to our young people. Through that programme, we will ensure that every 16 to 19-year-old who is not in work, education or training can secure a place in learning or training.

We are committed to creating 25,000 modern apprenticeship opportunities in every year of this session of Parliament.

John Park (Mid Scotland and Fife) (Lab): The 25,000 modern apprenticeship opportunities are, undoubtedly, supported across all the parties. Will the minister clarify whether they will be exclusively available for the 16 to 24-year-old age group or, as was the case in the past, also available to those who are regarded as adults—that is, over-24s?

Angela Constance: John Park has a keen interest in this area. He will understand our obvious concern to prioritise the 16 to 19-year-old group. The majority of modern apprenticeship places are for that age group but, hot on the heels of that, we must consider older young people—the 20 to 24-year-old group—particularly care leavers, a group of young people who are close to my heart. We must also, particularly in certain sectors, ensure that there are all-age modern apprenticeship opportunities.

I am pleased to say that we have prioritised places for young people in colleges. We are also ensuring that young people who go to university can access a high-quality higher education without running up debts and having to pay for their education.

We will continue to modernise the careers services and work with local authorities to complete the national roll-out of activity agreements to support those who are furthest from the labour market.

The Cabinet Secretary for Education and Lifelong Learning is currently leading a reform of the post-16 education and training system. That reform is designed to ensure not only that all parts of the system are geared towards helping young people into sustainable employment and developing their careers but that they respond to the current and future workforce needs of our employers and economy.

In December, the First Minister announced an additional £30 million to boost youth employment. I am determined to ensure that all of our investment in youth employment works as hard as possible. We already have strong support in place for our young people. I want to build on that and take forward the best elements of some of the programmes that we have introduced.

Community jobs Scotland draws on and improves on similar schemes such as the future jobs fund by providing employability training for participants. Although the scheme has been running only since August, it has already had a life-changing impact on a number of young people. It is important that we build on the success of the initial pilot of community jobs Scotland within the resources that we have available. That is why I plan to allocate £6 million of the additional £30 million to support a continuation of community jobs Scotland in 2012-13.

Beyond community jobs Scotland, our social enterprises and specialist third sector organisations are well placed to provide strong support into jobs for young people across the youth unemployment cohort. That is why I plan to launch a £2.5 million challenge fund to support that type of innovative work. Organisations will be invited to submit proposals for 2012-13 in the weeks ahead. The key criteria for the fund will be a demonstrable track record of success, strong links with employers and innovative approaches that are not replicated elsewhere in the system.

Local authorities and community planning partnerships are at the forefront of supporting young people into work. I have seen a range of what is already happening across Scotland to connect young people directly to local labour markets. That is in addition to the work that is going on to support those who are at greatest risk of disengaging through more choices, more chances and the national roll-out of activity agreements. I have had positive discussions with the Convention of Scottish Local Authorities and will continue to work with our partners in local government to identify how we can do more together to support young people.

The current economic conditions are extremely challenging. With stronger economic powers, the Parliament could do more to create the conditions for job creation that our young people need. Nonetheless, I assure Parliament that I will not lie idle but will maximise what powers we have at our disposal to ensure that every young person in Scotland gets the best start to their working life. Since taking on my current portfolio, I have been heartened, encouraged and, at times, overwhelmed by support from a wide range of people and organisations across the public, private and voluntary sectors. There is a

demonstrable will to make a difference, and it will only be by working with committed people across Scotland that we will reduce youth unemployment. Our young people deserve no less.

I move,

That the Parliament believes that the all-government, all-Scotland approach at the centre of Scotland's Youth Employment Strategy is vital to provide opportunities for Scotland's young people to enter the workplace, and welcomes the allocation of £30 million of additional investment over and above the Scottish Government's annual investment of over £1.5 billion in post-16 education and training.

15:08

Kezia Dugdale (Lothian) (Lab): My colleague Ken Macintosh will focus on the wider issues around the economy and enterprise in his concluding remarks; John Park will speak to the issues of apprenticeships and support for disabled workers; and Margaret McDougall and Margaret McCulloch will concentrate on the role of colleges and training providers. That leaves me to talk specifically about the minister's role and the job ahead of her.

The appointment of a dedicated Minister for Youth Employment is extremely welcome on this side of the chamber. It was, of course, a Labour motion that called for its creation following the latest Smith group report. The draft strategy document, which was launched at last week's national economic forum, was also very welcome, but it could have been produced within days of the minister's appointment. It is full of warm rhetoric and good intention, but it is sadly short on detail, timescale and—crucially—money. I was at the national economic forum last week. It was extremely well attended and there was, undoubtedly, both a sense of urgency and a sense of purpose across the public, private and third sectors. People understand the size of the task; they just want their Government to get on with it. In my role as the minister's shadow, I will always seek to be constructive—today, I will outline some serious suggestions from the Labour benches—but I will always be on her tail, constantly questioning, seeking reform and demanding progress. The 105,000 young unemployed Scots should expect nothing less.

On the statistics, let us get the facts straight. Recently, I have heard the minister and the cabinet secretary on the airwaves suggesting that we can instantly dismiss one third of those 105,000 young people on the basis that they are studying.

Angela Constance: I state for the record that, as I have repeatedly said on the airwaves, we most certainly will not dismiss one third of those young people—the 35,000 who are students in

full-time education. One reason among many is that, as we have seen, if we do not get graduates into full-time employment in graduate-level jobs, that causes significant displacement in the labour market. I, for one, do not need Ms Dugdale on my tail to ensure that I pay all recognition to each and every one of those 105,000 young Scots.

Kezia Dugdale: The minister misses my point, which was about full-time students who are seeking work while they are studying. The ability to find work and maintain it helps to keep students at university and college. I accept that their plight is perhaps less challenging than that of the 20,000 young people who are furthest removed from the job market, but it does not feel any easier to them. They remain a legitimate part of the statistics and the wider problems that we face.

As we are in the game of questioning the validity of statistics, let us spend a moment considering the young people who are hidden in the system: the thousands of young people who, at 16, were identified as having no positive destination but who, at 18, have not yet presented at a jobcentre and cannot be found.

With well over 100,000 young people without work or opportunity, there can be no doubt that the situation that our young people face is not a problem or a challenge—words that the minister regularly uses—but a national crisis that demands an urgent and sustained response. However, it is also an opportunity that should not be wasted. The Scottish Government has a serious opportunity to address structural unemployment in the system. A crude approach to the crisis would be simply to focus on economic growth, in recognition that its return will alleviate the situation by creating graduate and highly skilled jobs, which in turn will sort out the displacement in the market that is pushing the harder-to-reach young people even further away from jobs.

That is a comfortable but complacent place for the Scottish National Party to be, as it allows the Government to sit back and profess that it does not have the economic levers of power to effect change. To suggest that the power to cut corporation tax is somehow the answer to the country's youth unemployment crisis is not only nonsense but ignorant and an insult. That will not work, and young people cannot afford to wait three years in the hope that it might.

It is incredibly tempting for the Government to focus only on what we might call the business end of youth employment by spending resource on the young people who are, or who are close to being, job ready to keep them economically active and engaged.

Both those plans will improve the statistics, but they will fundamentally fail to address the

inequality at the heart of our job market. If the minister has a social conscience, she should apply it by setting out to eradicate youth unemployment. She should be that bold and seek to tackle the inequality at the heart of the system.

Angela Constance: I am interested in Ms Dugdale's commitment to full employment. Of course I believe that our young people have the right to work, but I am interested to know how Ms Dugdale proposes that we can achieve full employment under the powers of a devolved Parliament.

Kezia Dugdale: It is sad that the minister's ambitions do not reach that far with the powers that she has.

The reality is that a young person in Scotland is four times more likely to be unemployed if they come from a disadvantaged background. The number of long-term unemployed young people in Scotland has doubled in the past six months. The reports of the countless academic studies on wage scarring show the impact of worklessness on young people and on their health and life chances. Those young people need serious interventions and support, not just to get them job ready but to provide life skills. They need the ability and will to get out of bed and out of a house that is dominated by worklessness. They need life skills to cope with budgeting, relationships and the stresses and strains of a life of work.

Countless schemes are delivered by a multitude of agencies that work in that area, from small organisations such as the Canongate Youth Project to the giants such as the Wise Group, Rathbone, Barnardo's and Children in Scotland. Since my appointment, I have visited or met representatives of dozens of projects and heard the resounding message that is emanating from all of them: that the mechanics of funding are letting people down. An example is the Barnardo's works programme, which is delivered in five different locations in Scotland. I have seen at first hand how that incredibly successful programme delivers for young people across the north of Edinburgh. Finance for the programme works on a year-by-year basis, with no fewer than 14 different funding providers, each of which has its own planning cycles, conditions, measurements and evaluation processes. It is one person's job simply to manage all that. The last three months of each financial year are spent in complete inertia, sitting with a giant calculator desperately trying to predict how many places can be offered in the future. Meanwhile, the young people sit around desperately asking, "When will there be jobs?"

Staff members dedicate their working lives to supporting the young people we are talking about today. They know what the young people need, and they know how to deliver it. They could do so

much more if they were simply freed from the shackles of bureaucracy. If the minister chooses to live her life from stats cycle to stats cycle, she will find comfort in sticking to one-year funding cycles—so that she can tinker with the tills at Skills Development Scotland. However, if she is serious about the size of the job in hand and about the long-term response necessary for dealing with it, she will find support and encouragement from the Labour benches.

This week, ACEVO—the Association of Chief Executives of Voluntary Organisations, which is the English equivalent of the Scottish Council for Voluntary Organisations—produced a report on youth unemployment across the UK. The report identified 600 community hotspots across the country where the number of young jobseeker claimants is double the national average. The report suggests that the best response is one that is community led, and co-ordinated by local parties rather than national Government.

John Pentland (Motherwell and Wishaw) (Lab): Will the member join me in congratulating North Lanarkshire Council on its plan to boost to 5,000 over the next three years the number of people who are supported into work by the North Lanarkshire Council partnership? Of those people, 80 per cent are young people.

Kezia Dugdale: I have been hugely impressed by the ambition of Mr Pentland's colleagues' plans, and I am also aware of excellent work in Falkirk, which my colleague Siobhan McMahon will mention later on. The minister could support and enhance more of that kind of work by addressing some of the crucial issues relating to procurement. I hope that the minister will look to her Government's forthcoming bill on sustainable procurement, and will aspire to be bold with its potential to support local authorities and their innovative solutions.

We desperately need the Government to spend its own money more wisely in the national interest. I will not repeat the arguments that were made during yesterday's budget debate—about the number of missed opportunities to deliver jobs and growth for Scotland from the Government's recent procurement processes.

Let us be clear—this is a national crisis. More than 100,000 young people in Scotland are looking to their Government for action. That Government has the power to do something about it, and the time to act is now.

I move amendment S4M-01978.2, to leave out from "to provide" to end and insert:

“; recognises that Scotland is facing a national crisis of youth unemployment, a crisis that it cannot afford; believes that over 100,000 young people seeking employment are looking to their government for action; further believes that

all of the faculties of government can and should be directed toward creating full employment; recognises the role that government plays in creating sustainable employment and fulfilling opportunities; calls on the Scottish Government to intervene directly, recognising the important role of colleges and training providers in tackling youth unemployment, the potential of procurement and the bureaucratic barriers that frustrate progress, and recognises the scarring impact of unemployment on the life chances, aspirations and wellbeing of the country and its young people."

15:17

Liz Smith (Mid Scotland and Fife) (Con): As both the minister and Kezia Dugdale have said, there is no worse economic ill than unemployment. It is a waste of the most precious factor of production, and it clearly has devastating implications for the individual, for his or her family and for the social fabric of the nation. It has those implications for anyone, but there must be particular concern when thousands of young people, in growing numbers, find themselves out of work—whether because of structural or cyclical changes in the economy, or because of a mismatch of skills.

Notwithstanding the difficulties in providing a universally accepted technical definition of the term "unemployment" and in measuring it correctly, it is not hard to find the evidence to explain the current, deep-seated concern among all political parties. In a three-month period last year, the unemployment rate for 18 to 24-year-olds was 23.5 per cent in Scotland—which was 3.1 percentage points higher than the UK rate. The rate increased by 5.6 percentage points over the year to September to November 2011, whereas in the UK it increased by 2.2 percentage points. Over the same year, the 18 to 24 youth employment rate in Scotland decreased by 2.9 percentage points, compared with a decrease of 1.3 percentage points in the UK.

Just as concerning, however, is the wide variation in youth unemployment rates across Scotland, from just over 2 per cent in the Shetland Islands to more than 11 per cent in Clackmannanshire.

It is not difficult to see the extent of the problem, and that is why we broadly welcomed the announcement by the Scottish Government that it would be creating a new portfolio, with the minister having responsibility for youth employment. It is also why we welcomed the additional £30 million, the recommendation that there be much greater liaison between industry and business, and the formation of the national economic forum. That was all very good news, as was this afternoon's announcement on the new social enterprise initiatives.

However, that is also why we fought so hard with the other Opposition parties to ensure that the college sector did not have to put up with the totally unacceptable original budget settlement. We are pleased that some progress has been made, but, like the convener of Scotland's Colleges, John Spencer, we are in no doubt about the significant challenges that remain in the college sector as a result of the disproportionate cuts, the factual context of which we have set out in our amendment. The fact that John Swinney overruled Mike Russell's comment last week on the original budget settlement being "full, fair and final" speaks volumes about the pressure under which the SNP was put by those who genuinely feel that there is a lot of pressure on the college sector.

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I am interested in the member's observations on comments about colleges. Will she comment on an e-mail that I received on behalf of the principal of Edinburgh's Telford College, Miles Dibsall, whom she quoted last week in the debate on college reform? He said that he has not spoken to her on any occasion, that he made the comment a considerable period of time ago and that he no longer agrees with it. Perhaps it would have been important to represent that to members.

Liz Smith: I am happy that Mr Dibsall's comment is on the public record, which is what I quoted from last week. I have said that we welcome some of the changes that were made yesterday, but the cabinet secretary should be in no doubt that the college sector still has grave concerns about the disproportionate cuts in it.

We are aware that the Scottish Government is yet to come up with what would amount to a formal strategy on how it will proceed, but it must be allowed to do that with co-operation and scrutiny provided by the other parties. What must be done specifically by the Scottish Government, as opposed to moves that can be made by the Westminster Government and international markets to alleviate the pain of the global recession? Addressing unemployment among young people is not a matter of having a single policy—that was clearly flagged up in the Smith group report—and it is not all about economic policy. There are social issues, too. It is not long since we debated in the chamber the importance of policies in the early years strategy.

There are young people who are suffering from on-going structural changes in the economy and the resulting mismatch of skills. We should be mindful of the fact that, although the vacancy rate has shown a modest decline in the past year, nearly half of that vacancy rate reflects the fact that employers still do not believe that some of

those workers have the appropriate skills. I return to a point that I think I mentioned in a previous debate about what Willy Roe said in his excellent report, which the Scottish Government has commented on. It is about ensuring that there is greater flexibility. It is not just about ensuring that young people have the right knowledge; they need to have the right attitude, the right skills and the right knowledge in that order. That is an important point that needs to be pressed.

The Smith group said that Scottish education is still too rigid and focuses too much on preparing students for university and college. I agree with that, and recommend yet again that we must be much more imaginative—the minister used that description—about the structure of the secondary school curriculum. We debated that this morning in the context of the findings of the McCormac and Donaldson reports, which suggest that we need to do far more to ensure that all schools—not just the majority—strive for excellence and strive to deliver the opportunities that are appropriate to the needs of our young people rather than appropriate to the needs or convenience of a political philosophy that is either too state interventionist or too beholden to extending bureaucracy.

Nothing is more important than creating jobs and ensuring that our young people have the right skills to fill them.

I move amendment S4M-01978.3, to insert at end:

“and notes that, following the debate on the Budget (Scotland) Bill on 8 February 2012, the total financial settlement for the Scottish Funding Council further education programme is now £559.7 million for 2011-12, £526.4 million for 2012-13, £494.7 million for 2013-14 and £470.7 million for 2014-15, which is a cash-terms cut of £33.3 million in the first year.”

15:23

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): The appointment of Angela Constance as the UK's first dedicated youth employment minister and the announcement of the strategy should leave no one in any doubt about how seriously the Scottish Government takes the agenda. I hoped that we would not hear suggestions from the Opposition that the Scottish Government or, indeed, the Scottish National Party does not care about the future of our young people or has not given them sufficient priority, but some members have already been guilty of suggesting that. The issue is too serious for that. It is not an issue for party-political point scoring.

Just as the strategy is an all-Government and all-Scotland strategy, our approach should be an all-Parliament approach. We can all see the impact of very difficult job market conditions on young people in our constituencies, and I do not

believe that there is a single member who does not share the Scottish Government's desire to do whatever it can to ensure that those young Scots do not become a lost generation.

Last night, I had the pleasure of attending the launch of the no knives, better lives campaign in my constituency, and of witnessing again the street project, which is a remarkable immersive drama project that challenges young people who are at risk of becoming involved in criminal or antisocial behaviour with the consequences of their actions. It is a great project that has a great success rate and I wish the street 2 well.

The best way of preventing young people from behaving in ways that damage themselves or others is to ensure that they are able to make their contribution to society and to know that they are spending their time positively and productively, whether in education, training or work. Youth unemployment is a problem not just for the individuals who are affected by it but for society as a whole. I am therefore glad to welcome the youth employment strategy and the substantial set of actions that it contains. It recognises that the problem is complex and requires a complex and wide-ranging response. No Government can magic jobs out of thin air—we just wish that it could. The actions that are set out in the strategy will go a long way to ensuring that no young person goes without a job, an apprenticeship or a training place, and that our young people are fully prepared for the world of employment with the work and life skills that employers are looking for.

At this stage, I declare an interest. As the mother of an apprentice joiner, I have particular reason to be grateful for the Scottish Government's superb record on delivering apprenticeships. I was pleased to hear the First Minister confirm last week in the chamber that Skills Development Scotland is confident that 25,000 apprenticeships will be achieved during the current financial year, and even more pleased to hear that 45 per cent of modern apprentices are now young women; I am sure that you approve of that, Presiding Officer. I have been concerned about girls not getting equal access to apprenticeships, so the news that almost half of current apprentices are girls is welcome indeed. I look forward to that figure rising in future to reflect the gender balance of the nation.

The most crucial point about modern apprenticeships is that each one is attached to a real job. The apprenticeships are not a repeat of some of the youth employment schemes of the past, such as the youth opportunities programme and the youth training scheme, which are the most well-known examples. Too often, they were just a mechanism for massaging unemployment figures rather than a real attempt to provide a young

person with the skills and knowledge that they needed to graduate to permanent employment.

That is not the case with our modern apprenticeships. I know from my son's experience that he is clear that the joinery skills that he is acquiring now will be put to use in a future career in that profession. He understands that his training is not taking place in a vacuum; it will lead to a job when it has been completed. That knowledge allows him to make plans for his future and to look forward with optimism. All Scotland's modern apprentices can share that confidence. It is also fantastic to have someone in the house who can fix the wonky cupboard and the broken drawer.

We are offering more and more choice in apprenticeships. A young person can now be apprenticed not just in the traditional trades such as joinery, crucial though such trades are to our economy, but in a wide range of sectors from renewable energy to accounting, from the creative industries to youth work. Modern apprenticeships are not about trying to force square pegs into round holes for the sake of getting a young person off the dole. Instead, they provide our apprentices with the opportunity to learn professional skills that will equip them for a future career in an area that genuinely interests them and matches their personal life aspirations. With 25,000 apprenticeships in each year of the parliamentary session, we will be able to create a generation of highly skilled young people who will contribute to our future economy in all its diversity.

Vital and welcome as the youth employment strategy and its actions are, it would be remiss of me to talk about any kind of employment without making the point that the Scottish Government would be able to do so much more for our young people if Parliament had real job-creating powers and control over the levers of our economy. Kezia Dugdale mentioned poverty and, unless we have control over the tax and benefits system in Scotland, we will never be able to deal properly with poverty. Until that happens, the Government is inevitably constrained in how effectively it can tackle youth unemployment. I am confident, however, that the strategy is as comprehensive as it can be in our current circumstances. It will make a difference for our young people—it has certainly made a difference to the young man in my life—and I look forward to working with the youth employment minister to implement the strategy in my constituency.

15:29

Siobhan McMahon (Central Scotland) (Lab):

Young people are particularly vulnerable and impressionable. Their experiences in the formative period shape their perspectives and their prospects. Nowhere does that apply more than in

the job market. Research has shown that experiencing unemployment at a young age increases the likelihood of unemployment in the future; that protracted spells of unemployment at a young age have an adverse impact on future earnings; and that entering the job market during a recession has a persistent negative effect on wages.

The Scottish Government's youth employment strategy contains some good suggestions and many fine words, but with Government strategy documents there is often a gap between the rhetoric and reality. When a strategy document is on firm ground, the language is concise and direct, but when it is not, the language is vague and repetitive.

If we accept that youth unemployment is a crisis and that tackling it is a priority, it follows that we should concentrate our efforts where youth unemployment rates are highest. Figures for 2009-10 show that 22 per cent of college entrants—against just 7.6 per cent of entrants to elite universities—come from deprived communities.

The strategy document's

“ambitious programme of post-16 education reform”

contains a raft of proposals that are intended to increase college attendance, reduce the drop-out rate and leave college graduates better equipped for employment. I have no problem with those proposals. No one would argue against guaranteeing a place in learning for every 16 to 19-year-old who wants one. However, I wonder how colleges will enact the proposals while simultaneously absorbing a disproportionate cut to their budgets over the next three years. That is the gap between the rhetoric and reality.

On a more positive note, the strategy alludes to current work programmes that are reaping dividends. During a recent visit to Hamilton Citizens Advice Bureau, I spoke to participants in the community jobs Scotland scheme. The employees were enjoying their work at Hamilton CAB and were gaining valuable skills and experience, but they expressed some misgivings about the scheme. They felt that potential participants should not be required to be out of work for six months before they could apply to the scheme and that a six-month wait between placements is too long. They believe that in order to improve the scheme, gaps between placements should be reduced and that provision should be made to extend placements, when that is appropriate. I hope that the minister will take on board those proposals.

Several other schemes and initiatives that are operating in Central Scotland are worthy of mention. Many of them are funded and

administered by local councils. Falkirk Council has supported 325 modern apprenticeships in the past year, which exceeds its target of 300. The backing Falkirk's future initiative, whereby local businesses agree to employ at least one young person on a year's contract, has been hugely successful, with almost 300 local businesses signing up. In addition, the council's get ready for work contract is performing at 44 per cent above the Scottish average. As a result of those initiatives and others, the number of school leavers who are unemployed and seeking work in the Falkirk area is at its lowest level since 2002; Falkirk has the highest rate in Scotland of school leavers who are engaged in training, at 7 per cent above the Scottish average; and unemployment among 16 to 19-year-olds has decreased by 13 per cent since December 2010, while the Scottish average has increased by 4.6 per cent.

I mention the achievements of Charmaine Hogg, a childcare modern apprentice in Falkirk, who overcame a number of barriers as a care leaver and recently won the service apprentice of the year award at the Scottish modern apprenticeship awards.

Elsewhere in Central Scotland, North Lanarkshire Council recently announced plans to invest an extra £15 million in North Lanarkshire's working—an employment and training service for local unemployed people. The council hopes that the extra funding will help 5,000 people back into work over the next three years, as my colleague John Pentland said earlier. As 7,000 young people in North Lanarkshire are unemployed, that would be a significant achievement.

South Lanarkshire Council's youth jobs fund has secured employment for more than 400 young people since 2009 by offering a wage subsidy to incentivise local employers. I am sure that Parliament joins me in welcoming the news—which Christina McKelvie forgot to mention when she was not making party-political points—that the council is investing an extra £1.2 million in its jobs fund between now and March. The 80 additional jobs that that will create will be targeted at two groups—those without a job who are aged between 18 and 24 and those who are aged 25 or over and who live in a household in which more than one person is out of work. Through such local initiatives, Falkirk, North Lanarkshire and South Lanarkshire Councils have displayed their commitment to tackling youth unemployment.

I will close by mentioning the plight of a group of people whom the strategy does not mention. I recently visited the HOPE for Autism centre in Airdrie, where the centre's manager described the problems that autistic people experience after they leave school. Given the chance, autistic people can work with concentration and efficiency, but

they are being let down by a chronic lack of opportunity. There is a pronounced lack of support and provision for them beyond school-leaving age. That situation has existed for some time and is simply unacceptable.

A youth unemployment strategy must be comprehensive. It must give opportunities to everyone, and it must leave no one behind. I hope that the Government will invest more funds in schemes that have a proven track record, and that it will make provision for those, including autistic people, who have been omitted from the current document.

15:35

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I welcome the debate. Youth employment is clearly an important issue for all of us, so it is right that we are having the debate. I also welcome the Minister for Youth Employment's speech. It is extremely positive that we have a minister with such a role in the Government. It is the first such position in these islands, and the fact that its creation was supported throughout the chamber means that I am not making a party-political point—it would be very unlike me to make a party-political point—when I say that it represents a clear statement of intent by the Scottish Government.

I will turn to some of the Scottish Government's initiatives in a minute, but a number of references have been made to local initiatives that are worth picking up on. I was interested to hear about the efforts that are being made in Falkirk. I do not know as much about them as Siobhan McMahon does, but it sounds as if what is happening there is a good example that can be learned from. It is clear from what the minister said about the Scottish Government's approach that it is willing to listen and to learn from good experience across the country. On this issue more than any other, given its importance, that is as it should be.

I was also interested to hear John Pentland refer to the £1.7 million funding that North Lanarkshire Council is bringing forward, which I first learned about from the front page of this week's *Cumbernauld News*. Not much detail was provided on how the funding will be used, so I look forward to hearing about that. One way in which it could be used to the benefit of young unemployed people would be to increase funding for the Cumbernauld and Kilsyth Unemployed Workers Centre, which is one of the few remaining unemployed workers centres that we have. Its funding is subject to continual squeezing by North Lanarkshire Council. I hope that the centre will benefit from that funding.

If I can be particularly parochial for a moment, I will give a good local example of work to combat youth unemployment and to provide young people with the skills that are necessary for the workplace. It is particularly germane to the point that Siobhan McMahon made about young people with autism. Glencryan school in Cumbernauld, where many of the pupils have autism, does a tremendous amount of work in providing senior students with vocational skills that might give them a chance of getting work in the future. I would like to invite the minister to come to Glencryan school, if she gets the opportunity to do so. I am sure that she would be very interested to see the work that is being done there.

In the time that remains to me, I will turn to some of the work that the Scottish Government is doing on youth unemployment. As Christina McKelvie said, no one can question how seriously the Government takes the issue. At the end of last month, we saw the publication of the draft youth employment strategy, which focuses on support for young people who are not in work. If I have time, I will deal with that in more detail later. The draft strategy—as the minister did in her speech—has made clear the Government's position, which goes back to my point about learning from positive examples in our communities and working constructively with any organisation, company, individual or, indeed, political party that shares the commitment to tackling youth unemployment.

The third sector, in particular, has a role to play in that regard. I was interested to read the briefing that we got from the Scottish Council for Voluntary Organisations, which welcomed the Minister for Youth Employment's announcement that continuing support will be provided for community jobs Scotland. According to the SCVO, community jobs Scotland has filled more than 1,300 jobs across all of Scotland's 32 local authorities in just six months, so it is clear that good work is being done there. The third sector has an important role to play.

Of course, we have seen the creation of 25,000 modern apprenticeships, which will clearly go some way towards supporting young people. If I can make a party-political point—I like to make them now and again—it was interesting to hear John Park, who is one of the Labour members whose speeches I always look forward to, say that the initiative was supported throughout the chamber. To that I say that actions speak louder than words. Given that those apprentice positions are delivered only through the Scottish Government's budget, I have to question why the Labour Party continues to vote against that budget.

John Park: I was in the unenviable position of being in discussions with ministers before the

previous election to ask them to increase the number of modern apprenticeship positions from 14,000 to 18,500. It was difficult to get a three-year reaction from them. We have worked together on the matter. Clearly, the 25,000 positions are supported across the chamber, but the reality is that we could not support a budget that was cutting teacher and nurse numbers and having a serious impact on our economy.

Jamie Hepburn: The budget is put in place against a context of constrained finances, which began under Mr Park's party. It is always interesting to hear Labour members fail to mention that, whenever we debate this matter. I believe that Mr Park said that he was asking for 18,000 positions. We got 7,000 more than that. I suggest to Mr Park that, if a Government exceeds his key demands, he might want to vote for that budget. It is for the Labour Party to explain its position.

I am sorry, Presiding Officer, but I took a little longer over that party-political point than I meant to. I will come to a close, as I see that I am running over time.

The Deputy Presiding Officer (Elaine Smith): I can give you a bit of time back.

Jamie Hepburn: That is very kind of you. I will use that leeway to talk about colleges, which have been an issue for members from around the chamber. I suggest that the situation in relation to colleges is the same as that in relation to modern apprentices, given the key demands for college places and college funding that we have heard about. It was interesting to hear Siobhan McMahon refer to the Scottish Government's position in terms of college funding. Again, I make the point that members might support a budget that delivers their key demands. Siobhan McMahon and others should reflect on the fact that, between 2007 and 2014-15, the SNP Administration will have invested £4.7 billion in Scotland's colleges, which is 40 per cent more than under two terms of the previous Labour-Liberal Democrat Administration.

I look forward to the rest of the debate. The fact that we now have a Minister for Youth Employment is a clear statement of intent by the Government. I look forward to seeing some of the work that she takes forward in the coming months and years, and I am sure that the position is safe in her hands, just as the issue is safe in the hands of the Government.

15:43

John Park (Mid Scotland and Fife) (Lab): I say to Jamie Hepburn that, in the discussions that the Labour Party had with the SNP in relation to its earlier budgets, around 2009 in particular, it was difficult to get any movement from the Government

in relation to apprentice positions. I suspect that the change in the Government's approach was more to do with the focus groups telling the Government that apprenticeships were a popular policy, and less to do with delivering apprenticeship opportunities. That is the reality of the situation.

I welcome the document and I want to be constructive in what I am going to say. I have already asked Angela Constance about an issue that I have with the 25,000 figure. At the moment, almost half the places go to 16 to 19-year-olds, with the other places going to people who are aged 20 and over. I am keen to know what the split is; I want to know more about the apprenticeship opportunities for the 16 to 24-year-old age group.

I am looking forward to finding out a bit more about the opportunities for all initiative. It is a good idea. I am sure that it will have wide cross-party support and that politicians will want to promote it in their areas. I am keen to get some clarity from the minister about whether it will be available to everyone from a range of backgrounds and, for example, what support there will be for young disabled people who want to take advantage of the opportunities.

The document makes very little mention of underrepresented groups. It would be useful for us to think about their needs in terms of their getting into the mainstream employment market and how we could use apprenticeship opportunities, as well as opportunities for all, to ensure that that happens, because those groups tend to be further away from the labour market and need specific support and help to get into it. If we are to utilise the talents of all the people in our country, right across Scotland, we must ensure that such people are given the right type of support at the right time and can take up the opportunities that people would normally get in the mainstream workforce.

I turn to another issue that has cross-party support and on which we agreed in relation to previous budgets. For the benefit of SNP MSPs who were not here in the last session, we agreed with the Government on budgets a couple of times. We need to ensure that apprentices who are facing redundancy get some sort of security as regards finding opportunities to go back into an apprenticeship programme. The reason for that is clear: employers and the Government have invested a considerable amount of time and resources. The ScotAction initiative has been very well received by employers, and it would be good if the minister could outline the Government's plans for that. It has had a particularly good impact in the construction sector, where many of the apprentices who were taken on found themselves facing redundancy. Will they have the support they

need? One of the main elements in ensuring that the strategy works is that we stop people, particularly younger people, falling out of the labour market. I am sure that there would be cross-party support for that, as well as support from employers and the sector skills councils, which have been doing a great job in promoting opportunities across their respective sectors.

I want to talk about those who are furthest away from the labour market, such as younger people who have never really been close to it, and the support that could be given to them. I have met people at a couple of very good organisations. Kezia Dugdale mentioned Rathbone, and there is also Working Links, whose offices in Dunfermline I visited last weekend to see first hand the work that it does.

Another good organisation that we have talked about a lot in this chamber is West Fife Enterprise Ltd, which is based in former mining villages in West Fife and deals with generations of people who have been economically inactive and need specific types of support. I hope that the Government recognises that the role that is played by such organisations is absolutely essential in ensuring that we tackle the crisis of youth unemployment, because they have people on the ground who have the necessary contacts with local employers and can make a difference in ensuring that people are gaining skills and getting support when they get into employment.

We do not want to find that we are pushing people into employment, not supporting them, and then seeing them fall out of the system and having to go through the whole cycle again. It would be useful if the minister could clarify the support that the Government can give to such organisations.

Finally, I want to talk about how we spend money to support employment. In yesterday's budget debate and today in First Minister's question time, we have discussed what has been happening around the Forth crossing. Amazon is located in Mid Scotland and Fife. A lot of money has gone into that organisation, but people are worried about the quality of the jobs that will be available there. We cannot continue as we have always one before; we cannot just rely on people to go and work for agencies when Government money is being put in. We need to ensure that employment opportunities are permanent, that they allow people to acquire skills, and that they allow them—especially young people—to stay in work. If we do not do that and we do not change things, we will find ourselves in a situation where we have to start all over again with these young people as they fall out of the system.

15:49

Chic Brodie (South Scotland) (SNP): As other members have done, I welcome the minister's appointment. The problem of our young unemployed people is a challenge. We must pick up the gauntlet, and we are doing so.

The worst thing that could happen would be for members to succumb to the Jeremiah syndrome. I welcome the tone and content of John Park's speech. People who carp and moan and who act through bad word rather than good deed can drive a wedge between old and young, between rich and poor and between the young employed and the young unemployed.

A report from the Joseph Rowntree Foundation, "Young people's changing routes to independence"—I do not mean constitutional independence—analysed and compared the outcomes for children who were born in the 1960s, 1970s and 1980s. The foundation described a widening gap between young people in the fast and slow lanes to adulthood. In the slow lane, children of the higher socioeconomic classes spend a lot of time in education and career training and delay marriage and children until they have succeeded as adults. In the fast lane, however, a truncated education leads young adults to experience a disjointed pattern of employment, unemployment, low-paid work and training schemes, rather than an upward career trajectory. In Scotland we must make it our task to eschew such patterns and to start to destroy the economic and employment gap—the Rowntree gap.

Our effort must be co-ordinated, cohesive and national. That is why the draft youth employment strategy provides a solid foundation for discussion. We must not just embrace Government initiatives, but take part in programmes such as opportunities for all, thereby validating the profile of the 25,000 apprenticeships per year that will be delivered as part of post-16 education reform. We must work together to hone the draft strategy.

We must extend the message into communities, through the activities of social enterprises and organisations such as YouthLink Scotland and Voluntary Action Scotland, as well as the Scout Association, the Boys Brigade and the Girls Brigade—organisations that have a total complement of 110,000 young people in Scotland. We must develop the entrepreneurial equivalent of the Raploch experiment, by taking the concept of creating social and voluntary enterprises in the third sector and taking them to young people in their communities. Some young people will not come looking for such initiatives; it is down to us to find them.

Youth unemployment stands at 25.5 per cent—although 35 per cent of the number are in full-time

education. We all want the figures to be much better. I will not rehearse everything that has been said about the benefits of being able to generate our own revenue, plan our own expenditure and manage our own economy, but those are certainly factors.

We all know the consequences of not engaging with the young. It is incumbent on us to ensure that young people not only add value to society but are seen to do so. It is incumbent on us to recognise, appreciate and show the value that they add. That is why we must create and support the youth network that I talked about and marry the network to the youth strategy. It is also why it is critical that we allow the young to have a say in their future, so I wholeheartedly endorse calls to reduce the voting age to 16.

In developing and securing that interest, we must align young people's employment aspirations with the country's economic strategy. In the process, we must slay the dragon that says that if someone does not go to university they are somehow a failure. In East Lothian, in an excellent example of the approach that is needed, East Lothian Council's education officers and colleges and universities are working, in the context of the tourism sector, to create a vertical strategy, which covers people from the age of 16 right through university. Happily, I was able to facilitate a meeting between VisitScotland and the council. All the opportunities in tourism—events, hospitality and catering—are there and will be embraced by the young. Ultimately, they and the country will benefit.

The same applies to the welcome Government initiative on enterprise zones, particularly—I would say this—the one at Prestwick, on aerospace and engineering. We have a shortage of, for example, metal inert gas welders, tungsten inert gas welders—MIG and TIG welders—and computer numerically controlled punch drill laser machine operators to meet the renewables, aerospace engineering and manufacturing opportunities of the future. The zones will work in partnership with schools, colleges—yes, colleges—and, in Prestwick's case, the new University of the West of Scotland campus in Ayr, to convert young people and apprentices into the engineers and manufacturers of the future.

The Government has set out a valid—albeit that it is a draft—youth employment strategy, which calls for an all-Scotland effort and for focus, development, support, engagement and finance for our young people in and on their way into employment.

I am delighted to commend the motion.

15:56

Liam McArthur (Orkney Islands) (LD): Due to an aggressive bout of man flu, I was unable to attend the national employment forum in Edinburgh last week, so I am delighted that we are having this debate and that I have the opportunity to participate.

As others have said, youth employment and the challenge that we face in tackling it are subjects that have accelerated to the top of the political agenda in recent months. The reasons for that are obvious and have been well articulated throughout what has been a productive debate.

I welcome Angela Constance's appointment as the Minister for Youth Employment, and I welcome the development of a youth employment strategy and the commitment of specific extra funding to address a challenge that is serious and complex and which has—as the minister acknowledged—a pernicious effect throughout the country. The minister's contribution was measured and constructive, although it may have been helpful if the motion had been a bit more revealing on the Government's proposed approach. Kezia Dugdale's amendment makes a fair attempt at addressing that deficiency.

I want, in the limited time that is available to me this afternoon, to touch on a few specific points. First, it is important to acknowledge the scale of the challenge, which is massive. As the Government's strategy makes clear, more than 100,000 people aged from 16 to 24 are currently unemployed. As Liz Smith indicated, unemployment is rising faster in Scotland than it is in the rest of the United Kingdom. The number of 18 to 24-year-olds on jobseekers allowance has risen alarmingly over the past six months.

As others do, I appreciate that those figures cover a wide range of circumstances, but that serves only to underscore a point that Barnardo's made in its briefing for today's debate. It highlights what it considers to be an inadequate focus by the minister in the strategy on the needs of those who find themselves furthest from the labour market—those who, as we have agreed in previous debates and in the Education and Culture Committee's deliberations, have the most complex and challenging needs, and for whom educational and wider attainment outcomes continue to be a source of genuine concern.

This should not be seen as a counsel of despair, however. There are initiatives in place that seem to be delivering promising results. Barnardo's points to the success across Scotland of its Barnardo's works projects, which provide specialised training and work placements for many young people who are furthest from the labour market. Effective partnership with local employers

is the key and seems to be reaping rewards—202 of the 284 trainees found employment, and 65 per cent of them are still in employment after 26 weeks. Importantly, for those who are not, Barnardo's works is on hand to help again.

That partnership approach is critical; indeed, it is recognised in the Government's strategy document. It also underpins the £1 billion youth contract initiative that was announced by the UK Government at the end of last year. Under the programme, UK ministers have given a commitment to fund incentives to companies for taking on young people, as well as to providing extra support through Jobcentre Plus for unemployed 18 to 24-year-olds and an offer of work experience or a sector-based work academy place for every 18 to 24-year-old who wants one. I recognise that there is an overlap with commitments that have already been made by Scottish ministers, but the youth contract, as well as delivering significant consequential to Scotland, can and should be used to expand the capacity and range of what is on offer in this country for all our young people.

The initiative also fits well with a number of the key recommendations that the oft-quoted Smith group made in its report last November in relation to skills development. Scottish ministers have indicated their willingness to support take-up of the initiative in Scotland. Although I welcome that commitment, mention of it was, again, absent from Angela Constance's speech. That begs the question why, if we are to use all the levers at our disposal, Scottish ministers seem to be a little reluctant to highlight the contribution that the youth contract can and must play.

Angela Constance: When I attended a recent meeting of the British-Irish Council in Dublin at which Nick Clegg, the Deputy Prime Minister, was present, I said to him and the others who were assembled that the Scottish Government wants to ensure that the youth contract is a success in Scotland and that we will work to ensure that there is no needless duplication.

Liam McArthur: I thank the minister for that clarification. It is helpful to get that on the record. I think that we should be shouting about the youth contract from the rooftops, along with the other measures. As the minister will know, raising public awareness of the range of initiatives that are on offer is almost as important as introducing them in the first place.

As others have highlighted, colleges play a pivotal role in tackling the problems of youth unemployment. Like members on the Opposition's seats, I have been flagging up the inherent inconsistency in the Government's approach to youth employment, given the deep cuts that are proposed to budgets for Scotland's colleges and

student support. Thanks principally to the campaign that the National Union of Students Scotland has orchestrated, which I and my Labour and Conservative counterparts have consistently and repeatedly backed in the chamber, the finance secretary has accepted the need to put more of the Government's money where its mouth is.

If I may be excused, I will make a party-political point, as Jamie Hepburn did earlier. Given their failure to articulate those concerns during last week's debate on college funding and, indeed, in earlier debates on colleges and the budget, I do not see how either the education secretary or SNP back benchers can claim much credit in the area.

Uncertainty remains about individual allocations and the potential impact of cuts in teaching support. I also share the concerns that a number of college principals have expressed to me about the effect that a more centralised approach to distribution of further education funding might have, but I acknowledge and welcome the progress that has been made this week.

As John Park, Chic Brodie and others acknowledged, another critical player is the third sector, which is responsible for a wide range of employment services. Barnardo's makes a valid point about the need to ensure that the third sector is integral to shaping our approach and is not simply left with a delivery function. I see that approach in my constituency. It is not easy to achieve as it often relies on relationships almost as much as on structures, but it is the right approach and it can deliver real benefits.

The cross-party group on children and young people has identified problems that are created by the relatively short timeframes for funding allocations combined with the rigid eligibility criteria and rules. Accountability for the spending of public money is essential, but too often we seem to get little value in return for the strings that we attach to funding allocations.

The Deputy Presiding Officer: Mr McArthur, will you come to a conclusion now, please?

Liam McArthur: I will do so soon.

There are countless other issues that I cannot cover as time does not allow it.

As NUS Scotland states, the strategy's focus on educational opportunities for young people is welcome, but we cannot afford to lose sight of the needs of older students, many of whom missed out on a chance to go to college or university earlier in life. At a time of great economic change, NUS Scotland is right to emphasise the pressure to reskill and upskill, particularly in the case of older workers. John Park made that point. We cannot afford to lose sight of that in our

understandable desire to address the issues that are affecting our young people.

Youth unemployment is an economic waste and a slow-burn social disaster. On that, there is unanimity throughout the Parliament, alongside a determination to use every lever that we have at our disposal to avert such an outcome.

16:03

Paul Wheelhouse (South Scotland) (SNP): I rise in support of the Government's motion, and I particularly welcome Angela Constance to her role as a dedicated youth minister.

I welcome the commitment to 25,000 modern apprenticeships every year, but I am also delighted that the educational maintenance allowance is being retained in Scotland, because it is crucial if we are to support students on college courses and other forms of learning.

I agree that unemployment among our young people is a blight. That view is shared by members throughout the chamber. In my maiden speech, I highlighted the plight of young people in the Borders, who have traditionally had to leave the region to find skilled employment opportunities and even, in some cases, training opportunities. In effect, that has exported unemployment to our cities.

I therefore very much welcome the creation of the Scottish Borders knitwear group training association, which has been formed by Hawick Knitwear, Hawick Cashmere, Peter Scott, Johnstons of Elgin and several other companies, including Lochcarron in Selkirk. The innovation is aimed at combating the sector's biggest challenge of an ageing workforce and no dedicated programmes for recruiting new staff. The scheme will put in place 20 new trainers, 10 assessors and, I understand, initially 50 apprentices, who are being delivered by those employers collectively to address the challenges faced by the whole sector.

The chamber should warmly welcome that development but, unfortunately, it has not been warmly welcomed by members on the Opposition benches, only one of whom signed my motion on the subject.

I congratulate the Scottish Government, Scottish Enterprise, Skillset and Skills Development Scotland on the roles that they have played in the scheme.

Johnstons of Elgin has made new investment in Hawick, and one of its directors said:

"I see a bright future for manufacturing of luxury textiles in Scotland and I hope this investment"

of £1 million that the company is making

"... in new advanced knitting machines later this year, will mark a new period of progress for us and ... the industry of Hawick".

Some sectors have had a really tough time but the fact that our textiles industry is responding to growing demand for high-end luxury goods and is expanding is a positive sign for Scotland. I invite the minister to visit Hawick when she gets an opportunity to hear more about the project for herself.

Other examples of the local impact of modern apprenticeships include Greenvale AP, a major food sector employer that is proposing to take on modern apprentices at Chirnside, and Abbey Tool & Gauge, an advanced manufacturing engineering company in Kelso that I have visited and which has recently almost doubled the number of its employees, mainly by taking on new trainees under the age of 20. It is clear that local employers are supporting lots of good initiatives.

John Park, who, I am sad to say, has left the chamber, made a very good point about the importance of helping those at the margins of the labour force. Last August, I visited a Barnardo's care farming programme at Sunnyside farm in Traprain near Haddington. For two days a week, this six-week programme, which has been developed by the farmer for young people across the academic spectrum in East Lothian schools, gives participants an insight into land-based industries and working as part of a team to develop the soft skills required for the world of work. In other words, it prepares people for apprenticeships and other employment opportunities and provides a vital step into the labour market. The programme is designed to support young people all over East Lothian, and those involved are waiting for a decision from East Lothian Council on additional funding to expand it. I should also point out that the young people who took part were in the final months of their secondary education and were on the cusp of the important transition from school to further education or employment.

Many measures such as those that I have mentioned and the modern apprenticeships deal with the here and now, but I also want to highlight the Government's investment in the long term. The Government's decisive shift to preventative spending, measures such as the early years change fund and specific programmes such as family-nurse partnerships ensure that children will receive support in their very early years. Such an approach ensures that in the longer term they will have much more positive health, education and employment outcomes, which in turn will give them improved life chances.

The Government, its partner agencies, colleges and, crucially, employers, some of whom I have

mentioned, are doing a lot of work out there. Moreover, a lot of work is being done by the voluntary sector, including Barnardo's; YouthLink Scotland, which Chic Brodie mentioned and which is carrying out wonderful youth activities; and Action on Hearing Loss Scotland, which has developed specific programmes tailored to those with hearing difficulties to get them into employment. I commend all their efforts.

I also commend the Government for its own commitment in these times of severe financial constraints to today's young adults and to improving the life outcomes of the young adults of tomorrow. This Government is ambitious for Scotland and our people and, crucially, it has a can-do attitude and a drive to realise those ambitions.

Finally, as time permits, I will address a couple of points that were made earlier. First, I direct Kezia Dugdale, who seemed to be criticising the minister for not wishing to do more within the powers that we have, to her own party's strategy for tackling the employment situation and stimulating growth. Four of the five steps that Labour proposed, which we have heard about repeatedly in the chamber in the past couple of weeks, involve powers that are reserved to Westminster—for example, the measures on VAT and national insurance. The only one that is in the gift of this Parliament and this Government relates to capital investment, and as we heard in yesterday's budget statement, the considerable sum of £382 million has been added to our capital budget.

Liz Smith and Liam McArthur discussed college sector cuts. Additional funding has been allocated, but I direct them to their own Government south of the border, where cuts to the college sector—

Liam McArthur: Will the member give way?

Paul Wheelhouse: I will happily take an intervention.

The Deputy Presiding Officer: I am afraid that Mr Wheelhouse will have to close, as time has caught up with him.

Paul Wheelhouse: My apologies to you, Presiding Officer, and to Mr McArthur.

The cuts that unfortunately have to take place in Scotland are less than the Barnett consequential that we inherited from the UK Government.

16:10

Margaret McCulloch (Central Scotland) (Lab): I have said before that employment and education are very close to my heart because of my professional background in those fields. I refer

members to my entry in the register of members' interests.

I listened to the Minister for Youth Employment's speech with interest. Although there is certainly room for improvement in the strategy, there are areas of agreement. Measures such as guaranteeing the education maintenance allowance, enhancing the work element of the get ready for work programme and delivering more flexible support for 16 to 24-year-olds from disadvantaged groups such as young carers are all welcome. I had hoped, however, that the draft strategy would be more substantial, given the 83 per cent increase in youth unemployment to which the document refers.

Experience tells us that, sadly, the longer young people are unemployed, the further away from the labour market they will drift as they lose their confidence and self-esteem, their skills become dated and their talents go to waste. The strategy must prevent the injustice and indignity of unemployment, as well as offering young people a route back into work, with new measures to create new opportunities.

Many of those measures are voluntary, such as asking firms to take on staff when they receive Government contracts or encouraging firms to make voluntary opportunities available. Voluntary action is welcome, but it has its limits. My focus today is squarely on Government action that is guaranteed to help.

Members on all sides of the chamber will know of cases in which apprenticeships have been interrupted due to redundancies and jobs have been lost while employers, who are still struggling with the costs of the downturn, are left feeling too anxious to take anyone else on. The model that we have in this country for delivering modern apprenticeships ties a placement to a job, but in the current economic climate it is an investment that many employers cannot afford to make.

I advise the minister to look at alternatives that might work better in the current economy, such as the skillseekers model, which transfers the risks and responsibilities associated with taking on an apprentice to training providers. Those training providers, with their expertise in the field, could administer training allowances, identify suitable placements and give apprentices one-to-one support within a framework set by SDS, which would relieve the burden on employers.

Young people who cannot find work now have to be trained so that they can take advantage of the new opportunities that become available when the economy improves. Many in the training sector doubt that the market has the capacity to deliver that training under the existing model.

On the broader issue of how we encourage employers to recruit young people at this time, I ask the Government to look again at job subsidies, and consider again the merits in Scottish Labour's proposal for a future jobs fund. The introduction of community jobs Scotland is a welcome development, but as it does not extend beyond the voluntary sector—as my party has suggested that it should—small businesses and other employers cannot access the cash.

I urge the minister to ensure that the new policies that have been announced since the Government reshuffle—such as the roll-out of activity agreements and the my work coach initiative—complement rather than compete with the life skills and get ready for work programmes. New ideas are welcome, but the minister must ensure that her budget adds value to the schemes and courses that are already in place, instead of diluting the national training programme further.

Activity agreements might work for some young people who are completely disengaged and have multiple barriers to work, but they will not work for all and will not work while the quality of the agreements differs from one council area to another, with no overarching framework to ensure fair and consistent high standards throughout Scotland. In some cases, an agreement is found to be honoured if there is only two hours of contact per week between the young person and an adviser, whereas the life skills programme—which is also aimed at some of the hardest-to-reach young people—requires a minimum of 15 hours of contact per week.

Does the minister accept that activity agreements should be regarded not as a positive destination, but as a transition towards the life skills and get ready for work programmes? Will she explain how she intends to roll out activity agreements throughout Scotland with a budget of £4 million when the Government allocated a total budget of £12.3 million to the pilots, which covered only 10 of Scotland's 32 councils?

I totally support one-to-one work coaching but we need details about how the my work coach programme will be implemented. Why has SDS been chosen as the vehicle to deliver work coaching? Where will the work coaches be recruited from and how will they be deployed?

The Government already supports coaching through the national training programme. I repeat my point that we should listen to training providers and add value to such programmes, because that is a better way of ensuring that Scotland's young people are job ready.

16:16

George Adam (Paisley) (SNP): I welcome the youth employment strategy and congratulate the minister on her new role and the work that she has done so far in it. I wish her all the best for the future. I have known Angela Constance for many years and there is no doubt in my mind about her social conscience when it comes to the issues on hand.

A level of maturity is needed in this debate. To be fair, it has been demonstrated. John Park, in particular, was a perfect example. He was constructive and got the correct tone for the debate.

Margaret McCulloch mentioned modern apprenticeships. In sectors such as construction, apprentices who are in their second or third year can be affected by redundancy. I have had to deal with that as a local member. I have mentioned the case before in the Parliament but, luckily, I can announce that I managed to get the apprentices concerned jobs within the local authority. I asked the local authority to take on responsibility for them, although they obviously had to go through the full interview process.

We must have the political will to do that and we must ensure that the local authority and any other partner organisation are willing to take that forward. The minister has made it clear that the Scottish Government will work with any group, company, organisation or individual to support Scotland's young people, and the Government has provided £30 million for training, work or education.

In the Renfrewshire Council area, Reid Kerr College has spent millions of pounds on its construction skills subject area to ensure that it can retrain people. Margaret McCulloch said that some people's skills become dated, and she is quite right. They can become dated and outmoded, but people can retrain. For example, electricians can be trained to become part of the renewables industry. That training gives people, including self-employed individuals, a chance, but it is also mainly for young people.

We must work with everyone that we possibly can and ensure that we make an all-Scotland effort to increase youth employment. It is important for partners and stakeholders to help as well, and local authorities have a major part to play in that.

I will be slightly party political at this point. SNP-led Renfrewshire Council is helping young people in its budget this year by investing £2.5 million to fund the creation of 250 subsidised jobs, 1,300 training places and the opportunity for 800 young people to develop the work skills.

I asked the Cabinet Secretary for Finance, Employment and Sustainable Growth a question about that. He congratulated Renfrewshire Council on that approach and said that other local authorities should consider such investment as a way forward. That scheme would, of course, cover 16 to 24-year-olds. In effect, it would mean the Scottish Government working with 16 to 19-year-olds and the local authority working in its area with everyone else.

That is an example of a local authority working together with the national Government on its commitment to an education place or modern apprenticeship for all 16 to 19-year-olds.

As a parent in Renfrewshire, I find all that quite good. It just happens that my son and daughter are 18 and 20, so it helps them—I may have to declare an interest in that. In all that, along with the Scottish Government's youth employment strategy, it is extremely important that we work with the stakeholders to ensure that we supply what businesses, local authorities and third sector organisations want from young people to move things forward.

As the minister mentioned, it is extremely important that we get younger people's involvement at every level of government, whether it be through herself within this place or through community planning partnerships out in the community. I have always striven locally to get younger people involved and engaged in the political process. I agree with Chic Brodie that it would be of benefit if we gave 16 and 17-year-olds the opportunity to vote and decide on all these issues. When we empower people, they give something back and want to get involved.

We have disagreed today, but there has also been a positive tone in the debate. We should talk up the abilities of and opportunities for Scotland's young people, showing the vision and promoting the possibilities for their future. We must provide a vision, not just a wish-list of things that we want to do because, as some Labour members have mentioned, what is important is not what we do in here, but what happens out there in the public with all our young people.

We must ensure that our young people receive support and have opportunities to get jobs for life. The debate should be conducted with maturity and should provide vision. Scotland needs independence to tackle the issue in its entirety, but we live in the here and now and, as the Scottish Government has mentioned, we have worked within the existing constraints and there are ways in which we can do things. The Scottish Government's vision has shown the way forward. We could talk about this all day but, as I said, we are not important—the reality of young people's lives outside this parliamentary bubble is. I have

faith that the minister will ensure that the strategy makes a difference for all Scotland's young people.

16:22

Margaret McDougall (West Scotland) (Lab): I welcome the opportunity to speak in the debate. We should make no mistake: in Scotland, we have a crisis on our hands when it comes to youth unemployment. According to the document, more than 100,000 18 to 24-year-olds are out of work—little wonder that so many young people feel that they have no hope and no future. North Ayrshire has a youth unemployment rate of 30.3 per cent, which is one of the highest rates in the country, although the council is doing everything that it can to reverse the trend. For example, it is directly employing twice as many apprentices this year—a total of 90—as well as subsidising local employers who take on young people and providing mentoring schemes to help young people into work. However, it is restricted in what it can do because of the Government cuts of 23 per cent over the next three years. What additional specific support is being given to councils in areas of extremely high youth unemployment?

I welcome the publication of the Government's youth employment strategy. Worryingly, however, I found at least three instances in the document of the Government making a veiled reference to separatism. The document is not the place to promote the SNP's separatist agenda and I find that extremely disrespectful to the youth of Scotland. The Parliament should focus on what it can do now, not on what it might be able to do in the future if it had more responsibilities. We need positive action now to eradicate youth unemployment. For a start, the Scottish Government could reverse the £33.3 million of cuts in one year that amount to 6 per cent of college budgets. Those cuts are counterproductive when we are trying to tackle youth unemployment. I acknowledge the announcement of further funding for support for students but ask whether that will be targeted specifically at colleges in areas of high unemployment.

We need to invest in young people and equip them with the right skills so that they can progress in the workplace and make a contribution to Scottish society. Young people are not a homogeneous group, so I am glad that the strategy document recognises that. There is no one-size-fits-all solution. We need a range of options, from apprenticeships to college and university places. We need to work with the public, private and third sectors and the UK Government to tackle the issue head on and reverse the current trend.

The commitment to 25,000 modern apprenticeships this year is a start. However, when I submitted written questions to ask what progress had been made towards meeting the target, I was referred to Skills Development Scotland, which told me that I would have to wait until April 2012 for the figures to be collated. As far as I am concerned, that is not an acceptable response.

We need an emphasis on the retention of apprentices after their apprenticeship is finished, so that people feel valued, rather than just a temporary stopgap for an employer, which an apprenticeship can often feel like. I suggest that a fair employment commission be established to oversee employer activity, investigate complaints and take enforcement action against rogue employers.

We should look to all three sectors to steadily increase the rate of apprenticeships and ensure that funding is in place for that to happen. The Tories in Westminster have done us no favours by abolishing the future jobs fund, which helped to get young people back into work.

I welcome the minister's announcement that funding for the community jobs Scotland scheme will continue beyond March this year and run until 2013, but it should go further. The scheme has been extremely successful and has created 2,000 positions. According to the SCVO, 1,356 jobs have been filled, 132 are at interview stage and a further 512 positions are waiting to be filled. That shows the capacity that the third sector has to deliver. Therefore, I support the extension of the scheme and would welcome an increase in its future funding to the level for the current year.

To solve this crisis—and it is a crisis—we need all sectors, bodies and Governments to come together to develop innovative solutions and strategies. We need to ensure that apprenticeships remain in place, and we must increase their number across all sectors. We need continued investment in the community jobs scheme. We need to reverse the damaging and punitive cuts to the college sector to ensure that our young people develop the proper skills for today so that they can take Scotland forward into the future.

16:28

Alison Johnstone (Lothian) (Green): I welcome the youth employment strategy, as action to address the startling number of young unemployed people is essential. I also welcome the fact that we have a dedicated minister to drive that work forward. As has been mentioned, the number of 18 to 24-year-olds claiming jobseekers allowance for at least 12 months has doubled in

the past six months and has increased by more than 225 per cent in the past 12 months. We have heard about the social and economic costs of long-term unemployed young people becoming long-term unemployed adults. There are personal costs, such as the effect on people's confidence, and costs to their families and wider relationships.

We all know and agree that the issue must be tackled, and there is cross-party consensus on the urgency that is required. We have heard about support for new jobs, skills mismatches and the impact of funding cycles when third sector expertise is used not to deliver outcomes, but to seek funding extensions. I will offer some practical ideas to help.

A recent survey that was commissioned by Elizabeth Finn Care suggested that access to public transport is a major barrier to people finding work. Of the 1,110 people who were surveyed, about 40 per cent expressed serious concerns that linked limited public transport and transport costs to finding job opportunities. Elizabeth Smith highlighted the fact that all policies are interlinked. In the current jobs market, the provision of an affordable and attractive public transport system will remove a major structural barrier and must be a useful thing that the Government can do. I have written to the minister suggesting that approach. The youth employment strategy recognises the importance of maintaining local access to colleges, but the ability to get to your job or place of learning reliably and affordably is important.

The second practical issue that I want to raise is the fact that some young people need help with application forms. As members will be aware, most job-seeking young people maintain a curriculum vitae, but employers often ask applicants to fill out an application form. The feedback that I have received suggests that the forms are often not as universally accessible as they might be and that they work differently on different computers. Completing large sections of the forms involves time-consuming and repetitive copying and pasting or the rewriting of information from a CV on to the form.

This may seem a minor issue, but the young people to whom I have spoken have convinced me that it is making it more difficult in some cases for them to apply for jobs, especially when they are desperately keen to complete and send off as many applications as possible every week. Several people have told me that on occasion they have simply been unable to complete an application form, which was entirely unusable with the limited access that they had to information technology.

Members can be assured that they are determined young people whose frustration at such processes adds to the on-going stress that

they feel as they try to find their own productive role in society. I can understand that employers want to ensure that they get all the information that they need, but a universal approach would be helpful. I would be grateful if the minister could explore what the Government can do to assist in that regard.

We have talked much about support for education in the debate. I recently met college students in Edinburgh who raised issues such as reduced tutorial time and cuts to higher English courses. They were also keen to help their fellow students and spoke about broadening awareness among the student body of credit unions as well as of the astronomically high rates that are offered by pay day lending companies that were appealing to some of their fellow students who are struggling on tight budgets. I would welcome any action that the minister might take to increase awareness of appropriate financial assistance for young people.

I met, too, the first wind turbine apprentices in Scotland. Their belief in the value of what they are doing and the part that they will play in Scotland's low-carbon economy was clear. There is no doubt that their skills will be in great demand. They were largely young men, but there are encouraging signs that young women, too, are keen to take up places on that course.

Barnardo's has raised the issue of the even greater difficulties that are faced by young people leaving care. I welcome the minister's comment regarding that group and look forward to learning more of the proposals in that regard.

There is a wider point about how we value work and volunteering. Concerns were expressed at the most recent meeting of the cross-party group in the Scottish Parliament on children and young people that job centres are not supporting young people who want to volunteer. There were stories of staff refusing to accommodate volunteering placements when arranging meetings. As members will know, such placements can offer a pathway into paid employment that will provide the stability and finance that those people need to build a successful future. I would welcome action on that, too.

16:33

Mary Scanlon (Highlands and Islands) (Con):

First, I refer members to my entry in the register of members' interests.

By and large, the tone of the debate has been constructive. I particularly welcomed the speeches by John Park, Liam McArthur and Alison Johnstone, which I thought were highly constructive. I have congratulated Graeme Dey previously on completing a whole speech without mentioning a separate Scotland. I am afraid that I

cannot congratulate anyone today in that regard. I listened carefully, but Jamie Hepburn, George Adam and Paul Wheelhouse squeezed in that reference in the dying seconds of their speeches. Alex Salmond would be very proud of them.

We very much welcome having a dedicated minister for this area and look forward to regular updates from Angela Constance. We also welcome the regional youth employment events, because it is important that the issue is not centralised. The work with the private sector and chambers of commerce is welcome, as is the £2.5 million challenge fund for social enterprises, for which I have tremendously high regard; they can do a wonderful job in helping to get people into employment.

Many factors underpin employment and there are as many types of unemployment, which are set against the background of huge uncertainty and huge national debt across the euro zone countries. The UK Government is to be congratulated on facing up to its responsibilities in tackling the debt and reducing waste and duplication in the public sector. Unlike nine euro zone countries that have lost their AAA rating due to their inability to put in place economic and fiscal measures to address their deficit, the UK retains the top rating. European economies and markets will recover only when the debt crisis is resolved and output, demand and employment growth reverse the current slowdown.

Chic Brodie: Will the member give way?

Mary Scanlon: No, if the member does not mind. I might let him in later, but I would like to make progress.

Scotland's unemployment rate has been higher than the UK rate for 13 consecutive months.

The new Minister for Youth Employment is welcome to her post because, under the SNP, youth unemployment rose from 11 per cent in the first quarter of 2008 to 23.5 per cent in October 2011. The rate has more than doubled since the SNP came to office, although, to be fair, youth unemployment has been rising since 2004, which was well before the recession.

The topic of employability constantly crops up in researching the subject. The point has been made that the three essentials for a modern, progressive workforce are the right skills, the right knowledge and the right attitude. For young people without the right attitude, there is no better place to be than in further education classrooms with mature students who have suffered the hardship of unemployment, a lack of suitable job skills and experience, and jobs with long hours and low pay. Mature students' focus and no-nonsense approach to learning can soon change negative attitudes to work, training and learning.

I hope that the minister will address the issue of employability, as we seem to have got things right in our universities, but not in our schools. In fact, the unemployment level for graduates from Scottish universities is lower than the UK level, and graduates from Scottish universities have the highest rate of positive destinations, including employment, further study, and a combination of work and further study. Graduates from Scottish universities also start with a higher average salary within a year of graduation than graduates in the rest of the UK.

The Smith group report states that Scottish education is still too rigid and focuses too much on preparing students for university and college. I listened carefully to the minister, and I hope that the closer working with the Cabinet Secretary for Education and Lifelong Learning will bring improvements in outcomes at school. Youth unemployment should not be tackled only when people become a statistic. I think that John Park said that issues should be tackled when people fall out of work, but it is critical to get people into work in the first place.

According to the Scottish survey of achievement, one in six Scottish pupils is leaving primary school without being functionally literate. That is 17 per cent of 12-year-olds. It is worrying that while 75 per cent of pupils in primary 3 are able to meet the required standard in maths at that level, the figure drops to 40 per cent in S2. With more than half of Scottish school leavers finishing school without achieving a single higher, surely it is time to look more closely at better integration of schools and further education colleges.

Jamie Hepburn talked about the resource to FE colleges since 2007. I was a bit surprised that he raised that matter. I have checked with the Scottish Parliament information centre. I asked whether it could confirm the further education cut following yesterday's announcements. That cut is not £33 million; it is £33.3 million. A lot of figures have been going around in recent days, but if anyone wants to challenge the figure, the further education cut is £33.3 million.

Jamie Hepburn: The point that I was trying to make was that investment since the Administration came to office to 2014-15 is 40 per cent higher than it was under the previous two Administrations. I ask Mary Scanlon to reflect on the fact that the cuts are emanating from her Government.

Mary Scanlon: I listened carefully to what the member said and I could not understand why, at a time when 105,000 youths are unemployed in Scotland, and given the increases in recent years to put youth unemployment at its highest, his Government has cut funding for FE colleges by £33 million.

I welcome the Welfare Reform Bill and the support that it gives people for two years to get into work. I support the amendment in the name of Liz Smith.

16:40

Ken Macintosh (Eastwood) (Lab): Almost every contribution this afternoon has made it clear that we all take youth employment very seriously and there is a lot of common ground on which we can work together. That is certainly the approach that we wish to take. It is in the nature of political debate that it often focuses on weaknesses and criticism, but any criticism should be taken as constructive and not as overt hostility.

In that vein, I repeat our welcome to the minister. We welcome not just her appointment and the recognition that it gives to the jobs crisis that Scotland faces, but the launch of a strategy that has £30 million in resources to invest. I believe that we are making progress simply by describing the scale of the challenge that faces young people in Scotland today. Kezia Dugdale made that point in her opening speech, and the minister responded to her and clarified the issue, although I note that the minister was careful to avoid using the word “crisis”; she always talks about difficulties and challenges. We still seem to agree that the country faces a formidable difficulty.

One hundred thousand young people are out of work in Scotland. That is 100,000 individuals who are seeking employment and looking to their Government for help. The cost to our economy and society of maintaining such high levels of unemployment is immense. The National Council for Voluntary Organisations in England, which has established a commission on youth unemployment, has estimated that the benefits bill will be more than £4 billion this year, with more than £10 billion being lost in economic output.

The real costs of youth unemployment go far beyond the financial. Unemployment, particularly if it is without hope, takes a huge emotional toll on young people. In some cases, they face a downward spiral into depression, poverty and even drug addiction. Those of us who remember the 1980s know that we still live with the damage that was done to our society in a time when unemployment was a price worth paying. Estates in our cities and sometimes whole towns and villages bear the scars of mass unemployment and still have a sense of hopelessness and poverty of ambition.

John Finnie (Highlands and Islands) (SNP): Given the member's awareness of the 1980s, how does he respond to Alistair Darling saying that he would have made cuts that would have been deeper and more savage than that?

Ken Macintosh: Alistair Darling was being realistic in the face of a worldwide recession. At no point did he say that we should use the power of the state to crush the unions and destroy our steel-making industry and so on. He was making a completely different point, which has been misinterpreted by a Government that has just passed a budget that will put thousands of people out of work. I do not want to strike an overly party-political note, but lots of members have said that today and have then gone on to do so. This is a difficult time and I suggest that members in glass houses should not throw stones.

The director of the Scottish Drugs Forum has said that we need to learn lessons. The focus of our debate and public discussion has been on unemployment, but it is worth mentioning the related problems of underemployment and unfair employment that can accompany joblessness. Wage freezes, overtime bans and other cutbacks are adding to the number of working poor in this country. That can give rise, in turn, to feelings of resentment and social tension.

Just this week, Citizens Advice Scotland produced a report on fair employment that highlights an increase in poor working practices. Employers are under pressure to reduce costs while workers put up with bad conditions for fear of losing their jobs. That is part of a vicious cycle that is created by downwards pressure in the economy. I am sure that there is unanimity among members that the best way to counter it is to create a virtuous cycle of economic growth, just as we need, where possible, to get people to pay taxes rather than claim benefits. We need to shift the emphasis from state intervention trapping people in welfare dependency towards subsidising their employment.

The community jobs scheme is a move in that direction, as I have suggested before. I understand that the scheme's impact and value have yet to be fully assessed, but I am pleased that the Government has agreed to continue it, with a view to making further improvements.

The minister announced that £6 million of her £30 million would be used on the scheme. What is less clear is how the Government intends to use the rest of that money to tackle youth unemployment. The money is welcome but, as I said in yesterday's debate, my concern is that we should not have a series of initiatives. Margaret McDougall put it well—I am sorry; I mean Margaret McCulloch. I am confusing my Margarets again. Margaret McCulloch put it well: the budget needs to add value to programmes that are already in place.

All Governments of all hues are prone to initiativitis and Scotland is a world expert in projects—a little money here and a pilot scheme

there. The enterprise zones could be a good example of that. They are welcome in select areas, but the evidence is that they displace jobs rather than truly create them. When Adam Ingram asked a question last week about the job creation or displacement effect of enterprise zones, I was a bit concerned by the answer from the Cabinet Secretary for Finance, Employment and Sustainable Growth, who said:

“At this stage it is not possible to quantify the number of jobs that might be created in Scotland’s enterprise areas.”—[*Official Report*, 2 February 2012; c 6064.]

The same argument applies to the so-called public health levy. A letter from the Union of Shop, Distributive and Allied Workers says:

“we believe that the levy has been set far too high at a level which will seriously endanger the terms and conditions of employment of existing staff, the level of employment in the stores affected and future investment and jobs”,

yet the measure’s impact on jobs has not been assessed.

Despite today’s strategy, I am slightly anxious about whether employment and tackling unemployment are central to the Government’s thinking, even in its own economic policies. Perhaps the best example of that is from the cuts to our colleges’ budgets. There is no getting away from the contrast between talking about the importance of youth employment on the one hand and cutting tens of millions from Scotland’s colleges on the other. Many members—including Liz Smith, Liam McArthur and my colleague Siobhan McMahon—have made that point. Siobhan McMahon suggested that such action reveals the gap between the rhetoric and reality, but—like many other members—she also cited examples of good practice that is taking place in areas such as Falkirk and North and South Lanarkshire.

Many members took a consensual tone. Even Christina McKelvie and Jamie Hepburn promised that they would do that, although they struggled to maintain that promise. Jamie Hepburn tried to make a rather disparaging point about North Lanarkshire Council’s £1.5 million. As John Pentland has helpfully passed me a copy of the *Wishaw Press*, I point out in the interests of accuracy that the figure is £15 million, which is a more substantial contribution.

Jamie Hepburn: I have right here the front page of the *Cumbernauld News & Kilsyth Chronicle*, which refers to £1.7 million. That is what I was talking about, Mr Macintosh.

Ken Macintosh: I counter with the *Wishaw Press*, which refers to £15 million—take that, Mr Hepburn.

Many members have commented on John Park’s speech, which raised an important point about apprenticeships. We have had a big discussion about who created the apprenticeships in Scotland. Leaving that aside, an important issue is the number of apprenticeships that are available and the age groups to which they are available.

The Presiding Officer (Tricia Marwick): The member needs to start winding up.

Ken Macintosh: I quite liked Chic Brodie’s analysis, although not necessarily his conclusions. He talked about the entrepreneurial spirit in Raploch. He also talked about throwing down gauntlets and slaying dragons in relation to going to university—his speech was of a medieval bent.

I have not been able to talk about the role of the public and voluntary sectors, to which Liam McArthur and my colleague Kezia Dugdale referred, or about the important role not just of big procurement projects but of helping sole traders—architects, graphic designers and so on—who sometimes struggle to access tenders because of their turnover and size.

The Presiding Officer: The member must wind up now.

Ken Macintosh: We have a long way to go in tackling the employment crisis, but all parties have shown their willingness to seek the elusive goal of the full-employment society.

16:49

Angela Constance: The debate has been a somewhat curious mix of the collegiate and the constructive, but it has inevitably dipped now and again into feisty exchanges. I suppose that we are all politicians and we just cannae help ourselves.

I have enjoyed every member’s speech. Maybe I did not agree with every word that every member uttered but, overall, every member who spoke did so positively. There have been many suggestions and many invitations for me to take members up on. I am glad that the regional events on youth employment have been welcomed, and I am keen to have member involvement in them.

I am never one to deny the breadth or depth of a problem. I think that the fact that 105,000 young Scots between the ages of 16 and 24 are unemployed speaks for itself—it shouts loudly. It is not possible to diminish or repackage that fact in any way. I reassure Kezia Dugdale that there are no hidden statistics. We capture the over-18s who do not present to the job centre, because our measures are based on the labour force survey, which relies on young people declaring that they are unemployed. That is why the unemployment rate for young people between the ages of 16 and 24 is 24.7 per cent, not the 6.6 per cent claimant

count. I believe that Skills Development Scotland does a good job in tracking young people who do not find positive destinations.

I am clear about the fact that, if we are to overcome what I call a national challenge—others can call it a national crisis, but at the end of the day that is semantics—when we talk about young people and how we will overcome the challenges that they face and improve their prospects for the future, our narrative must be solution focused and positive. Therefore, I have difficulty with some of the language and the discourse around the idea of a lost generation. I will not lie down to the politics of despair because, fundamentally, I do not believe that there is any member of the Parliament, regardless of our political differences, who will stand by and allow there to be another lost generation. I know that across the chamber, regardless of party politics, there is a collective memory of the 1980s and I, for one, am not going back there. If Mary Scanlon will forgive me for dipping into feisty political comments, I will not take any lectures from the Conservatives on youth or adult unemployment.

At a basic level, the purpose of the youth employment strategy is to ensure that across Government, and across the public and private sectors, we are all on the same page, are all facing in the right direction and are all determined to do the right thing—to defend our young people. The strategy is not a glossy document, nor is it “War and Peace”—that is deliberate.

The same is true of the Government’s motion. I deliberately penned a motion that was straight to the point, in the hope, I suppose, that members across the chamber would welcome that. Normally, Government motions are criticised for being long-winded and for bragging about all our achievements. For the record, I could oblige by mentioning the 300,000 training opportunities that the Government has delivered, the 46,500 training opportunities that we will deliver year in, year out for the lifetime of the session and, not least, the 25,000 modern apprenticeships, the 14,500 training places and the 7,000 flexible training opportunities, as well as the opportunities that will be created by community jobs Scotland.

Neil Findlay (Lothian) (Lab): The minister may be aware that I wrote to her in early December about a training project in my area that had to close through lack of funding. When will I get a reply from the minister and a meeting?

Angela Constance: I am pleased to tell Mr Findlay that I am always delighted for members of any political party to write to me about the specifics of what is happening in their community, not least when it is about the constituency that I represent.

Mr Findlay will be aware that the project in question suffered not at the hand of this Government, but at the hand of a Government elsewhere, which took away the funding. However, he should not worry—the letter is, indeed, in the post.

My issue with the Labour Party amendment, at a practical level, is that it deletes half of my factual and straight-to-the-point motion and then largely reiterates what is already in the youth employment strategy. I would have preferred a more collegiate, upfront recognition of the fact that, despite the bluster that we all participate in, we will stand shoulder to shoulder with our young people and do the right thing.

Kezia Dugdale: As a matter of record, the Labour Party will vote for the SNP’s motion. If the minister cannot vote for our amendment, will she comment on my suggestion about addressing the one-year funding cycles, which choke progress around youth unemployment?

Angela Constance: I welcome Kezia Dugdale’s constructive contribution. I would have been more inclined to support the Labour Party’s amendment if it had included some of the positive suggestions by its back benchers. Siobhan McMahon spoke passionately about her concerns and her interest in young people seeking work who are on the autistic spectrum. Her point is that we could do far more to better link the good work that is articulated in the autism strategy with the youth employment strategy—[*Interruption.*]

The Presiding Officer: I am sorry, minister, but there is far too much noise in the chamber. Members who are coming into the chamber to vote should pay the minister the courtesy of being silent so that she can continue her speech.

Angela Constance: Thank you, Presiding Officer.

This Government—and, I hope, this Parliament—is in this for the long haul. I am aware that, when all-age unemployment was at 4 per cent, youth unemployment was at 14 per cent.

We should not allow there to be any collective amnesia about another issue that was touched on at the start of the debate, which was that, in 1999, when the Parliament opened, youth unemployment was 64,000 and, in 2007, before this Government’s predecessors left, it was 62,000. I hope that the Labour Party can forgive my scepticism about its talk about full employment, because no Labour Government—either in Scotland or in the United Kingdom—has ever delivered full employment, either for young people or for anyone else. [*Interruption.*]

Those Labour Party front benchers who are heckling from the back of the chamber and spend

more time attacking an SNP Scottish Government than they do fighting the Tories will probably find that it will be they who will be spending more time on the back benches, not I.

We will all participate in the political bluster, because we all feel passionate about our country. However, at a fundamental level, I believe that our young people have the right to work, and I believe that they will have the right to vote for a Parliament that can deliver that right to work. I will take no lessons from members of the Opposition who complain about the actions or inaction of this Government, when they would rather have us sit back and quietly accept our pocket money from Westminster or try to fight for the economic interests of our young people with one hand tied behind our back.

On that note, I will take my seat, with an assurance to Kenneth Macintosh that I very much look forward to becoming, on behalf of this Parliament, that expert on procurement who will be absolutely dedicated to shaking down every available opportunity for our young people.

Regional Chamber of the Congress of Local and Regional Authorities of the Council of Europe and Committee of the Regions (Membership)

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-01980, in the name of Brian Adam, on membership of the regional chamber of the congress of local and regional authorities of the Council of Europe and the Committee of the Regions.

Motion moved,

That the Parliament endorses the Scottish Government's proposal to nominate, as representatives of the Parliament, Bill Kidd MSP as a full member and Helen Eadie MSP as an alternate member on the UK delegation to the regional chamber of the Congress of Local and Regional Authorities of the Council of Europe, and Stewart Maxwell MSP and Patricia Ferguson MSP as full members and Jim Hume MSP and Jamie McGrigor MSP as alternate members on the UK delegation to the Committee of the Regions for the remainder of the current parliamentary session to 2016.—
[Brian Adam.]

The Presiding Officer: The question on the motion will be put at decision time.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are six questions to be put as a result of today's business. The first question is, that amendment S4M-01979.1, in the name of Sarah Boyack, which seeks to amend motion S4M-01979, in the name of John Swinney, on the Local Government Finance (Scotland) Order 2012, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-

shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 35, Against 67, Abstentions 14.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-01979, in the name of John Swinney, on the Local Government Finance (Scotland) Order 2012, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)

MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McGregor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 102, Against 0, Abstentions 14.

Motion agreed to.

That the Parliament agrees that the Local Government Finance (Scotland) Order 2012 [draft] be approved.

The Presiding Officer: The next question is, that amendment S4M-01978.2, in the name of Kezia Dugdale, which seeks to amend motion S4M-01978, in the name of Angela Constance, on the youth employment strategy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 54, Against 62, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-01978.3, in the name of Liz Smith, which seeks to amend motion S4M-01978, in the name of Angela Constance, on the youth employment strategy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)

Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scott, Tavish (Shetland Islands) (LD)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 51, Against 65, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-01978, in the name of Angela Constance, on the youth employment strategy, be agreed to.

Motion agreed to,

That the Parliament believes that the all-government, all-Scotland approach at the centre of Scotland's Youth Employment Strategy is vital to provide opportunities for Scotland's young people to enter the workplace, and welcomes the allocation of £30 million of additional investment over and above the Scottish Government's annual investment of over £1.5 billion in post-16 education and training.

The Presiding Officer: The next question is, that motion S4M-01980, in the name of Brian Adam, on membership of the regional chamber of the congress of local and regional authorities of the Council of Europe and the Committee of the Regions, be agreed to.

Motion agreed to,

That the Parliament endorses the Scottish Government's proposal to nominate, as representatives of the Parliament, Bill Kidd MSP as a full member and Helen Eadie MSP as an alternate member on the UK delegation to the regional chamber of the Congress of Local and Regional Authorities of the Council of Europe, and Stewart Maxwell MSP and Patricia Ferguson MSP as full members and Jim Hume MSP and Jamie McGrigor MSP as alternate members on the UK delegation to the Committee of the Regions for the remainder of the current parliamentary session to 2016.

The Presiding Officer: That concludes decision time. I wish all members a happy, peaceful and calm recess, and I hope that you will all be in a similar mood when you come back.

Co-operatives

The Deputy Presiding Officer (John Scott):

The final item of business is a members' business debate on motion S4M-01683, in the name of Helen Eadie, on celebrating the value of co-operatives internationally. The debate will be concluded without any question being put.

Motion debated,

That the Parliament congratulates the UN General Assembly on declaring 2012 as the International Year of Cooperatives; welcomes the UN's efforts to raise public awareness of what it considers to be the invaluable contributions of these enterprises to poverty reduction, employment generation and social integration; understands that they have over one billion people members around the world; acknowledges their role in Cowdenbeath and across Scotland in a range of sectors including community retail, housing, agriculture and energy; understands that there are 473 in Scotland with a combined turnover of £3.4 billion, and applauds the role of Co-operative Development Scotland in supporting their development in Scotland.

17:07

Helen Eadie (Cowdenbeath) (Lab): I am delighted to lead this debate. We are in a time of financial difficulty, and there is perhaps no better time to examine the great work that co-ops and credit unions do.

For the avoidance of doubt, I refer members to my entry in the register of members' interests, where I make the voluntary declaration that I am a member of the Co-operative Party. I am privileged to be serving a term as chair of the Co-operative group in the Scottish Parliament and I thank my colleagues for supporting me in that office.

Tonight we celebrate the designation of 2012 by the United Nations as the international year of co-operatives. Last year, global leaders and the co-operative movement marked the 250th anniversary of the founding of the world's first co-operative for which records are held, the Fenwick Weavers Society—a proud claim indeed for Scotland.

There are areas of my life as a parliamentarian that mean a lot to me, one of which is my work with Bulgaria. Last year I was delighted to visit the first co-operative to be established in Bulgaria—a wine co-op that was formed by farmers in Suhindol municipality.

Members also know me for my work in connection with Remploy and supported businesses in general. I ask most earnestly that the Government make a special effort to help Remploy workers in Scotland. I know that the issue is reserved to Westminster, but disabled people and their futures are not a reserved issue. The writing is on the wall for Remploy workers. I know the difference that ministerial involvement

can make—in some circles it is known as ministerial magic dust. We need a minister to champion and take forward a plan to reshape Scotland's Remploy factories into community-owned co-operatives. We need a pioneer for a way forward, who can show Westminster that co-operatives are something at which we Scots excel, and who will let all disabled workers who have lost heart know that we care and intend to make a difference for them.

According to the "Global300 Report 2011", in 2008 the world's 300 largest co-operatives generated revenues of \$1.6 trillion, which is comparable to the gross domestic product of the world's ninth largest economy.

The co-op model is on track to become the fastest growing business model by 2020. Co-ops are huge business. They operate in sectors ranging from banking, credit, housing and health to retail, food, utilities and agriculture. Even funeral parlours are led by co-operatives. Co-operatives are owned by nearly 1 billion people across the globe and employ nearly 100 million people, which is 20 per cent more than multinational enterprises.

Co-operatives promote the fullest possible participation in economic and social development. They innovate to meet the needs of their members and, because members ask for new products or services, co-ops sometimes offer such products or services before competing businesses do.

As well as being widely recognised for their ethical business practices, co-operatives are a vital part of the British economy, employing more than 235,000 people, turning over more than £33 billion a year and generating a significant amount of wealth for the country. Co-operative businesses are already outperforming the United Kingdom economy and have grown by 20 per cent since the start of the credit crunch.

This is an area of policy for which there is now recognised cross-party support. That has not always been the case. In 1979, one of the first things that Margaret Thatcher did was stop the work of the then Co-operative Development Agency, which had been established by the Labour Government. Thankfully, under Labour the Scottish Government established a Scottish co-op development agency. That was very much down to the work spearheaded by our Co-op group of MSPs, especially my party's new leader, Johann Lamont, in partnership with Cathy Jamieson, who is now a member of the Westminster Parliament. The current Scottish National Party Government has supported the continuation of that work.

I pay tribute to all those involved in supporting Co-operative Development Scotland. Our approach is being observed by other nations, as they reflect on the contribution of co-operative

models to their economic future. Within the UK, Wales and Ireland are replicating Scotland's approach. Over the past year, nations such as South Africa, Bahrain and Mongolia have consulted CDS.

On a positive note, it appears that the Conservative and Liberal-Democrat coalition Government is moving towards much better support for co-ops in the UK. In January, Prime Minister David Cameron spoke in London about responsible capitalism and announced a new co-operatives act to consolidate existing laws.

The Co-operative Party has activists and MPs at Westminster, who were responsible for championing and securing much of the legislation that is to be consolidated. It was a shame that Mr Cameron did not acknowledge the vital role that the Co-op Party has played in modernising the laws governing co-operatives. Acts drafted and assisted through Parliament by the Co-operative Party include: the Industrial and Provident Societies Act 2002; the Co-operatives and Community Benefit Societies Act 2003; the Climate Change and Sustainable Energy Act 2006; and the Co-operative and Community Benefit Societies and Credit Unions Act 2010.

While there were no announcements of new policies on co-operatives in his speech, David Cameron signalled that he supports co-operative businesses as part of a range of business models in a free market.

I was a founder member of Gumboots community nursery in Southwark in London, which still exists, and a member of a cleaners co-op in Kennington and a reproduction furniture co-op in Fife. To me, the attraction of co-ops is the fact that there are many ways to shape them—from workers co-ops to community co-ops—to offer people opportunities. In Scotland, we have many co-ops—too many to mention individually.

Workers co-ops have been shown to beat the credit crisis. Statistical assessment and surveys show that worker co-ops have been more resilient than conventional enterprises in withstanding the economic crisis. In this day and age, when we have become so distrustful of the banking sector and capitalism, we may do well to think of the option of credit unions. A credit union is a member-owned financial co-operative, democratically controlled by its members and operated for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial services to its members. Unlike many banks these days, it has both local staff and a local office. Many credit unions also provide services that are intended to support community development or sustainable international development at a local level, and they could be

considered community development financial institutions.

Worldwide, credit union systems vary significantly in terms of total assets and average institution size. They range from volunteer operations with a handful of members to institutions with several billion dollars of assets and hundreds of thousands of members. Even the White House in Washington, home to Barack Obama, boasts its own credit union. In Edinburgh, we have Capital Credit Union, and all MSPs and Scottish Parliament staff are encouraged to become members. In Fife, we have several credit unions, including those in Cowdenbeath, Rosyth, Ballingry and Lochgelly, and they are all happy to recruit new members.

I hope that members agree that I have risen to speak and lead this evening's debate with real enthusiasm for all forms of co-ops and credit unions. I hope that we will get some real support from members throughout the chamber for these modern institutions that owe a great deal to the past but perhaps also point the way to a better future.

The Deputy Presiding Officer: I would be grateful if you would draw to a close, please.

Helen Eadie: Co-operation and mutuality are an idea whose time has come back. In the year when the whole world celebrates the co-operative model, we should look at every possible way in which to put co-operatives on a level playing field with other forms of business. At a time when poverty is still too prevalent in Scotland and unemployment too high, as parliamentarians, every breath that we take and every move that we make should be about assisting our people to develop whatever sort of co-op they wish to make.

The Deputy Presiding Officer: I would be grateful if you would come to a close, please.

Helen Eadie: I am grateful to have had this chance to speak this evening. Thank you, Presiding Officer.

17:17

Claudia Beamish (South Scotland) (Lab): It is with great pleasure that I speak in this debate as a member of the Labour and Co-operative group of MSPs. I congratulate Helen Eadie on bringing her motion to the chamber for debate and I strongly welcome the efforts by the United Nations to raise public awareness of the issue globally, including in Scotland. I also congratulate Scotmid—I believe that Ian Miller is in the public gallery tonight—on being at the heart of Scottish communities for more than 150 years.

In my speech, I will highlight producer co-operatives. Broadfield, in my region of South

Scotland, is an organic farm that is a member of a countrywide co-operative of organic dairy farmers. That enables collective power in bargaining and also sharing of good practice. Such models are important, not least in relation to the power of supermarkets and the stranglehold that they often have on producers.

Internationally, producer co-operatives have given power to growers and, increasingly, to women. There is often a fair-trade element, which brings additional benefits in addressing food security, population growth, climate change, women's empowerment and high commodity prices. Jennipher Wattaka, a member of a co-operative of women coffee growers in Uganda that is supported by Equal Exchange, tells us about the Gumutindo Coffee Cooperative Ltd. I hope that I pronounced that right. She says:

"Gumutindo means quality. We were asked to join and benefit as fair trade producers. We immediately joined without hesitation and have not looked back. I take pride in myself being a member of a co-operative that revived the spirit of working together on Mt Elgon."

As a member of the cross-party group on Malawi, I know that there are ways in which we can support co-operatives there as part of Scotland's on-going relationship with that country. Women farmers in Malawi speak about how farmers, organisations, working collectively and often as co-ops, are using their power to break down material barriers; to enable better access to important extension services, credit and inputs; and to enable better access to agricultural markets. They are also offering women greater opportunities to engage in leadership positions in the public sphere.

In a different sector, the ways in which we generate our energy globally is a power issue in more than the literal sense of the word. The Bangladesh rural electrification programme dates back to 1977. More than 70 co-operatives, or Palli Bidyut Samities, reach over 25 million people as customers. Typical household incomes have increased by 16 per cent, infant mortality has fallen, enhanced employment opportunities have resulted in people migrating to villages that have power, and a variety of new industries have developed.

Although I whole-heartedly support small co-ops, I have to wonder how the myth developed that co-ops have to be small-scale. It certainly did not develop in Bangladesh or, indeed, in Spain's Basque Country, where the Mondragon Corporation was founded long ago in the town of the same name. Although its origin is linked to the activities of a modest technical college and a small workshop producing paraffin heaters, the corporation is currently the seventh-largest Spanish company.

Here in Scotland, energy could be in people's hands more. Members will be keenly aware from a previous members' business debate and our—mostly virtual—mailbags of concerns, of landscape capacity with regard to onshore wind generation. Although that issue must be addressed, there are also concerns about ownership. I am still waiting to meet the minister with responsibility for energy matters, Fergus Ewing, to discuss maximising opportunities for communities to retain ownership of larger-scale projects through the use of co-operative models. Now that the Government's community and renewable energy scheme is under review, the issue has become very urgent.

The Deputy Presiding Officer: I would be grateful if you could draw to a close.

Claudia Beamish: I will, Presiding Officer.

In Scotland and internationally, co-operatives build a better world. In this country, we must do all that we can to facilitate their birth and development as well as to support them internationally. I know that MSPs across the chamber will do so. We wish co-operatives well for the future.

17:21

Chic Brodie (South Scotland) (SNP): I welcome the debate and congratulate Helen Eadie on bringing it to the chamber. I also endorse her comments about Remploy.

I support the motion with pride. As Helen Eadie pointed out, last year saw the 250th anniversary of the establishment in Ayrshire of the Fenwick Weavers Society, which was one of the very first worldwide co-operatives. It set fair prices for yarn and completed products and eventually started to buy and sell food, which funded charitable work with the local library and an emigration society.

Co-operatives, be they consumer co-operatives—the so-called “sosh”—worker co-operatives or community co-operatives, are a critical component not just of the Scottish economy but of the world economy. They are autonomous associations of persons who unite voluntarily to meet their common economic, social and cultural aims and aspirations through a jointly owned and democratically controlled enterprise or association. They are, indeed, a beacon of shared partnership and should be promoted as such.

As the motion points out, there are 473 co-ops

“in Scotland with a combined turnover of £3.4 billion”.

They employ nearly 30,000 people and their survival rate is 80 per cent better than equity investor-owned companies. In the UK, there are 5,450 profitable co-operative organisations with an

aggregate turnover of £33.2 billion and they are present in all sectors, including the public sector. Worldwide, they account for more than 100 million jobs, which is 20 per cent more than multinational companies. They stand for shared endeavours, shared work, shared assets and shared returns. It can be no accident that in the four fastest-growing countries in the world—Brazil, Russia, India and China—co-ops outnumber shareholder-owned companies by four to one.

Because of the overall stakeholder interest, co-ops are productive. Participation, both physical and financial, lays the foundation for resilience, productivity and growth.

Liam McArthur (Orkney Islands) (LD): Will the member give way?

Chic Brodie: I am sorry—I have only four minutes.

Do we honestly believe that the massive public bailout of the banks would have been necessary or that the banks would have descended to the position they ended up in if the values of shared stakeholder interests had been recognised and if employees and customers had been more involved in scrutiny of their activities? The International Labour Organization, the International Co-operative Alliance, industry academics, the European Parliament with its agenda for change and even Nick Clegg, in one of his more lucid moments, have recognised the importance, value and contribution of co-operatives.

In my previous life as a company turnaround specialist and troubleshooter, there was one case in which—although I was not quite able to develop a co-op—I ensured that the employees held shares in their company. They managed to turn the company around successfully, and when they transfer their shares back to the company they will enjoy some form of pensionable arrangement.

Sometimes marriages can be difficult, but a real and strong marriage between capital and labour should be everlasting, and should strengthen the global, UK and Scottish economies. I am happy to support the motion.

17:25

James Kelly (Rutherglen) (Lab): It gives me great pleasure as one of the co-conveners of the cross-party group on co-operatives to speak in the debate. I congratulate Helen Eadie on bringing the debate to the chamber, and on her speech, which emphasised her strong commitment to and passion for co-operatives throughout the years in which she has been a parliamentarian and a political activist. I welcome the guests who are in the gallery tonight for the debate, and who will

attend the reception that will take place shortly afterwards in the Parliament.

The debate gives us an excellent opportunity not only to celebrate the international year of co-operatives, but to look at some of the fine examples of co-operatives in Scotland. We should also look at some of the international examples, and consider how we can implement that good practice in Scotland.

As Chic Brodie mentioned, there is a rich vein of history with regard to co-operatives in Scotland. We have held a debate before in celebration of the work of the Fenwick Weavers Society. As Helen Eadie pointed out, and as the motion mentions, the co-operative movement has developed extensively in the retail and energy sectors, in credit unions, and in football and other areas.

In my constituency, I do not have to look very far from my home in Cambuslang to see a shining example of a successful co-op. The West Whitlawburn Housing Co-operative Ltd became a co-operative in the 1980s, and the turnaround has been remarkable, not only in the quality of the housing but in the way the community has come together to combat crime and antisocial behaviour. People have much more pride in the area as citizens, and it is a great example of the real benefits that co-operatives can bring to an area.

It is important that we look at international examples to see how we can learn from them. One area in which we can see such examples is football, which people in Scotland obviously feel very strongly about. It is interesting to look at the German example. The rules in Germany are such that they offer a greater opportunity for community involvement and influence, which can be seen in the fan-friendly policies that are implemented there. I do not need to point out that Germany has a much greater success rate in club and international football than not only Scotland but England, and we can learn something from that.

In taking forward such ideas from Germany, we should look at the work of Supporters Direct in Scotland, which is an excellent organisation that has been at the forefront of developing 34 trusts and seven community-owned clubs. I know that its work is well supported by members throughout the chamber. I point out that we are coming up to the funding rounds, and good consideration should be given to the budget benefits of supporting Supporters Direct for what it can bring to football and sport throughout the country.

The debate is an excellent opportunity to celebrate the history of co-operatives in Scotland, to show how they can be beacons and platforms of success, and to discuss how we can develop the co-operative movement not only in Scotland

but internationally, so that we can build those solid co-operative ideals at home and abroad.

17:29

Jamie McGrigor (Highlands and Islands) (Con): I congratulate Helen Eadie on bringing this important debate to the chamber, and I am pleased to make a short contribution. I am delighted to say that, despite the huge amounts of money that were poured into Labour's coffers by the original co-operative movement that Helen Eadie mentioned, the Scottish Conservatives are now very positive about the role of co-operatives in Scotland. I agree with Helen Eadie that co-operatives, along with other models such as charities, trusts and mutual business and private sector organisations, can help to reduce poverty and boost economic growth and employment. Co-operatives, combined turnover of £3.4 billion is clearly a hugely important part of Scotland's economy.

I am pleased that the Prime Minister, David Cameron, has committed the Westminster Government to introducing new legislation governing co-operatives before the next general election. That bill will consolidate more than a dozen pieces of legislation into a single statute. I note that Ed Mayo, the general secretary of Co-operatives UK, welcomed the news, saying that he was delighted that the UK Government is

"taking action to put co-operative businesses on an equal footing and create a diverse economy."

David Cameron, who established the Conservative co-operative movement in 2007, has described co-operatives as

"a vital branch of popular capitalism"

and said that he wants them to expand.

Helen Eadie's motion refers to co-operatives in the agriculture sector. I have some experience of those, as I was involved in two farmers co-operatives in Argyll that shared and co-ordinated machinery use and the ordering of feeding stuffs and animal medicines in the 1980s and 1990s. In fact, I was chairman of them for a while. One was called SLAG—south Lochaweside group—and the other was called SLAM—south Lochaweside machinery ring. In their initial years, those co-operatives cut local farmers' expenditure on food and medicines by around 30 per cent by getting discounts for quantity. That was very acceptable to the farming community, but not so acceptable to the merchants, who naturally preferred to deal with individual customers. That can be a problem if a co-op is set up somewhere where, previously, trade was between individuals and merchants only. However, the merchants who get the deals do very well out of them.

Scotland's first machinery ring was established in 1987. Now, the Scottish Machinery Ring Association has member rings throughout Scotland serving more than 7,000 farmers and other rural businesses. I commend the work of the Scottish Agricultural Organisation Society Ltd, whose members are experts on co-operative and collaborative strategies, structures and management in the farming, forestry and aquaculture sectors. I particularly commend its work in promoting local food, which has the potential to be a growth area.

In my region, food from Argyll—an initiative that was started by Fergus Younger, who was linked to the old Argyll and the Islands Enterprise—has gone from strength to strength. It provides marquees and events where everything from oysters and local shellfish to MacKay's lamb stovies, beef and even Bumble's delicious exotic puddings, which are made in Lochgilphead, are advertised and eaten. That initiative is a great shop window, which brings much added value to many farmers who, before, had to rely on the low livestock prices at store auction markets. For those who make the effort to get the added value, the rewards are significant. However, many are now complaining about the high prices that event organisers who have cottoned on to that are charging for stalls and marquees. If I might say so, those organisers are becoming greedy and should give Scottish food producers—who, after all, provide a service—a fair deal.

There are some first-class examples of co-operatives in Scotland, and we have heard about many of them this evening.

The Deputy Presiding Officer: Due to the number of members who still wish to speak in the debate, I am minded to accept a motion under rule 8.14.3 of standing orders that the debate be extended by up to 30 minutes.

Motion moved,

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[*Helen Eadie.*]

Motion agreed to.

17:34

Maureen Watt (Aberdeen South and North Kincardine) (SNP): I, too, thank Helen Eadie for securing this debate on an important matter. I also extend my sympathy to her on her recent family bereavement. I had not made the connection.

It is all too easy for people to overlook the hugely significant role that co-operatives play in our society, so I warmly welcome the opportunity to highlight their work through the debate.

The Scottish economy has benefited from the £4 billion turnover of co-ops in 2010-11. With

28,600 employees in Scotland, they have also generated employment. They have helped Scotland to grow economically and have increased and improved community engagement throughout the country. Much of that success is owed to Co-operative Development Scotland. Last year, CDS exceeded its targets by supporting the creation of 30 new co-ops and increasing awareness of co-operatives in Scotland. As new co-ops are being created, there is a greater opportunity for Scots to become involved in one. Thanks to CDS, Scottish co-ops and their members have the support that they need to succeed.

As the UN has declared this the international year of co-operatives, it is appropriate that, like other members, I speak about the progress that they have made around the world. Co-ops have helped UN members and other states to come closer to achieving the development goals that they have set. In North America, co-operatives have been set up to provide day care for children, while in Japan they are used to care for the elderly. In parts of Europe, they have helped to find employment for their members during difficult times. Claudia Beamish mentioned Malawi. When Liam McArthur and I were there last year, we thought that there was a huge gap in the Malawi economy that could be filled by co-ops, especially in relation to the wastage of food. The latest edition of the Association of British Credit Unions Limited's publication *Credit Union News* reports that,

"To coincide with the UN event,"

the Co-operative Bank, which has been very active in micro-finance, has

"announced the launch of a new type of international investment scheme that will provide much needed finance to third world co-operatives for capital and infrastructure projects."

We are beginning to see a start in that area.

Co-operatives provide a fairer way of doing business through the application of democratic principles. Co-ops exist to meet the needs of their members and have helped to reduce poverty around the world. They show the importance of working together to achieve a common good by giving power to the people who might otherwise be powerless. They give their members a say in their own affairs and promote confidence in the partners as well as in the co-operatives. However, co-operatives are not just good for their members; they also have outstanding business performance across every sector. They are efficient and sustainable, and they have better customer services overall.

Co-ops are especially useful in tough economic times because they do not face the same dangers

that many businesses face and they are less risky, as they tend to rely on financial support from their members instead of taking loans from banks. While other businesses rely on bailouts, co-operatives are capable of sustaining their trade and have shown that there is a safe alternative to risky business. That is extremely important, especially in the current economic climate. Businesses need to be safer and more accountable to their customers, and co-operatives encompass those values while spreading the risk and wealth more evenly throughout the co-op. As a result, when one member of a co-op benefits, all members benefit. That makes for a more even distribution of wealth, motivated employees and superior customer service.

The Deputy Presiding Officer: I would be grateful if you would come to a close, please.

Maureen Watt: I am disappointed that Lloyds is now charging co-operatives for its services, but I congratulate the food co-operative in my constituency, Community Food Initiatives North East—CFINE—and the North East Scotland Credit Union.

17:38

Jim Hume (South Scotland) (LD): I congratulate Helen Eadie on bringing the subject to the Parliament, not just because I am one of the co-conveners of the cross-party group on co-operatives—it is good to see all the others here this evening, including the Presiding Officer—but because I have long thought that more can be done to build on the work of good organisations such as Co-operative Development Scotland in furthering the cause of working together for the common good rather than disparately. Co-operatives also give workers the chance to share in the success of their business. What a great incentive and what better way to address fairness in the workplace?

The motion mentions that 473 groups of businesses in Scotland have a turnover of £3.4 billion—nearly a staggering £7.2 million for each group of businesses. Imagine the buying power of a company with a turnover of more than £7 million compared with the buying power of each of the many small businesses within the group, which may have a turnover of only £20,000 or £30,000. It is all about economies of scale and, of course, working for mutual benefit.

Traditionally, people who were in business saw neighbouring businesses as competition. I do not believe that that is the case. We live in a global marketplace in which barriers to trade are disappearing. For example, purchasers of holidays who do not want to build all the blocks of a good holiday themselves—such as where to eat, where

to rent a car, what to see and where to stay—now benefit from going online and clicking one button to get the whole experience. VisitScotland has done good work with its online system for members. That involves microbusinesses working under one umbrella.

The motion mentions agriculture, and I declare an interest in that. The agriculture industry has a plethora of microbusinesses that are often at the mercy of big companies that dictate the price of supplies. In recent years, advances have been made, often supported by organisations such as the Scottish Agricultural Organisation Society, which Jamie McGrigor mentioned. Those have advanced the buying power of businesses or expanded the opportunities to reach out to markets, which is difficult for a one or two-person business to do.

There are many good examples of that but, to be parochial, in the South Scotland region, there is the Borders Machinery Ring, which enables its members to improve their buying power through the economies of scale of co-operative buying. That is along the same lines as the approach of the Fenwick Weavers Society just over 250 years ago. I was glad to have been at the celebration of that anniversary last year and to sign the new Fenwick charter, which I think was thanks to Willie Coffey.

We also have the Scottish Borders Food Network, which markets food from producers and outlets across the Scottish Borders to make it easier for the buyer to buy the whole package. Hotels are co-operating with farmers and farmers markets to deliver quality produce in a single marketplace. One of the network's great successes is the Borders banquet, which provides two weeks of culinary delights throughout the Borders, giving people a chance to taste food such as Peelham's salami, which is one of the few salamis that have been exported successfully to Italy—talk about selling sand to the Arabs—Giles Henry's free-range eggs; Standhill and Stichill cheeses; and, of course, Traquair ales. Those are all microbusinesses that benefit from co-operation in the true meaning of the co-operative movement.

The UN General Assembly has announced that 2012 is the year of co-operatives. I am proud that Scotland has always led the movement. We have come a long way from the Fenwick weavers and New Lanark to where we are today, but we still have a long way to go. In that, our focus should be on banking. In the past, many mutual building societies have gone private, and we now have loan companies that offer pay day loans for a staggering annual percentage rate of 4,214 per cent. I believe that, as Helen Eadie said, credit unions need to play a larger part in our society in future. Therefore, let us celebrate 2012 as the

year of co-operatives and use it as a starting point to promote more co-operation in our society.

17:43

Sarah Boyack (Lothian) (Lab): I, too, congratulate Helen Eadie on securing the debate and on the excellent start that she gave to our discussions. Like her, I declare an interest as a member of the Co-operative Party. I put on record the fantastic work that co-ops do in Scotland and throughout the United Kingdom. In an economic recession, co-operative businesses are a particularly important way in which to secure local economic development and to secure profits for people to share out locally, whether that is in the local community or among the workers who run the company. They share the wealth that is created and sustain wealth locally. Helen Eadie was right to point out that co-operatives perform well and are a positive way in which to retain investment.

Maureen Watt was right to point to the work of the Co-operative Bank in promoting ethical banking, supporting local co-operatives and supporting renewables throughout the UK. That is worth celebrating. Sarah Deas of Co-operative Development Scotland has rightly said that

“Co-operative business models used to be considered niche”

but they are

“now entering the mainstream and being taken seriously at a national level.”

As Helen Eadie pointed out, that also applies at the international level, which is fantastic.

In Lothian, Scotmid has been trading for many years. It has done fantastic work in supporting Fairtrade in Scotland, and was one of the first key retailers to take Fairtrade from its niche and put it into the main stream.

Like other colleagues in the chamber, I have visited a sugar co-op in Malawi. The benefits of that co-operative were being spread into some of the most disadvantaged communities. It was especially important for women workers and their children; they got real benefits from profits that could be reinvested both in the business and in the local community.

Closer to home is the Edinburgh Bicycle Cooperative, which has been fantastic. It has made cycling in Edinburgh trendy. It provides fantastic bikes at a decent price, and it provides fantastic clothing. As a result, other bike companies have set up across the city. A new market has been created. The work of members of co-operatives can lead to expansion.

Edinburgh Community Food also has an ethical flavour. It aims to tackle inequalities in low-income communities by supplying food co-ops across the city. It aims to relieve poverty and to promote health equality by providing affordable healthy food to communities that could not otherwise afford it. It does a fantastic job.

Two other types of co-operatives are established locally. One is the Edinburgh Community Energy Co-operative. It was set up at the end of 2007, and it has taken a long time to arrive at something tangible. The co-operative has done a lot of work in studying opportunities in Edinburgh for co-operative renewables, and a project is now up and running in Leith thanks to the climate challenge fund. Progress is being made. The co-operative has been instrumental in drawing individuals and communities together across Edinburgh, allowing us to focus on what practical measures we can take to tackle climate change in a way that creates green jobs. Colleagues in the City of Edinburgh Council are proposing that we take the idea and run with it. If the co-operative model is a success, thousands of people will benefit.

Another real contribution has been made by housing co-operatives. West Granton Housing Co-operative and Lister Housing Co-operative have provided a fantastic model of decent housing. I had always assumed that the co-operatives were quite old, but when I looked them up in preparation for today's debate, I found that Lister Housing Co-operative was set up in 1976, and West Granton Housing Co-operative in 1990. However, they have both enabled tenants to play a full part in the management of their properties. They have made an important contribution towards the sustainable management of housing in Scotland. It is an example that I would like to see a lot more of.

17:47

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): As the last of the quartet of co-conveners of the cross-party group on co-operatives, I thank you, Presiding Officer, and I thank Helen Eadie for bringing co-operatives to the attention of the Parliament, once again, through this members' business debate.

As I said in one of my previous members' business debates on co-ops, their time has well and truly come. This year is as good a time as any to highlight not only their record of achievement but the very real opportunities for their future in establishing new businesses and social enterprises.

I am sure that everyone is aware by now that the principles of co-operation were perhaps first established in 1761 in Fenwick in my constituency

when a group of local weavers signed a charter outlining their commitments. The weavers resolved that they would be

“honest and faithful to one another ... and to make good and sufficient work and exact neither higher nor lower prices than are accustomed”.

The first society members demonstrated one of the key strengths of our current co-operative model—a clear focus on the needs of members and the local community. It opened a shop and made bulk purchases of essential goods, which were resold to members and their families. It also loaned money to members at preferential rates.

I said perhaps first established because our local experts, the twa Johns, Smith and McFadzean—one of whom I can see in the public gallery—have been at pains to point out that, although the Fenwick weavers have clear documentary evidence placing them ahead of all others, including Rochdale, by some 80 years, some other evidence may emerge from elsewhere to thwart Fenwick’s claim. I hope not.

As Ms Eadie says in the motion, there are nearly 500 co-ops in Scotland turning over a staggering sum of £3 billion-plus. That is nearly 4 per cent of our GDP and is a considerable contribution to the Scottish economy.

It has been estimated that there are more than 130,000 co-ops across Europe, with more than 80 million members supporting 2 million jobs. That is quite staggering when we think back to their humble beginnings. The Fenwick weavers have a lot to answer for.

Some time ago, I had the pleasure of meeting the Mondragon Corporation in the Basque country, which is one of Europe’s biggest and most successful co-ops. Claudia Beamish mentioned it earlier. There are more than 100 companies in that organisation. In the chat, I was interested to hear that it transfers its worker-owners around the various co-ops if anyone is facing a particular difficulty. I hope that employers and businesses in the wider economy will consider that principle of looking after worker-owners and retaining them to work in other growing sectors of the economy.

Locally, we are, of course, blessed with many and various impressive examples of co-operation. Our very own Kilmarnock Supporters Society operates as a community benefit trust. The Killie trust was established in 2003 with the help of Supporters Direct, which James Kelly mentioned, and it has raised more than £120,000 for a variety of local causes, including setting up community bursaries, supporting young female exercise and dance groups, and supporting work to improve the 3 Rs among youngsters through the medium of football. Perhaps that is an intriguing and welcome initiative.

The recognition by the United Nations of the contribution that the co-ops have made since the early days is as welcome as it is fitting. Depending on who we believe, the global economy is in meltdown, currencies are at risk, and some countries are in danger of going out of business. Debt is no longer sustainable and the world has to change. The time for co-ops has therefore come, as I said at the start of my speech. They are reliable, honest and sustainable, and people trust them and share their founding principles, which put their communities first. Their approach to business and social enterprise is surely a model that will find greater prominence in the changing economy of the 21st century.

I am happy to support Helen Eadie’s motion.

17:52

Patrick Harvie (Glasgow) (Green): Like other members, I am pleased that we have the opportunity to debate the motion and I thank Helen Eadie for lodging it.

I find it hard to see how anybody could fail to recognise the many benefits of the co-operative business model, its important historical roots and its profound relevance to the modern age. Willie Coffey alluded to that at the end of his speech.

There are people who see that there are differences between forms of economic activity and that not all economic activities are the same and should be measured in the same way. Some forms of economic activity are driven by competition alone and the desire of a small handful of people to ensure that they serve their own interests come what may and irrespective of the impact on other people in the world around them. Then there is the co-operative model, which is very different from the competitive model. It is not the same thing, and it is not a subset of the same economic system. The co-operative model is about mutual aid and democratic accountability, local community links and—often—consumer empowerment. It provides something that is fundamentally different from the conventional business model.

My only regret is that the co-operative model is sometimes seen as being an alternative business model under an unspoken heading alongside other models such as mutualism and social enterprise. In reality, we should seek to make the characteristics that co-operatives demonstrate the default. We should aim to achieve an economy that shares those characteristics rather than simply think that a small number of co-ops can do their good work and we can congratulate ourselves on supporting them without transforming the rest of the economy. Members have talked about a range of sectors in Scotland in which co-

operatives have demonstrated those characteristics well, such as the housing and food sectors. In particular, Jim Hume talked about cheese and beer, which are two of my favourite things in life. I could speak about them all night, but I will focus on energy and banking.

Sarah Boyack made points about energy that I would have made. The co-operative business model can have a profound role in energy in Scotland, both in respect of bulk buying it and providing it to individuals as the retailer. Local councils, the public sector and other business models could be doing that, but co-operatives could also play a really profound role, as well as generating energy from renewables and ensuring that the benefits of that generation come to and impact on the widest possible number of people, rather than seeing renewables as being under the control of a tiny number of massive multinational corporations.

I also want to talk about banking. It is no coincidence that, when we look around our neighbouring countries in Europe at those whose banking and financial services industries survived better than the UK's did, we see much greater diversity. They have small banks and public banks, as well as co-operatives. Co-operatives have a role in this country, but it could be so much better. If they had a stronger role in the financial services sector in this country, we would not be debating whether to put a workers' representative on a remuneration committee, or the obscene pay ratios in some parts of the financial services sector, because that simply is not part of the co-operative ethos. That ethos should be celebrated where it exists and we should be learning from it to transform our entire economy.

17:56

The Minister for Local Government and Planning (Derek Mackay): I congratulate Helen Eadie on securing the debate and presenting it in such a constructive and informative way. Indeed, all members have contributed in a helpful way and covered the country in co-operatives and what they have given us in the way of produce, models and ethics.

Liam McArthur: I thank the minister for allowing me to squeeze into an oversubscribed debate, but I want to extend our geographic reach a little bit further. Patrick Harvie touched on the Heineken effect of co-operatives and there are two examples in my constituency on the small islands of Papay, which has a population of around 70, and Eday, which has a population of about 150. The only sustainable model for a local shop on Papay extended to a hostel and petrol and diesel retail, and on Eday, it extended to a small wind turbine development. The only way in which the people on

those islands could sustain those businesses was by using the co-operative model and both businesses have been thriving for the past three decades or so.

Derek Mackay: That is a fair point about how diversification ensures the sustainability of such projects. Of course, we are talking not just about businesses in our own country but about compassion around the world, as is shown by the fair trade movement. That is where I have an interest, not just as minister but as former chair of the Renfrewshire fair trade steering group, which ensured that the county achieved fair trade status and increased the amount of work being done on that. The Government endorses the work of co-operatives for their collaboration and their ethical approach.

There should be no embarrassment in name-checking all the products and projects from across Scotland that we have talked about, because they make an important contribution. We know that co-operatives go the extra mile to support their customers and communities with compassionate policies. Many people could take a leaf out of their book on ethical policies, investment and procurement.

Co-operatives are not just about worthwhile projects. There are many in the high-tech sector, such as Clansman Dynamics, delivering top-level and innovative design, and there are others, such as the Heart of Argyll Tourism Alliance, operating successfully in the private sector. The Scottish Government pays tribute to all who are involved in the co-operative movement.

Jim Hume talked about being at the celebration in my colleague Willie Coffey's community of Fenwick; for a moment, I thought that he was going to suggest that Willie Coffey was at the inception of co-operatives 250 years ago, when 16 weavers gave birth to the charter and the co-operative movement. I would continue, as Willie Coffey has done, to assert the truth that Fenwick was the birthplace of the co-operative movement around the world, to which Scotland has contributed so much. We also have to learn from that success.

As capitalism is under some pressure—and even David Cameron has discovered the true benefits of co-operatives in his Government statements—we can also learn from progress around the world. Who would have thought that a co-operative might be the business model of choice going forward to 2020?

It is important for co-operatives to focus on growth areas, which they are doing. A healthy economy is encouraged by healthy business ethics, such as those from co-operatives and the collaboration that they enjoy.

Scotland has 485 co-operative businesses, which employ 28,500 people and have an incredible turnover of £4 billion. That is very positive. Co-operatives will continue to grow as we continue to support the co-operative movement.

I pay tribute to Co-operative Development Scotland, which has supported a number of businesses. I understand that it has supported 28 new employee-owned co-operative businesses in taking forward their cases to achieve sustainability. They include Design Collective Scotland and others such as Accord Energy Solutions, Galloway & MacLeod and Hebridean Jewellery, which have transferred to employee ownership to drive future growth and sustain their business in their community. For the avoidance of doubt, I say that Co-operative Development Scotland as a subsidiary of Scottish Enterprise will continue to carry out its function and the Scottish Government will continue to support it to do so.

Co-operatives have made and will continue to make a big contribution to Scotland. As a relatively new minister, I am delighted to have participated in the debate. Helen Eadie said that ministers have “magic dust”. In my initiation to ministerial office—it has taken a few weeks to get an office, but I have one now—I have not yet found the magic dust. If any civil servant wants to point it out to me, I will be happy to spread some on all matters co-operative.

We come to the penultimate moment of this occasion, which does not end with my closing remarks. We will proceed to a reception to meet people from co-operative societies and celebrate their contribution to Scotland and the world. We will be joined there by the Cabinet Secretary for Finance, Employment and Sustainable Growth, who has a close interest in the subject.

Meeting closed at 18:02.

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