



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 7 December 2011

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Scottish Parliament

Wednesday 7 December 2011

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

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. Our time for reflection leader today is the Rev David Walton, minister of Greenock East and Port Glasgow United Reformed church.

The Reverend David Walton (Greenock East and Port Glasgow United Reformed Church): In this Advent season, as we prepare in the Christian church for the festival that celebrates the birth of a child, Jesus the Christ, which begins on 25 December, the church turns to the prophet Isaiah in proclaiming God's word.

One of my favourite verses in the Bible is found in chapter 43 of Isaiah, when God tells the people that they are redeemed

"Because you are precious in my sight, and honoured, and I love you".

I believe that that is central to the teaching of Jesus in his ministry: that all are precious in God's sight. Thus Jesus embraced and loved those whom the society of his time said that he should avoid, ignore and even hate. Jesus lived out the message that all are precious in God's sight and all are made in God's image, and that no matter who they are, what they have done or what the world has done to them, God loves and redeems them.

Jesus knew the power of love, acceptance and inclusion—that it transforms lives, brings new hope and self-esteem, and builds true community, caring and support for one another. Our society and culture today is very different from that of Jesus 2,000 years ago, but we still have our poor and our outcasts; there are those whom we love, and those whom it is all too easy to ignore and even despise.

While tackling those big issues is often at the forefront of your work and debates, in a time of financial austerity that affects all—and the poor proportionally more—it is all too easy for the most unloved and unwanted in society to be passed by. After all, it is not only the tabloid press that likes to judge and condemn; we all do that in some way.

Yet God calls us not to judge, nor to divide the world into sheep and goats; that is for him. Instead, he calls us, as Isaiah again says,

"to bring good news to the oppressed, to bind up the broken-hearted, to proclaim liberty to the captives, and release to the prisoners".

Such a transformation can be achieved only when we all see God's image in each other, realise that all are precious, accept God's call to be his hands, his feet, his eyes and his mouth here on earth, and act in practical, loving service to one another.

Amen.

Business Motion

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-01517, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a revision to the business programme for today.

followed by

Motion: The Reimbursement of Members' Expenses Scheme

followed by

Business Motion

5.45 pm

Parliamentary Bureau Motions

Decision Time

followed by

Members' Business

Motion agreed to.

14:03

The Cabinet Secretary for Parliamentary Business and Government Strategy (Bruce Crawford): I will explain to the Parliament why there is a motion at this stage in the day. We have a ministerial statement, which has been requested and scheduled by the Parliamentary Bureau, on the decision on the Stirling visual impact mitigation scheme for the Beaully to Denny power line, and two Scottish Parliamentary Corporate Body motions have been inserted. As a consequence of that extra business, decision time will be at 5.45 pm today.

I move,

That the Parliament agrees the following revision to the programme of business for Wednesday 7 December 2011—

delete

followed by Ministerial Statement: Cod Recovery Plan

followed by Scottish Government Debate: The UK Government's Autumn Budget Statement and the Scottish Economy

followed by Legislative Consent Motion: Legal Aid, Sentencing and Punishment of Offenders Bill – UK Legislation

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

and insert

followed by Ministerial Statement: Beaully Denny Decision on Stirling Visualisation Impact Mitigation Scheme

followed by Ministerial Statement: Cod Recovery Plan and Fishing Opportunities for 2012

followed by Scottish Government Debate: The UK Government's Autumn Budget Statement and the Scottish Economy

followed by Legislative Consent Motion: Legal Aid, Sentencing and Punishment of Offenders Bill – UK Legislation

followed by Scottish Parliamentary Corporate Body Motions: Nomination of Pension Fund Trustees for the Scottish Parliamentary Contributory Pension Fund

followed by Scottish Parliamentary Corporate Body

Beauly to Denny Power Line

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Fergus Ewing on the decision on the Stirling visual impact mitigation scheme for the Beauly to Denny power line. The minister will take questions at the end of his statement and there should therefore be no interventions or interruptions.

14:05

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I wish to inform Parliament of an important decision that I have made in connection with the upgrade of the Beauly to Denny overhead transmission line at Stirling.

The Beauly to Denny upgrade is Scotland's key to connecting renewables and to the new jobs that that will bring. The upgrade is essential to our reaching our renewables targets and to ensuring energy security. Consent for the line therefore had widespread support across the Parliament. My predecessor, Jim Mather, announced consent for the Beauly to Denny line in Parliament on 6 January 2010. The consent attached a number of conditions to protect the public, the environment and our cultural heritage, and to take into account the views of communities along the length of the line. Those conditions are being met, existing pylons are coming down and work is progressing apace.

When consent was granted, the importance of mitigating the impacts of the line at Stirling was recognised and a condition was imposed accordingly. In short, condition 19 requires that proposals for mitigating the visual and landscape impacts of the line near Stirling must be approved by Scottish ministers before the towers and transmission line can be erected. Following a lengthy process of engagement and consultation, SP Transmission Ltd—Scottish Power's transmission company—submitted proposals for the Stirling visual impact mitigation scheme on 26 August 2011. I inform Parliament that I am approving those proposals for the 400kV line, but I am doing so with some important additional proposals to mitigate the impact.

In coming to my decision, I have taken into account all the relevant material considerations and have had regard to the views that Stirling Council presented in representing the communities involved. I have also considered the views of my consultant, Ironside Farrar, Scottish Natural Heritage, and Scottish Government officials as well as the findings of the reporter to the public inquiry in 2009. I have toured the length of the consented line that is covered by condition 19 with my consultant and officials, and I have

carefully considered the proposals in the scheme. The proposals that SP Transmission has made employ mitigation methods including landscape reinforcement, the undergrounding of existing low-voltage overhead lines and other compensatory measures in seven locations. The proposals offer an important level of mitigation regarding the visual impact of the line on the landscape.

Let us be clear: the Beauly to Denny overhead line upgrade is the most important grid infrastructure upgrade in several generations and there is a pressing need to get on with this development. The transmission network was built in the 1950s and 1960s, and it was designed to transport electricity generated by large plants that were located close to their sources of fuel—the coalfields in England and the central belt of Scotland. The renewables ambitions of modern Scotland have very different requirements. Energy that is generated at the periphery must now be transported to the centres of population. The clean, green energy revolution is transforming Scotland, building on our distinct competitive advantage in renewable energy, and delivering thousands of jobs and hundreds of millions of pounds of investment.

Condition 19 required the Scottish ministers to consult Stirling Council before they approved proposals, and that requirement has been met. I undertook a formal consultation with the council, beginning on 30 August, which I extended from 30 to 45 days. My officials met Stirling Council's Beauly to Denny power line steering group on several occasions and I recently did so myself to hear its views at first hand. In making my decision, I was mindful of the view of many in Stirling that the new line should be undergrounded.

The idea of undergrounding the Beauly to Denny upgrade in the Stirling area was comprehensively examined during the public inquiry and, subsequently, in reports that were produced for Stirling Council, SP Transmission and our consultant, Ironside Farrar. I have considered all the recent relevant reports on the undergrounding of high-voltage transmission lines. Objective consideration leads me to conclude that the net reduction in impacts that would be realised from undergrounding the route would be relatively modest in most locations, especially once the potential impacts of sealing end compounds are taken into account.

The evidence that has been presented is that undergrounding the 400kV line would require sealing end compounds where the line was undergrounded and where it resurfaced. Those compounds would have a significant impact in their own right. Such compounds for a 400kV transmission line would be of a size upwards of 30m by 80m, which is almost as big as a football

pitch. They would have to be accommodated in the landscape instead of the pylons.

Estimates for the cost of undergrounding vary depending on the option, from £28.7 million for a section of only 1.6km to £263 million for undergrounding the whole route that is covered by the condition. I do not find it appropriate to seek approval from the Office of the Gas and Electricity Markets for spending up to £263 million of electricity consumers' money, especially at a time of such economic difficulty. Given the issues and the limited environmental benefits that undergrounding would bring, it simply cannot be justified.

Undergrounding is normally considered as a mitigation intervention only to address extraordinary circumstances—when major adverse impacts are predicted, when undergrounding would be effective, and when other mitigation options have been ruled out as ineffective. I have listened carefully to views from all sides, but I agree with the findings of the reporter as well as Ironside Farrar and I have concluded that those exceptional circumstances do not apply to Stirling. The conclusion of the public inquiry and of my consultant was that the consented line at Stirling will, in the main, have minor to moderate adverse impacts.

The prospect of programme delays is important. A timely Beaully to Denny upgrade is critical to the future deployment of renewables and to the wider programme of grid reinforcement that is required for Scotland to realise its enormous renewables potential. Best estimates suggest that undergrounding the main Beaully to Denny line would delay the development by approximately two to three years. It is therefore clear that there would be a financial impact through the restraint on renewables, but the wider implications of such delays for grid improvements and renewables investment would carry even greater economic importance.

Overall, I conclude that the position of the reporter to the public inquiry remains appropriate. It was that, having regard to the cost of the alternatives, the technical problems that are associated with undergrounding and the limited environmental benefits that it would offer, the case for it has not been justified.

If it is not appropriate to underground the main 400kV line, the question remains how best we can further protect and support the communities that are affected. First, I have requested that the existing overhead 132kV line from Fallin to Glenbervie should be undergrounded. That will carry a cost of £12.9 million for removing 7km of steel pylons, which represents a much more efficient use of money than the £28.7 million for a section of only 1.6km or the £263 million for a

section of 15km, and it will not delay the main Beaully to Denny development.

The costs of that option are justified. The reporter to the public inquiry recognised the benefits that it would bring to the wider area, as it will provide landscape and visual benefits by reducing the wirescape. My consultant recognised the proposal's value and surmised that it would produce direct landscape and visual benefits for south and east Plean by offsetting the proposed line's impact as well as providing landscape and visual benefits to the wider area by reducing the wirescape.

I am satisfied that such undergrounding is justified. Undergrounding an existing 132kV line is a different proposition from undergrounding a 400kV line. It will be achieved at much lower cost, will not delay the project, and will not require further sealing end compounds. It will deliver significant benefits at manageable costs.

Secondly, I have asked for wider landscape enhancement to be pursued, which will develop the central Scotland green network initiative in the area. My consultant has recommended a wider landscape enhancement scheme to deliver a range of benefits. The costs of that will not be known until the relevant parties have worked together to develop a scheme. However, I ask members to consider for a moment what even a fraction of the money that some have proposed should be spent on undergrounding could do for civic and landscape amenity in the Stirling area and how it could deliver long-lasting benefits to communities.

Such an enhanced scheme will also help the Scottish Government to make progress against a number of national performance indicators by increasing people's use of Scotland's outdoors through the provision of foot and cycle paths, supporting biodiversity through the creation of woodland habitat, and reducing Scotland's carbon footprint by creating new woodland. Clearly, that will require co-operative working in order to be successful. SP Transmission must now work alongside Stirling Council, Scottish Natural Heritage, the Forestry Commission and other relevant parties to develop a broad suite of proposals for widespread improvements to amenity in the area. Most important, I encourage the communities involved to actively engage with the process to facilitate environmental improvement in their areas. This is an affordable option with the potential to provide substantial, long-lasting landscape, biodiversity and civic amenity benefits.

Particular mention has been made of the increase in wirescape where the consented line meets the existing Longannet to Denny twin overhead power line to the south-east of Plean.

That area was highlighted by the public inquiry and Ironside Farrar as facing among the greatest impacts on amenity. It will benefit significantly from the proposal to underground the 132kV line, but it will remain greatly affected by existing and new power lines. I have therefore asked that particular attention be given to that area.

Furthermore, I take on board the views that have been expressed on the impact on the Ochils area of great landscape value. Although the reporter and my consultant agree that the impact there will not be so significant as to affect the integrity of the AGLV, I have asked that particular attention be paid to improving amenity in that area.

The issue is extremely important, and I have been acutely conscious of the feelings of the communities in the area of the consented overhead line, which have played an active role in the process and made a substantial contribution. My decision represents a way forward that maximises the potential benefits to the people of Stirling from the costs that will be incurred by the public and avoids delay to such a crucial development. My decision letter and submission of the advice from officials is being made available in the Scottish Parliament information centre.

I commend my decision to the Parliament.

The Presiding Officer: I will allow about 30 minutes for questions before we move on to the next item of business.

Rhoda Grant (Highlands and Islands) (Lab): I thank the minister for an advance copy of his statement.

I welcome the statement, but I am disappointed by the time that it has taken to reach the decision. In his statement, the minister confirmed that consent for the Beaulay to Denny line was granted in January 2010. It is now close to two years later and this decision has made no material difference. Why the delay? Many communities and campaigners will be angry that they were given false hope at that time and that they have used their energy and resources to try to change the decision to no avail. From the statement, it is difficult to see what they could have said or done to change the outcome. What was the cost of the delay and who bears that cost? Has the delay impacted on the Scottish Government's target of 100 per cent of electricity being generated from renewable resources by 2020?

Fergus Ewing: We consider that the process has been handled correctly. It was correct to consult the communities in the Stirling area on the issues. Plainly, there are strong feelings in the area and it was right to have regard to them by requiring a process of engagement to be carried out. That involved nine meetings between the relevant parties—SP Transmission, Stirling

Council and Scottish Government officials were represented—and 23 options were considered as part of the process. SP Transmission then made its proposals and a period of consultation followed. Stirling Council asked me to extend the proposed period of 30 days in which consultation was to be permitted. I felt that that was a reasonable request; indeed, members from other parties urged me to accede to it.

On the timescale, I point out that, because we looked so closely at the issue, we came up with significant mitigation that would not otherwise have emerged. The undergrounding of the Fallin to Glenbervie line would not have occurred if the course that Rhoda Grant urged on me had been pursued, and the mitigation in the green network proposal would not have been developed. Those two further examples of mitigation arose from the process that we carried out.

It is essential that we proceed and avoid any delay. That is why I have issued the consent and taken the decision that I have taken.

Murdo Fraser (Mid Scotland and Fife) (Con): I thank the minister for the advance copy of his statement and welcome Derek Mackay to his new place on the front bench.

The minister's announcement of the approval of the Scottish Power visual impact mitigation scheme is a slap in the face for the people of Stirling. The additional mitigation schemes that have been proposed amount to very little, given the huge visual impact of the new pylons close to the Ochils and the Wallace monument. The Scottish Power proposals faced widespread and united public opposition in the Stirling area. I attended a number of public events at which that view was made very clear. Every political group in Stirling Council, including the Scottish National Party group, unanimously took the view that the line should be undergrounded in the Stirling area and that nothing less would do. It is a tragedy that the SNP Government has ridden roughshod over not only public opinion but the views of its own group on the council.

The minister made great play of the costs of undergrounding, but the figures involved are minimal relative to the billions of pounds that we are spending on supporting renewable energy projects. What is the point of public consultation on this development and future ones if, at every turn, the Government will favour the multinational company over local people and put Scottish Power before Scottish people?

Fergus Ewing: I am afraid that I reject the various theses that Murdo Fraser has put forward. Obviously, there are very strong feelings; I was made aware of that when I met representatives of Stirling Council, led by Councillor Campbell and

colleagues. However, they accepted that undergrounding carries a considerably higher price tag. Everybody recognised that fact. The estimate that we have received from our independent professional landscape consultant, Ironside Farrar, is that a multiplier of between five and 15 applies. That means that the cost of undergrounding the extra-high voltage line would have been up to £263 million more. Consumers would have been required to pay that money in their electricity bills. I am surprised that the Conservatives take the view that we should add to electricity bills in that way at this time and I am astonished that any member should describe a figure of the order of £263 million as “minimal”. That is certainly not minimal. We will take responsible decisions with regard to both the deployment of taxpayers’ money and the impact on consumers’ electricity bills, which, as we all know, are fairly high.

On Mr Fraser’s other comments, for the reasons that I gave in response to Rhoda Grant’s question, it is clear that the consultation has resulted in substantial additional mitigation measures. I referred to the undergrounding of the Fallin to Glenbervie line and the creation of a green network, which will, I believe, with co-operation and a positive attitude by all participants, leave a lasting legacy that will improve the environment in the affected area. I am proud to be associated with that.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): I note that a fraction of the undergrounding costs will help the Stirling area to get civic and landscape amenity improvements. On the wider mitigation of climate gas emissions, will the minister confirm that people in my constituency hope that the people of Stirling will be able to join in that vital national project, as the mitigation of climate gas emissions requires the development of renewable energy, which is not produced in the central belt but is sent there via this route?

Fergus Ewing: Yes, I agree with Rob Gibson’s point. The fundamental analysis shows that the requirements placed on the grid by society have changed. The grid used to convey electricity from the centre to the periphery, but that is changing and it will now need to convey electricity from the periphery, where Scotland’s great renewables potential is located, to the centre. That will require major investment which, in the case of Scottish Hydro Electric Transmission Ltd—which is part of Scottish and Southern Energy and is the transmission system operator in the north of Scotland—is of the order of £4 billion. For SP Transmission, it will be of the order of £2.5 billion. If, as the Conservatives have urged, we did not take this decision today but delayed by a further two years, those investments would not take

place, the achievement of our renewables targets would be impossible and the thousands of jobs that will be created as a result, in part, of this decision would not exist to be taken up.

Lewis Macdonald (North East Scotland) (Lab): Does the minister recall that his predecessor admitted that he had spoiled Christmas for quite a few officials in 2009 in order to meet a commitment to make a decision on the Beauly to Denny line before the end of that year? Given that Mr Mather rejected recommendations to withhold consent for two sections of the line but required the undergrounding of some 16km of existing line, does Mr Ewing believe that he can justify two years’ further delay in reaching this decision by his very modest requirement for the undergrounding of a further 7km of existing cable?

Fergus Ewing: I have no wish to spoil anyone’s Christmas; I enjoyed my daughter’s Christmas public singing debut recently. Nonetheless, I hope that I am not casting myself in the role of either Santa or Scrooge today. We have come up with a significant and sensible package that cannot be described as modest. I certainly do not think that it will be described as such by the communities in Mr Crawford’s constituency, who will see the Fallin to Glenbervie line undergrounded, or by those who live in the Stirling area, who will be able to take advantage of the increased opportunities to take part in outdoor educational and physical activity. We will see a significant improvement in the green network around Stirling, and all parties will work towards that. It is unfair of Mr Macdonald to characterise the scheme as modest; I think that it will provide a significant and substantial legacy, and one that I hope, in time, he and his colleagues will come to welcome.

Annabelle Ewing (Mid Scotland and Fife) (SNP): I am well aware of the concerns that have been raised over the many long years of the debate on the Beauly to Denny line by certain communities along its route. I am therefore pleased to hear that the Scottish Government will request that the existing low-voltage line from Fallin to Glenbervie be undergrounded. Will the minister provide a bit more information on the mitigation that is provided by the green network initiative? In particular, will he confirm that he is prepared to take charge of monitoring the roll-out of the initiatives and to provide periodic reports to the chamber on the actions that have been taken?

Fergus Ewing: Yes, I am happy to assure the member that I will take an extremely close interest in this matter and will pursue it in a positive fashion with all the relevant parties, including the Forestry Commission, Scottish Natural Heritage and, of course, Stirling Council, as well as with the local communities and local politicians. I will be monitoring the progress of this important matter.

We cannot put a cost on developing the green network initiative at this time, but we want it to be ambitious, so it will involve a fairly substantial expenditure and commitment.

Liam McArthur (Orkney Islands) (LD): I thank the minister for early sight of his statement, and I congratulate Derek Mackay on his meteoric rise to Government office.

I acknowledge the unambiguous clarity that the minister has given this afternoon that the Government supports the upgrading of a connection that I think we all agree is critical in allowing Scotland to achieve our renewables objectives. However, does he regret that Mr Mather's yes dressed up with a series of undeliverable noes in January last year unfairly raised false expectations in affected communities that significant undergrounding around the Stirling area was ever likely? Will he acknowledge that there will now be a strong suspicion, notably in the Stirling area, that the delay in coming forward with this clear statement had more to do with the timing of last May's election than any uncertainty over the costs or viability of significant undergrounding?

Fergus Ewing: I do not want to trespass into political terrain—I want to look forward and not back—but I think that it is always correct that we consult communities. We consulted seriously, positively and at length. As I have outlined, we did so in a structured way, holding nine meetings and considering 23 options. The process has resulted in substantial additional mitigation measures that would not otherwise have arisen. They arose because of the consultation process—because we decided that we would consult people.

I appreciate that, as we all know, there are strong feelings, but I believe that the decision that we have taken is without a shadow of doubt the right one for Scotland. I am pleased that Mr McArthur shares that view.

John Finnie (Highlands and Islands) (SNP): Will the minister comment on the efforts made in respect of mitigation schemes, particularly those involving the removal of pylons from the Cairngorms?

Fergus Ewing: I was happy to preside over the first pylon-dismantling ceremony, which took place in Boat of Garten, just south of my home, in my constituency. John Finnie rightly points to the fact that one of the less appreciated consequences of the erection of the Beaulieu to Denny line is that there will be substantially fewer pylons and that a large number of pylons on existing lines will be removed, including from the line that runs from Boat of Garten to Tarland in Aberdeenshire. There will therefore be a benefit in that respect. That is balanced by the fact that the 400kV pylons are larger—that is true, as has been pointed out—but

there will be significant environmental benefits in the Highlands.

Of course, communities along the whole length of the Beaulieu to Denny line have been affected by the decision. We are debating Stirling today, but many communities along the length of the line have engaged with the companies and the Government, have secured rationalisation and mitigation schemes and have welcomed the process. I am pleased that John Finnie has raised the issue this afternoon.

The Presiding Officer: I remind all members that they should question the minister on the issues raised in the statement and not wider issues.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): To continue the Christmas theme, the statement reminds me of pass the parcel. We begin with a large parcel, but when the music stops, we find that there is a very small item inside—the mitigation. The people of Stirling will not be fooled by the minister's rhetoric today.

Will the minister publish the full calculations for his stated cost for undergrounding of £263 million? My calculation is that undergrounding would cost less than £85 million, which seems a small price to pay to avoid the visual impact of the massive towers that will now be placed across the carse of Stirling. Has the minister also asked SP Transmission to look at the new designs of towers? They are slightly less unappealing than the ones that are proposed to be put up. Finally, will he publish full information on the enhanced landscape measures that he now proposes—the very small piece of chocolate that is at the centre of this bad-tasting parcel?

Fergus Ewing: I will leave the Christmas metaphor before it becomes hackneyed, but the question on new pylon designs is perfectly fair and one that many members of the public have raised, because some of the candidate designs have been publicised in the past few months. I point out that, striking as the new designs may be, consideration of the engineering impact of any new pylon design is a time-consuming process that must be undertaken before there can be any question of it being used. The structural integrity of pylons is key for them to fulfil their purpose, so consideration of changing from the existing traditional pylon design to new pylons would incur significant delays. It may be that some of the more eye-catching designs would inevitably be even more visually obtrusive, by virtue of being eye catching, than the existing design, to which we have perhaps all become accustomed. I hope that that answers the question about new pylon designs.

The other part of Dr Simpson's question related to costs. Let me be clear: Mr Mather pursued the course of publishing all relevant documents; he put them on the website. I will follow that precedent. The information will be put on the website, along with the Ironside Farrar report, which I commissioned because I wanted the benefit of independent advice. Julian Farrar, who is watching the proceedings today, provided us with an excellent report. In that report, he was asked to do two things: consider the SP Transmission package of measures and report on the costs of undergrounding. He considered that the approach that I have taken today is the correct one. He advised us that the costs of undergrounding extra high-voltage cable of 400kV is extremely expensive. Dr Simpson might agree that the only argument is whether it is five times or 15 times more expensive. It is more expensive, not by a factor of two but by a factor of between five and 15. Obtaining that independent report from an expert in this area has served to allow rational consideration of the evidence in the debate and it has been extremely helpful to me in reaching the decision that I have announced today.

Stuart McMillan (West Scotland) (SNP): The minister touched on this in his statement, but I would be grateful if he could provide further detail on the national benefits that will be gained through this power line in relation to the potential for further economic growth.

Fergus Ewing: The Beaulieu to Denny line is essential to enable our renewables targets to be achieved and our ambitions for Scotland to be realised. Mr McMillan asks a fairly open-ended question. Members might not be aware that a consortium of three companies recently announced that it intends to proceed with an offshore wind development in the Moray Firth, which would involve investment of £4.5 billion—creating potentially the biggest offshore wind farm in the world.

Members might not be aware of the significant investment that has been taking place in Scotland over the past 18 months, to the tune of more than £750 million, nor of the work that is taking place in the Pentland Firth in relation to the development of tidal and wave energy projects. Scotland is taking a lead on these matters, working with our colleagues in the Department of Energy and Climate Change and the European Union, including making representations there.

The potential of that investment to increase the number of jobs for young people, to assist the new minister for youth employment in her task of providing jobs for young people in Scotland, is immense. The decision today is a *sine qua non* of achieving that success. Were we to proceed down

the line that the Conservatives have advised, we would not achieve that success; it would be denied to us. The announcement today is about one in a sequential line of grid improvements that need to take place for the energy to get to the grid. It is as important as that. I hope that that answers Mr McMillan's question.

Liz Smith (Mid Scotland and Fife) (Con): The minister has acknowledged three times this afternoon the strength of feeling in some of the communities. He will also acknowledge that some of that strength of feeling, particularly among some of the Beaulieu to Denny power line steering group and the petitioners, related to health issues. Will he explain why there was no attempt to allay those concerns in his statement?

Fergus Ewing: There is no evidence to conclude that exposure to low-level electromagnetic fields is harmful to human health. On matters relating to health, we take advice from the Health Protection Agency, whose view accords with that of the World Health Organization that no such evidence exists. I have a lot more detail; I suspect that Liz Smith will be aware of the arguments, which I know have been considered in Parliament at some length. I did not refer to the matter in my statement simply because we have already looked carefully at it and have reached the conclusions that I have described. That is why it did not appear to me that it was a matter that should take up additional time in my statement.

Claire Baker (Mid Scotland and Fife) (Lab): Many of my constituents will be disappointed. The minister stressed the cost of different measures and announced that the existing overhead line from Fallin to Glenbervie will be undergrounded, although he recognised that the area will still be affected by existing and new power lines. Who called for the undergrounding of that section of the line?

The minister said that the enhancements scheme for the Stirling area will require co-operative working to be successful. How will he encourage members of the community to engage actively in the process when they are concerned by not only the environmental impact but, as Liz Smith pointed out, broader issues, including the health impact?

Fergus Ewing: The reporter in the public inquiry pointed to the impacts between Fallin and Glenbervie of the concatenation of the existing Fallin to Glenbervie line and—at a couple of points along its length—the new line, as well as the line that connects Longannet. The reporter considered the issue and found that there was a case for the undergrounding of the existing Fallin to Glenbervie line. The issue arose because it was raised by the reporter in the public inquiry.

Secondly, the issue was raised in the Ironside Farrar report, which concluded that the undergrounding of that section would be justified. Therefore, in taking the decision that I have announced, I acted on the advice that we received from the expert planner and the consultant Julian Farrar, and I believe that my decision will be welcomed. I have received substantial representations from the local constituency MSP, Mr Crawford, who argued the case on behalf of his constituents, as is his right so to do. I think that it is the correct decision and I commend it to the Parliament.

Jean Urquhart (Highlands and Islands) (SNP): I would like to go back to the point that Richard Simpson made about the design of some of the pylons. Given the Scottish Government's commitment to improved design in house building and so on, and given what has been done with former industrial sites, it is clear that there are things that can be done to improve appearances that do not necessarily incur a great deal of expense. Is there any possibility of involving some of the industrial product design departments of universities and colleges in Scotland? Although many people in the Highlands are supportive of wind turbines and see them as being quite beautiful works of art—

The Presiding Officer: Could the member just get to the question?

Jean Urquhart: The pylons are not like that, and I think that many people who are supportive of renewable energy are concerned about the landscape.

Fergus Ewing: The new pylons will replace an existing line of pylons, although they will, of course, be larger. I point out to the member and the chamber that the environmental impact assessment for the Beaulay to Denny line considered the use of the steel lattice L12 towers, which is what has been consented to. A change to the design of the pylons for the line would require that the consent that has been granted be removed and that the application process be completely reopened. The financial costs of delay, for example in constraining wind generation, would be significant—SP Transmission has estimated that they would amount to £1 million per month.

As matters progress, we will certainly monitor closely the progress that is made and any options that may be available in future in respect of new design but, for the reasons that I have outlined, it appears to us that the decision that I have announced today is the decision that will stand.

Fisheries Negotiations

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Richard Lochhead on the cod recovery plan and fishing opportunities for 2012. As the cabinet secretary will take questions at the end of his statement, there should be no interventions or interruptions.

14:45

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Once again, we reach an important point in the annual European fisheries negotiations, in which Scotland rightly plays an important role, given our prominent role in the north Atlantic fisheries and our place at the forefront of fisheries conservation. Indeed, given the common fisheries policy's constraints, Scotland's progress in recent years in developing responsible fisheries management is something that our industry should be justly proud of and our approach is now being reflected in the increasing abundance of many of the stocks in our waters. Our industry, which accounts for three fifths of all United Kingdom landings, is worth £435 million.

This is a busy fortnight for negotiations. This week, we have negotiations with coastal states and Ireland over the future of many stocks—including the massive mackerel stock that, as we know, has been the subject of dispute between many countries and the Faroe Islands and Iceland—and last Friday, the European Union and Norway fisheries discussions concluded with positive outcomes for Scotland. North Sea herring quota has doubled and haddock, whiting and plaice are up by 15 per cent. Even North Sea cod has just about held steady, with a very marginal cut of only 1 per cent, and we have secured the continuation into next year of our pioneering catch quota trials for tackling cod discards, winning an extra 12 per cent on top of the agreed cod quota.

We now move towards next week's December fisheries council, at which we will finalise negotiations on the stocks that we share with other EU countries. Here, too, scientists are advising a clear improvement in the health of the key west coast haddock stock, suggesting that we could safely increase the quota by no less than 410 per cent. We will also ensure that we secure revision of the west coast catch composition rules, which, with such an uplift, would simply become a recipe for discards.

Otherwise, the European Commission is proposing automatic blanket cuts in quota for what it calls "data poor" stocks. However, its approach is fatally flawed on two counts. First, for reasons that continue to baffle us, the Commission has not taken into account available information on those

stocks. Secondly, the arbitrary cuts that it proposes ride roughshod over the principle that the setting of all quotas should be based on scientific evidence and we will be demanding that each stock is decided on a case-by-case basis. We will also argue that we should remain committed to reaching, where possible, maximum sustainable yield for our stocks by 2015, in accordance with the Johannesburg commitment on sustainable fishing, rather than the Commission's proposed target of 2013. Overall, I am cautiously optimistic that we will be able to deliver on our core objectives for this year's final round of negotiations with a range of increased quotas.

Alas, a very dark cloud in the form of the cod recovery plan and limitations on the days at sea allowed to vessels catching cod is hanging over all of our fishermen's hard-won opportunities. We have always stood by two core principles in our approach to cod recovery: first, that our fishermen must have sufficient days at sea to catch their rightful fishing opportunities and, secondly, that we do our utmost with the industry to incentivise conservation and recovery of cod. That approach is beginning to bear fruit. Since 2007, North Sea cod discards by Scottish vessels have fallen by more than half from 62 to 29 per cent, which is an impressive achievement in anyone's book. Indeed, it is the biggest drop in the whole of Europe. Moreover, although still low, North Sea cod stocks have been steadily increasing since 2006.

However, as we witness the current CFP's death throes, it seems that the Commission has saved the worst for last with the prospect that it will seek a massive cut in time at sea for our vessels. For three years, our fleet has endured automatic year-on-year cuts in days at sea and, for 2012, it faces being left with only 45 per cent of the days at sea it enjoyed back in 2006. If the cuts had been applied in full, they would have snatched the time needed to catch the rightful quotas, and our fleet would be much smaller than it is today.

That is why, when the cod recovery plan was drawn up, we insisted that there should be incentives for vessels, allowing them to avoid the cuts if they adopted cod avoidance measures. We delivered a win-win scenario that gave the fleet the lifeline of more days at sea in return for delivering real gains in conservation. Lest anyone think that that was simply a wheeze to buy our vessels extra fishing time, let me make two things clear. First, do not forget that the Scottish fleet went through a massive downsizing over the past decade, when 66 per cent of our white-fish fleet—165 vessels—was decommissioned. Secondly, there is no doubting that, through the approach that we have adopted, Scotland has led the European Union in developing new approaches to fisheries conservation.

For example, our conservation credits scheme has won praise across Europe. WWF Scotland states:

"The Scottish Scheme is a leading example of how all those concerned with conserving fish stocks can work together and come up with solutions to address the problems of over-fishing and wasteful discards."

That innovation will be stopped in its tracks if the Commission gets its way. Officials in Brussels decided, through their interpretation of a legal technicality, that we had reinstated too many days to our vessels, not only this year but also in 2010, when we gave more days at sea to our vessels to expand cod avoidance measures and programmes.

The Commission published a regulation imposing penalties on the UK, which would have reduced by half the time allowed to UK vessels in 2011. It withdrew the regulation a few days ago, because the figures made no sense to anyone, but it has stuck to its legal interpretation. We have made it clear that we do not share the Commission's interpretation, not least because it would take us on a nonsensical downward spiral, which would eventually mean that no days at sea would be left for any of our vessels. The incentives for vessels to engage in conservation would be pretty much killed off in one fell swoop and years of careful co-operative work with our industry to avoid intensive cod fishing would be put at risk.

As for our vessels' ability to fish their other quotas, the Commission's proposals could mean that large parts of our fleet could not go to sea for large parts of the year. That would clearly be devastating for our fishing industry; it would destroy jobs in the fleet and in the onshore sector.

Let us be clear about what this means. Our fishers fish in a mixed fishery in Scottish waters, where cod swim with other fish, such as haddock and whiting. Cod accounts for only 5.5 per cent of the total value of the Scottish catch but, if the Commission's draconian proposals were to be accepted, our vessels would be prevented from fishing their rightful quotas of all those other stocks—the other 95 per cent of fishing opportunities.

Let us also be clear about how the cod recovery plan is failing. It is already supposed to be under review and it certainly needs revising. Indeed, we were promised that this year but we are now told that it may be 2014 before any changes are implemented.

The Commission's scientists have concluded that the plan was not delivering reduced mortality for cod and did not have stakeholder support in many areas. The Commission's advisers concluded that the provision of additional days as an incentive for conservation measures should

"be seen as the cornerstone of the plan."

However, that is the very part of the plan that the Commission's latest action threatens to destroy. If it was not true, we could not have made it up.

What are we doing to respond to all that? Let me assure the Parliament and, importantly, our industry, that we will take steps to ensure that our fleets have the time at sea that they need to catch their available quotas. Any other scenario would be a breach of our fishermen's fundamental rights. I can confirm that we are at one on this issue with the United Kingdom Government. I welcome the support and co-operation of UK Government colleagues, and the First Minister has written to the Prime Minister to outline the importance of the issue.

Meanwhile, we have been working intensively with colleagues in Westminster and Belfast to find a resolution to the issue with the Commission. I am in close and regular contact with industry representatives, whom I met again just yesterday, to hear their views. As members will understand, their view is that enough is enough. RSPB Scotland and WWF Scotland have contacted the Commission to endorse our position.

On Monday, I met the commissioner in Brussels, along with the UK's Richard Benyon and colleagues from Northern Ireland. Obviously, I left the commissioner in no doubt about why we believe that her proposed actions are wholly unjustifiable and, indeed, counterproductive.

The Commission has agreed not to proceed until after the new year, which gives us an opportunity to explore further a resolution to the issue. I am therefore clear that the issue must be placed at the top of our priorities for next week's December council. I will ask for a pause on cuts in days at sea and a stop to the continual ratcheting downward year on year. We are in intense discussions with our UK colleagues to agree other options for next week's council.

The irony is that this threat has emerged just as catching opportunities look brighter and conservation efforts are gaining plaudits. We cannot allow the cod recovery plan to become an industry destruction plan. We must be released from the regulatory quicksand that is threatening to drown our industry. At a time of economic turmoil across Europe, more than ever we must maintain a strong voice to protect our key sectors in Scotland. I assure the Parliament that we will do just that in the coming weeks.

The Deputy Presiding Officer (John Scott): The cabinet secretary will take questions on the issues that were raised in his statement. I intend to allow around 20 minutes for questions, after which we will move to the next item of business.

Elaine Murray (Dumfriesshire) (Lab): I thank the cabinet secretary for the early advance copy of his statement.

There is a striking disparity between the regulation to reduce fishing effort that was signed on 23 November and the normal EU bilateral agreement last week, which provided for the continuation of the catch quota scheme, albeit perhaps not with the expansion that the Scottish fleet wanted. Also remarkable is the degree of agreement between the Scottish Government, the UK Government, the Scottish Fishermen's Federation, the RSPB and WWF in opposing Commission implementing regulation EU 1211/2011.

Does the cabinet secretary agree that the withdrawal of the regulation illustrates Scotland's strength in negotiation as part of the UK delegation? I suspect that he will not agree.

Has research been commissioned in Europe to determine whether cuts in days at sea directly correlate with a reduction in fish mortality?

Given that the withdrawn implementing regulation would also have affected France, Germany and Ireland, are ministers in the Scottish Government and UK Government working with counterparts in those states to support one another in opposing the regulation's reintroduction? Are processes for consultation with stakeholders in Europe in place prior to the submission of any new regulation, particularly given Commissioner Damanaki's comments about regionalisation and stakeholder participation with regard to reform of the common fisheries policy?

Richard Lochhead: Elaine Murray asked four questions, which I will try to address quickly.

The way in which the Commission issued a decision on its website without warning member states other than at a meeting of EU officials the previous afternoon was unfortunate. The matter does not merit a constitutional debate, but it highlights the flaws in the Commission's decision-making processes on an important issue, given the devastating consequences that the regulation would have had if it had been implemented. I am thankful that because, at a meeting in London with the UK Administration, the Commission itself could not explain the figures, the regulation has been withdrawn.

One of the ironies of the situation is that the Commission's own adviser body—the scientific, technical and economic committee for fisheries—has highlighted that there is no evidence of a direct correlation between cod mortality and effort cuts in relation to days at sea. The Commission takes the view that it is a case of one for one—we cut effort by a certain amount and cod mortality will reduce by a certain amount—but there very

much appears to be a lack of evidence to back that up. That is one of the serious flaws in the cod recovery plan.

Elaine Murray was right to say that other countries are affected. We are in contact with some of the affected countries, and there is a lot more of that to be done during the next few days. I think that France shares the view of Scotland and the rest of the UK.

On regionalisation, what has happened surely demonstrates why we cannot have on-going micromanagement from Brussels. So many mistakes are made in Brussels, often at 3 o'clock in the morning during heated and chaotic fishing negotiations. That has to end.

Jamie McGrigor (Highlands and Islands) (Con): I thank the cabinet secretary for presenting a united front with the UK fisheries minister on the highly sensitive issue of cuts in days at sea, which is of huge importance to people in Scottish fishing communities.

First, how will the cabinet secretary spell out to the commissioner the true impact of unfair micromanagement on the lives of many people in Scottish communities on the east and west coasts and on hundreds of fishing vessels and thousands of jobs in connected onshore businesses?

Secondly, how will the cabinet secretary illustrate the woeful damage to people's livelihoods and households that will be caused by the fleet's being able to fish only four days a fortnight?

Thirdly, can the cabinet secretary make Commissioner Damanaki fully understand that hailing the Scottish effort on cod recovery as a success and then instantly punishing the fleet on days at sea has produced righteous fury among Scottish fisherman and generated public Euroscepticism in Scotland and the UK?

Fourthly, is there a way that the Commission's figures can be closely monitored in the future to prevent a repeat of bombshells of this kind without prior notice? We are grateful that the Commission has suspended the regulation, but how can the cabinet secretary get a guarantee that it will not be laid again so that the UK and Scottish nets, which have done more for true conservation than any other, will not be hung out to dry?

Richard Lochhead: I lost track of the number of questions that Jamie McGrigor asked, but I will answer as many as I can. I am sure that I addressed some of them in my statement.

When it comes to spelling out the devastating impact that the Commission's interpretation of article 13 of the cod recovery plan would have in Scotland, I can assure the Parliament that we did that in the strongest terms in the meeting the night

before last in Brussels with the commissioner and her officials. We will continue to do that in the coming days.

To address Jamie McGrigor's subsequent questions, we have a situation in which, on the one hand, because of the good work that is happening in Scotland and elsewhere, stocks of a number of very important species to Scotland are increasing and we will, I hope, benefit from increased quotas. That is good news for the fleet and a reward for its good, hard work over the past number of years. On the other hand, the Commission appears to think that it is possible for the fleet not to be allowed to leave port but to catch those quotas at the same time. As I said in my statement, that is a breach of our natural rights and we should not allow it to happen.

We have a mixed fishery: that is the point that we have to get across to the European Union and the Commission. We have a mixed fishery: the fish swim together. We have different quotas for different species. We cannot have the fleet being kept in port in case a cod is caught at sea. We must continue with what we are doing in Scotland, which is to allow our fleet to go to sea to catch its other quotas, but at the same time do its utmost, under very difficult, complex circumstances, to avoid cod. Scotland has received plaudits, as Jamie McGrigor said, over the past few years, because we have developed innovative ways of doing that.

There are two ways in which we can save the stock. We can either allow our fleet never to fish again, or we can allow the fleet to go to sea to catch its other quotas but avoid cod. I am sure that the Parliament is united in pursuing the latter.

Graeme Dey (Angus South) (SNP): David Milne, the chair of the Scottish White Fish Producers Association, has said that fewer days at sea would wipe out the whole industry—everyone from fishermen to fish processors. How optimistic is the cabinet secretary that the combined efforts of the Scottish and UK Governments will make the European Commission understand the devastating potential consequences for the Scottish fishing industry and ensure that they row back?

Richard Lochhead: We must give the Commission credit where credit is due: the regulation has been withdrawn and there is an agreement to negotiate with the Scottish and UK authorities over the next few weeks. Of course, we will be taking full advantage of that. The first opportunity for the Commission to show that it understands the issue is for it to agree a pause in the already programmed cut in effort, which is due to be put in place in next week's December fisheries council. We must use the negotiations over the coming weeks to get the right result for Scotland.

I cannot give a guarantee that we will be able to make the Commission understand the devastating consequences; I can say that the UK and Scottish authorities must work together to ensure that our fleet has the opportunity in 2012 to go to sea and catch its quotas.

Sarah Boyack (Lothian) (Lab): The cabinet secretary said that he will take steps to ensure that our fleets have the time to catch their available quotas. What alternative proposals will he submit, alongside colleagues, and what will be the outcome of the discussions next week? How optimistic is he of getting the right result?

Richard Lochhead: An important point to make is that our position all along has been that there needs to be a cod recovery plan, but we need the current plan to be changed because it does not work. The Commission's advisers recognise that the plan is not working: I already mentioned the STECF; there is also the International Council for the Exploration of the Sea, the scientists who advise the Commission. We therefore need some urgency from the Commission to address the issues and fix the plan so that our fleet can go to sea and catch its other quotas—the other 95 per cent of fishing opportunities—but at the same time continue its good work, which is paying dividends, in avoiding cod. That is how we will take the issue forward in the next few weeks.

Aileen McLeod (South Scotland) (SNP): The Scottish fishing fleet has been working extremely hard to become one of the most responsible in Europe in managing and conserving cod stocks in the North Sea in a sustainable and effective manner, but it seems to be taking more than its fair share of the pain from this year's round of European fisheries negotiations. Given that the cabinet secretary has made the case in the past for devolving powers in fisheries management to a more local level, will he continue to push the case, especially in the context of the current round of CFP reforms, for greater decentralisation of power, so that real management decisions are left to our fishing nations, working regionally, with the EU setting only the broad principles?

Richard Lochhead: It certainly appears that we are taking a disproportionate share of the pain, in the North Sea and elsewhere, in terms of the cod recovery plan. At the same time, we must accept that we have a big responsibility, because we have the biggest share of the North Sea cod stock. Indeed, the west of Scotland is important in that regard, too. We must recognise that responsibility, but I believe that we are doing that. I pay a huge tribute to the Scottish fishing industry for the sacrifices that it has made over recent years and the innovative measures that it has proposed to Government, which have meant that we have been able to work in partnership to try to allow the

cod stock to recover. As I said, those measures are being praised throughout Europe.

Aileen McLeod is right. The fact that we have the biggest responsibility and appear to be taking a disproportionate share of the pain at the moment illustrates why we need decentralisation of fishing policy from Brussels back to member state level. As well as having a bigger share of the stock, I believe—I am sure that we all agree—that we have the biggest share of expertise and are therefore much better placed to put in place the measures that are required for Scotland's mixed fishery. There seems to be a gross misunderstanding by Brussels of the complications and challenges of managing the mixed fishery that we have in Scottish waters.

Jim Hume (South Scotland) (LD): I thank the cabinet secretary for advance sight of his statement and for meeting me and some others last week on this issue.

While the introduction of the regulation has thankfully been delayed, the Commission is sticking to the principle that underpins it. Will the Government be ready to compensate vessels that may have to adapt their gear or reduce their days at sea if some form of compromise agreement with the Commission is reached? The cabinet secretary will be aware that there are disputes among the various bodies that produce the science on the sustainability of stocks. Has he considered asking for an amnesty to allow us to consider the science so that we can be clearer about the facts?

Richard Lochhead: I hope that Jim Hume will forgive me for not contemplating losing the argument with the European Commission at this point and preparing for defeat on the interpretation of article 13. There is a genuine dispute between, on the one hand, the UK authorities, some other countries and Scotland and, on the other hand, the Commission about the legal interpretation of a technicality within article 13 of the cod recovery plan. I make it clear that, had we gone with the Commission's interpretation, our fleet today would be much smaller than it is. Our interpretation was therefore the only interpretation that could make that article work—that is, give an incentive to the fleet to have days at sea in return for avoiding cod, which is the crux of the debate. I am convinced that we can reach a commonsense solution with the Commission, if it is willing to be reasonable with us.

The question about the clarity of the science is a good one; that debate is on-going. There is always a lag between the science and the decisions in Brussels. Again, as part of the CFP negotiations, we must somehow find a way of addressing that.

Paul Wheelhouse (South Scotland) (SNP):

The Scottish Fishermen's Federation's chief executive, Bertie Armstrong, told *Holyrood* magazine in January that unless fishermen could see the rewards of conservation schemes, such schemes would be

"at the edge of credibility."

As the cabinet secretary identified, RSPB Scotland and WWF have expressed their concerns to the Commission that the reduction in days at sea could push fishermen to abandon ecological methods and adopt more market-appropriate ways of fishing. What encouragement can we give fishermen to stay on board with conservation measures?

Richard Lochhead: The best reward that we can give the fleet for its conservation measures is not to have a massive reduction in time at sea as proposed by the European Commission. Paul Wheelhouse is perfectly correct, in that we are at an important crossroads. The Scottish industry has come on in leaps and bounds in recent years and has taken our conservation policy to new levels. We must not lose that good will and co-operation. If anything remotely like the regulation that was published a few days ago were to be implemented in Scotland, the cause of fisheries conservation would be set back by decades. No one wants to see that. That is why the scientists, the non-governmental organisations, the industry and, indeed, the Parliament, other UK authorities and the Scottish Government are all united in wanting to continue with the good way in which we approach fisheries conservation at the moment. That is what we have to fight to safeguard.

Jenny Marra (North East Scotland) (Lab):

How will the cabinet secretary guarantee that fishermen will balance the need to fulfil quota with their environmental responsibilities, under an effort-restricted system?

Richard Lochhead: As I indicated in a previous answer, the position of the Scottish Government and the Scottish industry is that, with regard to, for instance, the challenges facing the cod stock, we need a cod recovery plan. There is no dispute over that key principle. We need a cod recovery plan that is workable and which is suited to the mixed fishery that we have in Scottish waters, where various fishermen with the same gear and the same vessels are catching a variety of stocks at the same time. There are ways of avoiding cod in such a fishery, and those are what we have been developing in recent years. Unfortunately, the cod recovery plan—and certainly the Commission's interpretation of one part of the cod recovery plan—does not reflect some of those innovative approaches.

We have a lot more opportunities to continue to improve the cod stock. A number of new gears are being trialled by the fleet. We must give that a chance to succeed.

Annabelle Ewing (Mid Scotland and Fife)

(SNP): The cabinet secretary might be aware that the European and External Relations Committee was on a delegation to Brussels last week and met a senior spokeswoman of Commissioner Damanaki. We made representations on the issue that we are discussing today, and received a puzzling response, which was to the effect that the Scottish fishing fleet has received a greater part of the buy-back effort than other member states. To me, that showed a worrying lack of understanding of the fundamental nature of the scheme. Does the cabinet secretary feel that it would be useful to facilitate an invitation to the commissioner to spend some time on a Scottish fishing boat?

We should predicate discussions on success, not failure, but in the event that we do not get the result that we seek from the discussions that will be held at the December fisheries council, have legal proceedings been countenanced with regard to this extremely important matter?

Richard Lochhead: Annabelle Ewing raises an important point, which is the fundamental purpose of this particular part of the cod recovery plan, which is about incentives. There should always be a relationship between the measures that are taken by the fleet to avoid cod and the days that are awarded to the fleet as a reward for doing that. The greater the amount of cod that is avoided by the fleet, the more days at sea it should be awarded. The Commission official to whom Annabelle Ewing spoke perhaps does not understand that fundamental point. Being given more days in which to go to sea is a sign of having done the right thing.

The commissioner always has an open invitation to visit Scotland; I issue that to her every time that I speak to her. She has been here before, and she should certainly come back here if she insists on continuing with the regulation that she tabled a few weeks ago, as that would enable her to understand, from first-hand experience, the implications that it would have for Scotland.

I hope that the discussions that we will have in the next few weeks will be productive and give us the right result for Scotland.

David Stewart (Highlands and Islands) (Lab):

If, after dialogue with the Government, the European Commission decides not to cut days at sea, how would the cabinet secretary prove to the maritime and fisheries commissioner that conservation of stocks and the wider maritime environment are at the heart of the Scottish Government's fisheries policy?

Richard Lochhead: I can assure the commissioner, as I always have done, that conservation policy and the future of our maritime environment are at the heart of what we do. That is why we have a united front in Scotland, with the WWF, the RSPB, our scientists, all political parties—I hope—and others all speaking with one voice and sending the message that we must continue with our conservation measures, which are paying dividends in Scottish waters, and not have them being completely undermined by a flawed legal interpretation of one part of the cod recovery plan.

Alison Johnstone (Lothian) (Green): While I recognise the Scottish Government's conservation efforts, it is clear that fish stocks are still in crisis. Will the minister commit to enhanced conservation measures to ensure a sustainable future as part of the conservation credits scheme?

Richard Lochhead: I was disappointed that the catch quota scheme was not expanded, due to resistance from the Norwegian authorities at last week's negotiations between the European Union and Norway. However, that scheme alone shows that we are ahead of the game. We want to expand such programmes to build up the stocks that require to be built up, particularly the cod stock.

I caution Alison Johnstone not to say that Scottish fish stocks are in crisis. Many Scottish fish stocks, particularly some of our key commercial stocks, are being fished to sustainable levels. That is why the science recommends—as I outlined in my statement—a significant increase for a number of important stocks in Scotland. We need to do a lot more work to help some stocks—particularly cod—to recover, but we should not tar all stocks with the same brush. More than 50 per cent by volume of Scottish species are now Marine Stewardship Council accredited, which is a big feather in the cap for Scotland. We should recognise that, and I ask Alison Johnstone to use every opportunity to acknowledge it when she talks about the subject.

Alex Fergusson (Galloway and West Dumfries) (Con): The cabinet secretary rightly mentioned in his statement that all the European Commission proposals will have an impact on the onshore sector. Indeed, he will be aware that the Rural Affairs, Climate Change and Environment Committee recently took evidence from representatives of that sector, who highlighted the precarious state that it is already in.

What representations has the cabinet secretary made to ensure that the commission is fully aware of the relationship between days at sea and the sustainability of the onshore sector? Does he feel that the commission takes into account the state of that sector when it introduces such proposals?

Richard Lochhead: I assure Alex Fergusson that at the meeting with the European commissioner on Monday evening, we raised the point that the onshore sector in Scotland and elsewhere in the UK would be severely affected if the continuity of supply was disrupted because the fleet was not allowed to go to sea to catch its quotas.

The onshore sector is completely perplexed at present. People read in their newspapers and see on the television that there are increased quotas for Scotland, yet they hear from the European Commission that we may not allow the fleet to go to sea to catch those very same quotas. It is important that we give an assurance to the onshore sector—fish processors, customers and everyone else in the retail sector—that we will give our fleet time to go to sea in 2012 to catch the legitimate quotas.

Autumn Budget Statement and the Scottish Economy

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-01501, in the name of John Swinney, on the United Kingdom Government's autumn budget statement and the Scottish economy.

15:17

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):

I am grateful for the opportunity to open the debate on the autumn budget statement and the wider Scottish economy. It is now more than three years since the financial crisis began, sparking the deepest recession since the great depression. From the first signs of slowdown, the Scottish Government has put all its efforts into safeguarding the Scottish economy and promoting economic recovery. We will continue to take all the action that we can to achieve that goal, but we acknowledge the strong economic headwinds from the sovereign debt crisis in the euro zone, which is a key trading partner, and the inevitable implications that that will have for the economic conditions in which we operate and work to try to deliver economic recovery.

In addition to the data that is emerging from the euro zone, the Organisation for Economic Co-operation and Development is forecasting very weak growth across all advanced economies, which will have wider implications for the trading relationships that we undertake as a country. The Chancellor of the Exchequer's autumn statement and the revised economic forecast from the Office for Budget Responsibility confirmed the fragile state of the United Kingdom and the global economy, and the extent to which the outlook has deteriorated since the chancellor first set out his deficit reduction and growth plans just 18 months ago.

The OBR has sharply revised down its forecast for UK economic growth and now expects UK unemployment to continue rising well into next year. Because of the failure to secure growth, the OBR now forecasts that the UK Government will borrow £158 billion more over the next five years than was planned last June, and that further public expenditure cuts will be required in both 2015-16 and 2016-17 to meet the chancellor's fiscal mandate.

One of this Administration's fundamental points is that if we undertake borrowing, we must establish the correct balance between borrowing to sustain the public finances, and borrowing to encourage growth within our economy. The prospects for public expenditure that the

chancellor has set out for 2015 and 2016 mean that Scotland will have faced public expenditure cuts for seven consecutive years, an outcome that the Institute for Fiscal Studies describes as historically unprecedented.

There are a number of reasons for the deterioration in the economic outlook. Continued uncertainty in the euro zone, the persistent impact of the financial crisis and rising commodity prices have all played their part; however, not all the blame can be laid at the door of the euro zone. Indeed, the OECD expects that France, Germany and the Netherlands will all grow faster than the UK this year despite their greater exposure to events in Europe. Some of the responsibility for the lack of economic growth must, therefore, be laid at the door of 11 Downing Street. I recognise that there is a need to deliver sustainable public finances and to set out a credible consolidation plan; however, the balance of the chancellor's plans places too much emphasis on austerity and not enough emphasis on the promotion of economic growth in our society.

Mary Scanlon (Highlands and Islands) (Con):

In comparing the United Kingdom with France and Germany, does the cabinet secretary accept that the coalition Government inherited the highest level of debt in the G7?

John Swinney: I know that Mary Scanlon assiduously follows my speeches in the Parliament. She will not have noticed me in any way shirking from apportioning responsibility to the difficult inheritance that the Conservative-Liberal Government faced in the summer of 2010. My point is about the balance between fiscal consolidation and the promotion of economic growth. When I advanced the proposition, before the autumn statement, of additional borrowing of £20 billion for capital investment, which would have had a consequential effect in Scotland of about £2 billion, a certain element of parliamentary and commentary opinion said that that would be a terrible amount of extra money to borrow. Now, we find that the chancellor is borrowing £158 billion more than he forecast in June 2010. That makes the proposition that I advanced seem even more modest.

The fundamental point is the need to balance repairing the public finances with providing incentives and encouragement to promote economic growth. The lack of a coherent economic plan from the UK Government and the decision to cut public expenditure too quickly and too deeply have brought the economic recovery to a clear halt.

The Scottish Government has not been alone in setting out its concerns. For the past 14 months, we have joined the other devolved Administrations in speaking out against the pace and the scale of

the spending cuts, calling on the chancellor to respond to the weakening economic outlook with a plan for growth including a targeted stimulus to capital investment. In my reply to Mary Scanlon, I described the scale of investment that we thought was appropriate. However, the UK Government's policies are not supporting growth. The UK economy grew by just 0.5 per cent over the past year and the OBR's forecasts suggest that it will shrink during the current quarter. As the rest of the United Kingdom is Scotland's largest trading partner, its recovery is vital to the success of Scotland's recovery.

Richard Baker (North East Scotland) (Lab):

The cabinet secretary has rightly referred to the revision downwards of growth forecasts. What impact will that have on the Scottish Government's spending review? Will he revise his growth forecast figures? For example, what impact will it have on business rates revenue forecasts?

John Swinney: Mr Baker asks a fair question. I point him to the evidence that I shared with the Economy, Energy and Tourism Committee some weeks ago. In the year of greatest economic difficulty, 2008-09, there was still an increase in the overall take of business rates because of buoyancy within the business rates equation. As I have also said to the Parliament, I keep these factors under constant review. The commitment that we make in the spending review to the provision of non-domestic rates income will be part of the statement on local government in the Parliament tomorrow. When we offer that figure, the Government is guaranteeing that figure as part of the spending review settlement.

The Scottish Government will do all that it can, within the economic powers that we have, to support economic recovery, enhance economic security and create employment. As a result of our actions, Scotland's recession was shorter and shallower than the recession in the rest of the UK, and we have a lower unemployment rate and a higher rate of employment than the rest of the UK.

Our enterprise agencies' focused work is helping to attract new investment and major international companies to Scotland. Avaloq, Dell, Amazon, FMC Technologies and Doosan Power Systems are just a few of the companies that have announced new investments in Scotland.

We continue to embark on ambitious proposals to connect with major developing markets. China continues to be a driver of global growth and we are working hard to build on our links with it and create opportunities for Scottish companies. Last year, Scotch whisky was given legal protection with a geographical indication, which resulted in a 30 per cent rise in whisky exports to China in the first half of this year in comparison with 2010.

In January, we reached agreement with the Chinese Government to permit Scottish salmon exports into China for the first time. In the first half of this year, Scottish companies exported 2,300 tonnes of farmed salmon to China. We are working to ensure that more Scottish companies can take advantage of trade and investment opportunities in China and we are trying to attract more Chinese companies to base their European operations here.

This week, the First Minister has built on those achievements by signing a memorandum of understanding on culture, which commits the Scottish and Chinese Governments to supporting greater exchange and collaboration in the arts, creative industries, heritage and national collections, which will have a significant economic impact into the bargain.

In 2007, the Government chose to focus on key sectors in the Scottish economy. Many of those sectors have recovered and are growing strongly. In June, we announced a £1.1 million funding boost for Scotland's food and drink industry. In September, manufacturing in our food and drink sector broke £9 billion in turnover for the first time. We are leading developments in renewable energy. More than £750 million of new renewable electricity projects have begun generating in Scotland, and the pipeline of projects will be worth £46 billion in the years that lie ahead.

At the heart of the Government's growth strategy is infrastructure investment. In response to a cut of about a third in our capital budget in plans that the previous UK Government put in place, we propose to take forward a new £2.5 billion programme of non-profit-distributing investment and to switch significant sums from revenue to capital budgets and a range of innovative financial mechanisms to maximise investment. In addition to providing an immediate economic boost, that investment will deliver new schools, hospitals, houses and roads across Scotland.

Gavin Brown (Lothian) (Con): I apologise for missing the start of the cabinet secretary's speech.

In the switch from revenue to capital quite a large sum—about £150 million—will go into the Scottish futures fund. However, if I heard the cabinet secretary right in previous speeches, that money came from savings on the Forth crossing. Surely that is a switch from capital to capital and not from revenue to capital.

John Swinney: No. The budget proposals rely on a shift from the revenue columns to the capital columns—that is a straightforward transaction in the budget document.

Gavin Brown: The Forth crossing is not in the revenue budget.

John Swinney: I point out to Mr Brown that the UK Government has of course reduced our capital budget by 36 per cent, which has been moderated to 32 per cent. In the overall funding envelope that is available to us, we are acting to mitigate the significant reduction in the capital budget that was 36 per cent and has been tempered to 32 per cent by the autumn statement. We made the transfers from resource to capital to support the capital programme.

Yesterday, we published our “Infrastructure Investment Plan 2011”, which outlines more than 50 key infrastructure projects in a range of sectors across Scotland. The commitments in that programme will see the A9 dualled by 2025 and the A96 dualled within a further five years. That will complete the dualling of the routes between all Scotland’s six cities and will deliver significant economic benefits. The whole plan demonstrates a vision of how we take forward Scotland’s infrastructure.

As we said in a debate last Thursday, we are taking active steps to encourage people back into employment. We have the programme to fund a record 25,000 modern apprenticeship places and the opportunities for all programme, which guarantees a training or learning place for all 16 to 19-year-olds. Mr Russell will deal with more of those questions, including details on the additional £15 million that we have made available today for the college transformation fund, which will assist colleges in giving effect to the reforms that we have proposed to provide better outcomes for employers, learners and taxpayers into the bargain.

The Government can welcome some elements of the programme that was announced in the autumn statement. We welcome the increased resources of £433 million in capital consequentials over the duration of the spending review. The delivery of those additional resources comes later than I would like, because capital investment is required now but two thirds of the additional capital will not be available until years 2 and 3 of the spending review. Although those consequentials are welcome, they would have greater economic impact if they were delivered in the short term rather than the medium term.

Willie Rennie (Mid Scotland and Fife) (LD): The infrastructure plan is a 20-year plan. The increased funding is provided within the first three years. What has been accelerated as a result of the increased funding?

John Swinney: Mr Rennie expects me to take a look at those questions, and we will come back to the Parliament, as we will on the other consequentials, to set out how our plans will change to bring forward capital projects. However, I point out to Mr Rennie that there is only £68

million of additional capital resources in 2012-13, and the remaining two-thirds will be made available during the final two years of the spending review.

Neil Findlay (Lothian) (Lab): Will the minister give way?

John Swinney: I would give way to Mr Findlay if—

The Deputy Presiding Officer: Cabinet secretary, you are in your last minute.

John Swinney: I apologise to Mr Findlay. I will happily deal with his points during the debate.

The autumn statement provided some additional capital consequentials for the Scottish Government and we will allocate them in due course. I am, however, struck by the Office for Budget Responsibility’s assessment, which is:

“the Government has announced a number of measures that have a broadly neutral fiscal impact overall and, in aggregate, they have limited impact on our economy forecast.”

In the context of a significant deterioration in the chancellor’s economic forecasts, the OBR’s assessment demonstrates that more needs to be done to stimulate the UK economy. The Scottish Government will do everything in its power and use every lever that is at its disposal to support households and businesses. We will do what we can to support output and jobs, and we encourage the UK Government to support us in our efforts to deliver economic recovery in Scotland.

I move,

That the Parliament notes the Chancellor’s Autumn Statement and that the Office for Budget Responsibility has demonstrated that the UK Government’s economic and fiscal plan has failed, with a cut of over two thirds in the growth forecast for 2012; agrees that the UK Government’s response falls far short of the urgent action that Scotland needs to boost growth; notes that the Chancellor has proposed only a limited increase in capital budgets and that two thirds of the new capital investment will not be available until 2013, despite the urgent need for a stimulus this year and next; supports the Scottish Government’s call to the UK Government for a targeted, expanded programme of some £2 billion for capital infrastructure investment in Scotland to help offset the 32% real-terms cut to Scotland’s capital budget inflicted by the UK Government; notes that the Scottish Government will support around £9 billion of capital spending over the next three years to deliver new schools, hospitals, houses, roads, water infrastructure, community facilities and improved availability of high speed broadband across Scotland; welcomes the Scottish Government’s infrastructure investment plan, which will provide crucial support for employment, with every additional £100 million of capital invested per year estimated to generate £160 million worth of economic activity and support 1,400 jobs in the wider economy for that year; notes that, as a result of the Scottish Government’s £2.5 billion non-profit distributing capital programme and switching of resources from revenue to capital, infrastructure investment in Scotland will now rise year on year throughout the spending review period;

supports the Scottish Government's actions to boost economic growth through initiatives such as maintaining Scotland as the most competitive environment for business in the UK; supports the Scottish Government's efforts to boost economic security and household budgets by freezing the council tax, abolishing prescription charges and protecting concessionary travel, and welcomes the success of Scotland's enterprise agencies in securing major new investments in recent months from international companies.

15:32

Richard Baker (North East Scotland) (Lab):

This is a welcome opportunity to debate the autumn statement and its implications for Scotland. It comes at a critical point for our economy and for the world economy, when so many of the indicators are bleak.

The Ernst & Young Scottish ITEM—independent Treasury economic model—club report that was published this week shows the extent of the problem here in Scotland. It found that our economy is recovering at a slower rate than in the UK as a whole. Growth north of the border totalled 1.4 per cent in the past two years, compared with 2.8 per cent across the UK. The report says:

"Scotland is not expected to return to peak employment until the early 2020s."

The report also downgraded its forecast for Scottish growth in 2012 from 1.9 to 1.1 per cent following a year in which the Scottish economy has grown by only 0.6 per cent. The last gross domestic product figures showed growth in Scotland actually slowing from 0.2 to 0.1 per cent. We must be determined to take the necessary action to return Scotland to stronger growth, but we must also recognise the gravity of our economic situation and the scale of the challenge.

That is why we need government at all levels to take the correct decisions to create the right conditions for economic growth. Unfortunately, it is clear that the right decisions have not been taken.

We will find much common ground with the cabinet secretary's assessment of the UK Government's strategy and the autumn statement. However, as there has been a recent tendency for some to quote out of context the instances in which I agree with the cabinet secretary, I emphasise that we do not believe that the Scottish Government's response to the economic situation has been sufficient.

Given the Scottish Government's crucial role in promoting economic growth, it is simply not credible to blame all our ills on the UK Government. The coalition strategy certainly is not helping and it is the wrong one for the UK economy. The autumn statement is in effect an admission of defeat for Mr Osborne's austerity strategy. It is now clear that David Cameron's and

George Osborne's reckless, ideology-driven economic plan has backfired.

Jackson Carlaw (West Scotland) (Con): Is it not a consequence of the coalition Government's strategy that we have the lowest interest rates in the world? Would not a consequence of the Labour Party's strategy be to put those low interest rates at risk? What would be the consequences of that for the economy in repaying the record level of debt that Labour left us and the consequences for the many millions of families who would see their mortgages soar?

Richard Baker: I presume that Mr Carlaw would not have acted to bail out the banks.

The UK Government has left us the lowest rates of growth in the world, and it has choked off the recovery that Labour set in motion. As the cabinet secretary said, the UK Government is set to borrow £158 billion more than it planned to a year ago. That is the bill for economic failure, higher unemployment and the increased spend on benefits that are the result of its failed plan. Its pledge to balance the books by 2015 has gone. Instead, the coalition has announced plans for further cuts into 2016-17, as the cabinet secretary said.

Gavin Brown: Will the member acknowledge what the Institute for Fiscal Studies has stated? It said that if Labour's plans had been implemented, they would

"now of course have implied even higher debt levels over this parliament than those we will in fact see."

Richard Baker: No, because the figures that I have show that the UK Government plans £37 billion more borrowing in future years than the amount in Labour's plans that were announced at the election. It is clear that, under the Conservatives' plans, we are in an even worse situation, even in terms of borrowing, that there has been pain but no gain, and that families are paying the price. The autumn statement shows the clear need for a different economic strategy for the UK and Scotland.

There are elements of the autumn statement that at least reflect some of the concerns that we have raised, although we think that they do not go far enough. There is a youth jobs programme, although it will be smaller than the future jobs fund initiative, which should never have been scrapped. Young people will not be helped until April next year, but consequentials will be brought to the Scottish Government, which we have urged ministers to invest in expanding the future jobs fund. We welcome the fact that that fund has been retained here in the voluntary sector with a great deal of success, and we wish to see it extended into the private sector.

The credit easing and national loan guarantee is an admission that the project Merlin deal has not worked. It gave the banks a tax cut this year in return for vague and unfulfilled promises to increase lending to small businesses. We can only hope that the new scheme will prove more successful.

The new UK Government proposals on infrastructure projects, to which the cabinet secretary referred, make it clear that it was a mistake to reduce capital spending in the first place. We can only hope that those proposals will actually deliver new projects, but again we want to see the detail.

Gavin Brown: Will the member give way?

Richard Baker: I have already given way to Mr Brown. I will try to take an intervention from him later.

We understand that there will be limited consequentials in the new plans for housing from the UK Government. We hope that they will be invested in social housing in Scotland.

Labour has offered alternative proposals for a different strategy—for a plan B. We have come forward with a five-point plan for our economy that includes a tax on bank bonuses to fund a national jobs plan for young people, a temporary reversal of the damaging increase in VAT, a one-year cut in VAT on home improvements to 5 per cent, and a one-year national insurance tax break for every small firm that takes on extra workers. Those points are for the UK Government, but the fifth is very much a Scottish Government responsibility too, as the aim is to bring forward investment in infrastructure projects to get people back to work.

We have, of course, also offered alternatives to the Scottish Government policy, as we outlined in the debate on youth unemployment last week. We have called for a number of measures, including the appointment of a dedicated minister for youth employment. We are pleased that the Scottish Government has made that appointment, and we welcome Angela Constance to her new role. Beyond expanding the future jobs fund, we have also called for new legislation on procurement to support local businesses, and a capital investment plan that works.

When we heard the cabinet secretary say in the summer that he wanted to pursue a different route from the UK Government and prioritise investment in infrastructure—he outlined that again in today's debate—we very much welcomed that. Indeed, that is the kind of strategy that Labour has been promoting on a UK-wide basis. However, although we have had agreement on the analysis, we have been disappointed in the delivery. The budget for affordable housing is being cut by 50 per cent, and

major infrastructure projects have been delayed or there is no timetable for their completion.

We hoped that the release of the infrastructure plan yesterday would bring greater clarity on future projects, but I could not put things better than *The Scotsman* did this morning. It reported:

"Hours after infrastructure secretary Alex Neil set out his blueprint for new building projects in parliament yesterday, it became clear that many of the schemes had already been announced, while others are not due to be completed for decades."

We need clarity now on delivery and on the detail of how the schemes will be funded. We will continue to press the Scottish Government on these issues, because we need action, not aspiration, on key infrastructure projects.

John Swinney: Will Mr Baker take this opportunity to confirm his understanding of the spending review, which involves a rising trend of capital expenditure in Scotland despite the fact that we face a 32 per cent reduction in the resources available to us for capital projects from the United Kingdom Government?

Richard Baker: My understanding, from what the cabinet secretary said earlier, is that there will be consequentials later in the spending review cycle involving increased spending for infrastructure. However, we need a greater emphasis on infrastructure spending right now. Unfortunately, as I have just illustrated with yesterday's reactions to the plan, not only from *The Scotsman* but more widely, there are still too many questions about delays, about a lack of timescale for specific projects and about cuts in areas such as affordable housing.

Another central concern is the proposed 20 per cent cut in college budgets, which will damage our economy and further damage opportunities for our young people at a time when youth unemployment in Scotland already stands at 100,000. If the only concession that we are to get from the Scottish Government is £15 million in change funds when college budgets are to be reduced by £74 million, that will be entirely inadequate. It will mean that colleges will have to proceed with cuts, which will reduce educational opportunities for many people in Scotland.

We therefore ask the Scottish Government not to make the mistakes that the UK Government has made. We ask it to implement an infrastructure plan that will actually deliver new projects, and to think again about cuts that would damage our economy. We ask it to think again on these vital issues because the autumn statement was a demonstration of the cost of getting it wrong, and Scotland cannot afford for ministers to get this wrong. The people of Scotland do not want an economic strategy that is driven by an ideological

obsession with cuts in public investment or with constitutional upheaval. They want an economic strategy that is driven by the need to return to growth and to get people back into work. We believe that, even in these tough times, with the right decisions, we can put Scotland on the right road to a more prosperous future. That should be the priority for ministers, because it is a priority for the people of Scotland.

I move amendment S4M-01501.3, to leave out from first "supports" to end and insert:

"calls on the UK Government to confer borrowing powers on the Scottish Government from April 2012 to allow for an expanded capital infrastructure programme; notes the publication of the Scottish Government's Infrastructure Investment Plan 2011; urges the Scottish Government to provide milestones for each infrastructure project to ensure that the list of delayed infrastructure projects does not grow longer; notes that Scotland's economic growth over the last 12 months has been disappointing despite economic growth being the stated purpose of the Scottish Government; calls on the Scottish Government to ensure that the measures in the Scottish budget support economic recovery to improve Scotland's growth rate; to this end, urges the Scottish Government to reconsider the significant cuts that it has made to the affordable housing and further education budgets; notes that disposable household income has fallen by 2.3% this year, a post-war record, and is forecast to fall again next year, which coincides with public sector workers in Scotland and the rest of the UK having to pay more in pension contributions; notes that the Chancellor has outlined a further two years of spending cuts and that the proposed six years of cuts in spending are unprecedented, and regrets that the actions of the UK Government will lead to an increase in child poverty."

15:42

Gavin Brown (Lothian) (Con): It is worth reflecting on some of the analysis and feedback from economists since last week's autumn statement. *The Economist* put it simply, stating that

"the government's policies are broadly right."

The *Financial Times* stated on the day after the autumn statement:

"There is nothing in the OBR's documents that support the view that deficit reduction is the cause of the government's current deficit-reduction woes."

The editorial in the *Financial Times* probably put it best when it said that

"abandoning the current spending plans would be a huge gamble and one whose consequences would be hard to deal with were it to go wrong. The austerity plan has convinced markets that it is safe to lend to the British government."

It is also worth reflecting on the reasons for the disappointing growth predictions, and the disappointing levels of borrowing that will be required, to which the cabinet secretary referred. We cannot look just at the figures from the Office

for Budget Responsibility; we have to look at the analysis behind them as well.

The primary explanation given on page 5 of the OBR's report was:

"The economy has grown less strongly this year than we forecast in March, primarily because higher-than-expected inflation has squeezed household incomes and consumer spending."

That has involved energy costs in particular, including oil, as well as the cost of food and other commodities. That has been a major factor, but the figures are expected to fall slightly over the next year, and to fall sharply in the years thereafter, according to the Bank of England. That ought to reduce the drag on the economy over time.

A second reason given was that the structural deficit is higher than previously thought. In fact, it is a full 1.6 per cent of gross domestic product higher than we originally thought. That would have been the case regardless of who was in government and regardless of what action the Government took—the downturn was far worse than we originally realised. We may not have realised that if the Labour Party had remained in government, because we probably would not have had an Office for Budget Responsibility to tell us. Although it delivered a glut of bad news last week, at least there is an office with independent oversight that does not allow chancellors to rest on what have been pretty rosy assumptions previously.

Stuart McMillan (West Scotland) (SNP): Does Gavin Brown agree that it is strange that it takes the OBR 18 months to realise that the strategic deficit is worse than planned? What has it been doing for the past 18 months?

Gavin Brown: I find it surprising that the member wishes to criticise the OBR, which has received praise for its work from across the political and economic spectrum and across the United Kingdom. I suspect that it took 18 months because there is an enormous amount of detail to be gone through and the office started from zero, in effect, when the coalition Government came into office.

The consequence of the Government's actions is that the yield on UK Government bonds is about as low as it can get. We have retained our triple-A status, even as dozens of others falter across the world, with a downgrade watch being placed on both France and Germany just this week. Only a handful of countries around the world can borrow more cheaply than we can over the next 10 years. That is serious, because a rise in yield of even just 1 per cent would add £7.5 billion to the debt interest payments by 2016. The UK Government

has therefore to be applauded and given great credit for the measures that it has taken.

Richard Baker: What is the cost to our economy from the fact that our growth rates are higher than only those of Greece and Portugal, out of the whole euro zone?

Gavin Brown: The growth rates are very disappointing, but if one looks at the OBR report in full—not just the press release that accompanied it—one sees that, although the prediction for growth in the UK in 2012 is a disappointing 0.7 per cent, the growth prediction for the euro zone for 2012 is 0.5 per cent. The euro zone therefore has a lower predicted growth rate for 2012 than the United Kingdom.

I have only a minute left, but my colleagues Mary Scanlon and Murdo Fraser will talk more about the positive measures that the UK Government has taken in the autumn statement. On credit easing, although the details are awaited, there will be £20 billion of guarantees for bank funding to be made available over two years. That will allow for lower-cost lending to smaller businesses—perhaps a full percentage point lower.

We have also had the cancellation of the August rise in fuel duty and the postponement to August of the January rise. The Institute of Chartered Accountants of Scotland said that that

“will have a direct impact on employability and household spending.”

There will also be £433 million-worth of increases in capital spending over the course of the next three years.

The growth figures were disappointing, but we have to look at the reasons for them and the potential impact once inflation decreases over the next couple of years. There were positive measures in the autumn statement, and it is right that they are put on the record.

I move amendment S4M-01501.1, to leave out from “that the Office” to end and insert:

“and welcomes the numerous measures in it that will help people and businesses across Scotland, including the Chancellor’s commitments to fund an ambitious programme of infrastructure investment that will result in an additional £433 million for Scotland, to implement a package of credit easing measures to protect the flow of credit to smaller and medium-sized businesses, freeze fuel duty, make £50 million available to enable the replacement of the Caledonian Sleeper fleet, introduce the Youth Contract, which it is estimated will create opportunities for tens of thousands of young people in Scotland, including apprenticeships and work experience placements, increase the basic state pension, which will benefit one million older people in Scotland and invest in broadband through an urban broadband fund, which will create 10 super-connected cities in the UK including Edinburgh, and therefore calls on the Scottish Government to amend its draft budget to reconsider cuts in areas that help the

economy, scrap the anti-competitive retail levy and demonstrate exactly where it is moving revenue spending to capital spending.”

15:48

Willie Rennie (Mid Scotland and Fife) (LD): I rise to speak in favour of the amendment in my name.

It is important that I start by saying where we agree with the Scottish Government. We support the innovation in the use of capital with the non-profit-distributing route for attracting private investment, which was actually pioneered by Liberal Democrats in Argyll. We strongly support the Government’s new plans on early intervention and energy, and we have advocated and advanced similar policies for many years.

On that basis, I was rather surprised that there was so little welcome in the finance secretary’s remarks for the measures in the autumn statement that Gavin Brown has just outlined. It is worth repeating those measures: the island fuel derogation, which is worth 5p a litre; the deferring of the 3p fuel duty increase and the cancellation of the inflation increase; the youth contract; the urban broadband fund for Edinburgh; and credit easing for small and medium-sized businesses.

Those measures are all in addition to the cuts in income tax that are worth £200 to low and middle-income earners; the increased bank levy; and, at £5.30, the highest cash increase in the state pension ever announced. I was puzzled that I did not hear more welcome for those measures; in my view, they are welcome.

Paul Wheelhouse (South Scotland) (SNP): Will the member give way?

Willie Rennie: Let me make a bit of progress.

I was even more puzzled by the remarks that the Cabinet Secretary for Infrastructure and Capital Investment made yesterday to *The Press and Journal*. He said that the £6 billion extra borrowing that the Scottish National Party wants in the Scotland Bill would be used to accelerate the plans for the A9 and the A96. So, the Cabinet Secretary for Infrastructure and Capital Investment has decided where to spend that extra money—the money that he does not have—but the Cabinet Secretary for Finance, Employment and Sustainable Growth cannot tell us where he would spend the money that he does have, which is the £433 million of extra capital that the UK Government provided to Scotland in the autumn statement.

John Swinney: I am grateful to Mr Rennie for giving way, but is his argument on this point not just a little bit thin, given that the United Kingdom Government cannot currently tell me what the

revenue consequentials are of the chancellor's autumn statement? It is now a week after that statement and it still cannot give me the detail. In all the time that I dealt with the UK Treasury under the Labour Party, at least it could tell me on the day of the budget what the consequentials were. Why cannot the UK Government get its act together and give me that information?

Willie Rennie: Obviously Mr Swinney has not spoken to his Cabinet Secretary for Infrastructure and Capital Investment, who has tremendous foresight. He can see 20, 30 or 40 years ahead and is going to spend that £6 billion—the money that he does not even have yet. A few fewer lessons from the SNP in that regard would be helpful.

The SNP demands more borrowing but wants to rely on the interest rates earned by a plan to reduce borrowing in the UK. An increase in Government bond interest rates, as seen in Greece and Italy, on a £60 billion investment programme means a substantial amount of extra interest—billions, in fact. That would mean that schemes the length and breadth of Scotland would have to be cut or delayed. However, the SNP simply assumes that the hard-won UK credit rating and record low interest rates will roll forward into an independent Scotland.

The fact that that extra spending can be debated in this Parliament today is a direct result of the UK Government's early effort to put the public finances back on a stable footing. It was the tough but necessary decisions taken 18 months ago that stabilised the international credit rating, kept interest rates low and supported the economy. If we had followed the SNP's so-called plan B, we might well have been in a very different position today, with a poor credit rating and higher interest rates, which would have put up mortgage payments and cost families more, and which would have cost jobs. I would not recommend that course. I hope that the SNP might reflect on its advice, too.

I do not think that the Scottish Government is using all the powers and levers that it currently has at its disposal. It has ignored the views of its own independent budget review group and the Scottish Futures Trust, which both said that there was a better way for Scottish Water—a public body—to be structured to deliver substantial gains to the Scottish economy.

Under our plans, we would use that money to deliver transformational change through early intervention; accelerate plans for broadband; generate new science-based jobs and businesses; and boost energy installation work to cut fuel bills. Those are positive plans that would have a lasting effect on the Scottish economy and champion

social justice, but it seems that we have missed that opportunity.

I repeat my call in relation to college funding, despite the £15 million that the Cabinet Secretary for Education and Lifelong Learning announced on Radio Scotland this morning. He thinks that £15 million off a £74 million cut to colleges is a wand that will wave all the problems away. The money is there. He has the £67 million. He could spend it—he could announce it this afternoon in his summing up. Will he take the opportunity to reverse the cuts to colleges and stop the cuts to college places? This is an opportunity for the Cabinet Secretary for Education and Lifelong Learning to step up to the mark.

The Deputy Presiding Officer (Elaine Smith): Mr Rennie, please conclude.

Willie Rennie: There are few households that remain unaffected by the current economic crisis. It is at times like this that I am reassured that Scotland is part of a bigger UK family so that we can share the risk, just as, in the good times, we can share the wins.

I move amendment S4M-01501.2, to leave out from “that the Office” to end and insert:

“; notes that the UK Government is investing £68 million in super-fast broadband in Scotland alongside £50 million from the Scottish Government, has won a fuel derogation for the islands from the European Commission, has deferred the 3p fuel duty increase scheduled for January in addition to the cuts in income tax worth £200 to low and middle earners, has increased the bank levy and provided the highest cash increase in the state pension ever announced; notes that the Scottish Government's response is characterised by an absence of answers on its own plans, including for separation from the rest of the UK and publishing no opinion on the crisis in the Eurozone; is further concerned that the Scottish Government has published no analysis of the credit rating and interest rates likely in an independent Scotland, apart from an unsubstantiated assumption that the UK's hard-won credit status and record low interest rates would continue in an independent Scotland, even though the evidence from across Europe is that governments that continue to increase borrowing without serious plans to tackle their deficit find that their borrowing rates rocket; understands that such a rise in Scottish borrowing rates on a £60 billion capital programme will result in billions of pounds of extra interest payments and lead to the delay and cancellation of capital projects the length and breadth of the country; finds it absurd that Scottish Government ministers have promised faster delivery of their published investment plans by incorporating additional borrowing made possible through the Scotland Bill while simultaneously threatening to veto the Scotland Bill; is concerned that the Scottish Government is still not using all of the current resources and powers at its disposal, not least on Scottish Water, which continues to have substantial resources locked in it when the Scottish Government's independent budget review and the Scottish Futures Trust both offered alternative, public sector structures that could free substantial resources for investment in the economy; welcomes the UK Government's £1 billion Youth Contract programme, which will see around £100 million of benefit to Scotland, a small part allocated to the Scottish Government

but the vast majority provided direct to Scottish businesses to improve the prospects of a generation of young people through employment support; regrets that those prospects for young people are harmed by the Scottish Government's continued plans to cut the budget for colleges despite the unexpected receipt of additional consequential from the UK Government; notes that success in attracting investment by global companies in Scotland is best achieved by joint working with the UK Government, as evidenced by the recent result at Michelin in Dundee, and calls on the Scottish Government to set out the positive impact on its plans of the addition of £430 million capital consequential, set out the projects funded by projected Scottish Government borrowing that would be lost if the Scotland Bill was vetoed and allocate its revenue consequential, including a sum to prevent cuts to college budgets."

The Deputy Presiding Officer: We come to the open debate. Members have a very tight six minutes.

15:55

Kenneth Gibson (Cunninghame North) (SNP): With the economy still at the forefront of so many people's minds, I can think of no more important a subject for us to be debating. However, it was a bit rich of Mr Rennie to suggest that we should be chuffed that there is not to be a 3p a litre increase in fuel duty. Scotland has most of the EU's oil, yet we pay more for it at the pumps than virtually anyone else. As for pensioners getting their biggest rise ever, it is a feature of inflation that pensions are going up; in real terms, they are not going up at all.

Gavin Brown: What?

Kenneth Gibson: Pensions are not going up in real terms, when inflation is taken out of the equation.

We continue to face great economic challenges. Unfortunately, many Scottish households have already endured financial difficulties for far too long. It was, of course, the previous Labour UK Government that led us into the current economic crisis through its failure to regulate adequately the world's largest financial centre, the City of London, and which allowed inequality throughout the UK to skyrocket. I note that Labour leadership candidate Johann Lamont said:

"Government has to intervene to make that bridge between a strong economy and shared prosperity."

Richard Baker rose—

Kenneth Gibson: However, a report that the OECD released earlier this week showed that inequality rose at a higher rate in the UK than in any other OECD country during the decade leading up to the 2008 economic recession. That happened under Labour. I will let Mr Baker in when I have made some progress.

Unfortunately, recent figures from the OBR illustrate that the policies that the Conservative-Lib Dem UK Government has pursued have failed to improve the current economic climate. As we have already heard, the forecasts have been downgraded. The OBR's revised figures fully demonstrate that the coalition Government's austerity-at-any-cost approach has failed and that a change of course is sorely needed. The OECD has predicted that the UK will fall back into recession in 2012.

Neil Findlay rose—

Kenneth Gibson: In last week's autumn statement, the chancellor had a golden opportunity to acknowledge the UK Government's failures so far and to outline a plan B but, instead, George Osborne has stubbornly clung to plan A.

Gavin Brown rose—

Kenneth Gibson: The previous Labour UK Government put us in a hole, and now the current Conservative-Lib Dem Government in London is digging it even deeper.

Prior to the chancellor's statement last week, the SNP Government called for an expanded programme of £2 billion for capital infrastructure investment in Scotland to help offset the cuts that have been imposed on us. Such a programme would boost the economy and create jobs, and would support the construction of schools, hospitals and roads, among other projects.

When Labour was in power, it gave the Northern Ireland Assembly, which represents a population that is a third of the size of Scotland's, £2.5 billion in borrowing consent but gave Scotland nothing. Perhaps a Labour member would like to intervene to tell us why Scotland was discriminated against in that way. I will be happy to give way to Neil Findlay or, indeed, Richard Baker.

Neil Findlay: The member mentioned people's income. Given that last week he was put up on "Newsnight Scotland" as the strike breaker in chief, will he give the Cabinet Secretary for Finance, Employment and Sustainable Growth some advice on public sector pay?

Kenneth Gibson: The reality is that, under the Scottish Government, households will be more than £1,000 better off because of the council tax freeze alone. I notice that Mr Findlay was too embarrassed to defend the previous UK Government's discrimination against Scotland on borrowing consent. Perhaps that is something that he might want to think about for the next debate.

Although the UK Government has offered some additional funding, it is not nearly as much as required and most of it will not be available until after 2013. In short, it is far too little, far too late. Despite last week's disappointing news, I have

every confidence that the SNP Government will continue to do all in its power to assist struggling households throughout Scotland during these difficult times.

I welcome the measures that the finance secretary has taken to increase capital spending, despite the cuts of 32 per cent that Westminster has imposed. I also welcome the SNP Government responding to Lord Smith's report on youth unemployment by appointing a designated youth employment minister. That demonstrates how seriously the SNP Government takes the issue, which continues to be a problem in many parts of Scotland, including North Ayrshire.

The SNP Government is using every lever at its disposal to boost the Scottish economy and increase economic recovery, as the cabinet secretary has made clear, but the UK Government must play its part, instead of stubbornly sticking to an economic strategy that has proved a failure. I ask Conservative and Lib Dem members to tell their Westminster colleagues to make Scottish economic recovery a higher priority and to repeat our calls for a reduction in VAT on building repairs and maintenance work from 20 to 5 per cent to boost the construction industry and create jobs.

If the UK Government is unwilling to take the necessary steps to promote economic recovery in Scotland, it should give this Parliament the powers that it needs to take those vital steps. As the Scottish social attitudes survey illustrates, the Scottish people have moved light years ahead of the Scotland Bill and our ossified unionist opponents by supporting the Scottish Parliament having the power to take such decisions for Scotland.

As for Labour members, I realise that their party will soon have a new leader, and I hope that that will bring about a drastic change in the Labour Party's approach to Scotland. However, from what I have seen so far, all we seem to be getting is opposition for opposition's sake. This week, both Johann Lamont and Ken Macintosh spoke against SNP Government plans to keep council tax frozen for the duration of this session of Parliament, despite the fact that the Minister for Local Government and Planning, Aileen Campbell, told the Scottish Parliament:

"the average saving for a council tax band D dwelling over the current session ... will be more than £1,136."—*[Official Report, 24 November 2011; c 3832.]*

This Government is putting money in people's pockets when it is most needed, while Labour want to deny Scottish families that money.

The economic challenges that we face might be severe but they are not insurmountable. In last week's autumn statement, the chancellor missed an opportunity to indicate a much needed change

of direction. However, this Parliament must press the UK Government either to take the necessary action to restore prosperity or to give this SNP Government the powers that it needs to promote economic recovery and create jobs in Scotland.

Of course, access to Scotland's revenues—the £13.4 billion in oil revenues that is heading south this year, along with the £3 billion in whisky revenues, which, as we heard last week, are up 23 per cent—would go a long way towards ensuring long-term economic prosperity. Look at Norway.

16:01

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): In last week's statement, the UK Government continued to damage the economy, to penalise those on lower incomes in particular and to blame everyone else except itself. Our objective should be to do the opposite in all three respects.

The most shocking summary of the statement is to be found in the distributional impact graphs of the Institute of Fiscal Studies, which showed that the biggest losers are families with children. Even more horrific, the population's lowest two income deciles lost the most—and the third, fourth and fifth poorest deciles thereafter—while those in the upper deciles were penalised the least. The UK Government itself has admitted that last week's statement, with the changes to tax credits and certain other policies, will result in child poverty in the UK rising by 100,000 next year. That is a shocking admission—and perhaps even more shocking is the UK Government's blatant disregard of the internationally recognised definition of child poverty, which it says it will henceforth ignore. That is not just blatant social injustice; it is taking income away from low-income families and further shrinking demand in the economy. Of course, the collapse in demand is perhaps the key problem facing the UK economy just now.

It is not just the left that is objecting to such moves. This week, the OECD criticised the UK Government, saying that it must do something about income inequality; in fact, it advocated further taxes on the rich. Alas, last week, the UK Government did exactly the opposite.

With regard to the wider economy, the UK Government began its term by saying that it could not borrow its way out of a crisis. However, as we know, borrowing is now higher than ever. That is not surprising—after all, it is the economy that defines the size of the deficit, not the deficit that determines the size of the economy.

Last week's statement was not a statement for growth. The cabinet secretary has already referred to the report from the OBR, which made no

adjustment as a result of the measures set out in the statement. Gavin Brown might have found some economist to back his point of view but the reality is that there are just as many—indeed, there are more—distinguished commentators who disagree with him. I have not got time to read out the full quotation but in October even the International Monetary Fund, which is often quoted by the Conservatives, said that the UK Government should consider delaying some of its planned consolidation.

Of course, it is not just the IMF that is saying so; the same is being said by a clutch of Nobel prize-winning economists and very reputable commentators, including Martin Wolf of the *Financial Times*. I know that Gavin Brown wanted to quote the *Financial Times* but Martin Wolf certainly does not share the view that Mr Brown quoted. One such Nobel laureate is Paul Krugman who, this week, made a striking statement when he compared the chancellor to

“a medieval doctor bleeding his patient, observing that the patient is getting sicker, not better, and deciding that this calls for even more bleeding.”

We have heard the usual arguments from the Conservatives today: if we had not had “bleeding”—to use Paul Krugman’s word—interest rates would have gone through the roof. However, that is not the case. It is illiterate fantasy to believe that long-term low interest rates are the result of the policies of the United Kingdom Government. They are, in fact, a sign of stagnant growth. We saw that with long-term low interest rates in Japan in the 1990s.

Murdo Fraser (Mid Scotland and Fife) (Con): Does Mr Chisholm understand that, in Italy today, interest rates are at 7.2 per cent. Is that a sign of high growth in the Italian economy?

Malcolm Chisholm: The Italian situation is completely different from the UK situation. Italy is in the euro. At least Italy has higher growth than the UK; in the European Union, only Greece, Portugal and Cyprus have lower growth than the UK.

The main result of the autumn statement is increased capital expenditure for Scotland—although it would be good to hear from the cabinet secretary, when he winds up, exactly what the matched funding for the sleeper will do. Although we are getting extra, it seems that we will have to put quite a lot of it into the sleeper. It is a worthy objective, but it means that the extra is not as much as it seems.

The big capital expenditure document this week is the infrastructure investment plan, which, on a cursory reading, seems to me to be the longest wish list in history. I do not see how it is affordable, if revenue payments are to be kept within 5 per

cent of the budget. However, the key things about the document are that it ought to be costed and that it must set priorities. My main advice to the Scottish Government would be to give up its obsession with road building and focus on housing in the next two or three years.

We heard this week that Edinburgh could not meet its 2012 homelessness target, and that there will be a 30 per cent cut to the affordable housing budget. My simple message to the Scottish Government today is this: prioritise housing.

At the start of my speech, I castigated the UK Government for penalising those on low incomes and sabotaging growth in the economy. Prioritising housing is a way of supporting those who are disadvantaged while simultaneously boosting the economy. Of course the Scottish Parliament needs more financial powers to enable it to do more, but that should not blind us to what we can do with the powers that we have at present. Prioritising housing will help the economy and help those who are disadvantaged. That should be the immediate priority for the extra capital that we are getting.

16:07

John Wilson (Central Scotland) (SNP): I welcome the motion in the name of John Swinney, and I welcome this Scottish Government debate on the UK Government’s autumn statement. I am pleased that the Scottish Government has highlighted the issue of how it needs to prioritise Scotland’s infrastructure in its detailed infrastructure spending programme.

The Scottish Government, in its current thinking and programme for government, has spelled out the need to reindustrialise parts of Scotland. When we consider the future, we see that there is more that the Scottish Government can do. However, Scotland needs the instruments to do the job of investing in our physical environment. In moving Scotland forward, it is vital that we attract investment, and the Scottish Government has flagged up its key commitments, especially the need for a Scottish growth strategy, focused on growth sectors and markets.

This debate on the impact of the autumn budget statement on Scotland’s economy and on the targeting of capital investment has to be put in the context of a highly political agenda being advanced by the UK Government, with the focus on cuts being all important. Economic commentators, especially Professor Danny Blanchflower of Dartmouth College, have criticised the UK Government’s approach. The UK Government’s financial policies—with their focus on the age of austerity and “We are all in this together”—are starting to ring hollow. I note that

last week, Danny Alexander, the Chief Secretary to the Treasury, was trying to downplay the impact that the UK Government's budget cuts would have.

In considering the autumn statement, we can see that the promotion of growth is clearly not happening. In fact, growth is flat. The Office for Budget Responsibility forecasts a growth rate of 0.9 per cent this year, followed by 0.7 per cent in 2012. Overall, it is estimated that the autumn statement policy announcements will cost the Exchequer a mere £30 billion in total over the next three years, from 2012-13 to 2014-15. Equally, Mr Osborne intends to pay for some of the increased infrastructure spending that he announced by lower spending on public sector pay and tax credits. During the three years from 2012-13 to 2014-15, the autumn statement will raise capital spending by £3.76 billion, while current spending will be cut by £3.82 billion.

The unionist parties have constantly failed to recognise that the Scottish Government's budget has been cut by £1.3 billion and that £800 million of the cuts directly affect the capital budget elements in the Scottish Government's financial settlement.

In that context, I welcome the UK Government's recognition that, under the current legislative framework, the Scottish Government is severely limited in its borrowing powers. The Scotland Bill, which is undergoing parliamentary scrutiny and contains proposals to extend the current borrowing powers and introduce new capital borrowing powers from 2013, might be a step in the right direction. The proposed transfer of additional powers on taxation and spending to the Scottish Parliament is welcome. The approach is better than the current arrangements but falls far short of what is necessary to stimulate economic growth in Scotland.

Willie Rennie: Will the member recommend to his colleagues that they support the Scotland Bill, in light of the proposals on additional borrowing?

John Wilson: Mr Rennie should know that, although the Scotland Bill represents a welcome move by the UK Government, it does not go far enough towards the ultimate aim of the Parliament, which should be independence.

A key undertaking of the Scottish Government is that it will deal with the reality of renewing Scotland's infrastructure. Increased investment in our capital stock ensures good value and maintains the public pound principle. Procurement is crucial and is even more relevant in the current economic situation, especially as the euro zone's troubles continue to impact on the UK economy.

The Scottish Government's capital spending programme and strategic policy objectives do not

operate in a void. Scotland is severely constrained under the current devolved settlement. That is even more apparent in the context of changes to the Scottish block grant that the UK Government announced in its June 2010 budget. The growth of Scotland's companies has been severely tested in the recent economic climate and certain sectors are increasingly exposed to the economic downturn.

I welcome the debate and look forward to many of the issues that have been raised being addressed in the coming months and years, so that we can develop a programme and a strategy that genuinely benefit the wider Scottish economy and every community and household in Scotland. I commend the programme that the cabinet secretary outlined. We need aspiration and ambition for Scotland's economy to continue to develop and to attract private investment, to secure sustainable growth and employment, now and in future.

16:13

Paul Wheelhouse (South Scotland) (SNP): As most people who have picked up an economics text know, aggregate demand is comprised of consumer spending, or consumption, as well as investment, Government spending and the difference between exports and imports—that is, the trade balance.

We know that consumer spending is depressed and that the increase in VAT has played a large part in that. We know that benefit cuts and contracting public sector employment will have a direct impact on sales in shops and on general economic activity and will therefore continue to depress consumer spending, as will the 3.2 per cent average increase in pension contributions, as we heard during the debate last week. On Willie Rennie's point about pensions, the 5.2 per cent increase is linked to the consumer prices index. There might be a generous cash increase, but it will be wiped out by inflation.

The UK Government seems hellbent on curtailing investment in sectors such as oil and gas, given its £2 billion tax raid. How will such an approach reduce energy prices for consumers in the longer term? The U-turn on carbon capture and storage will also depress investment in the private sector. Meanwhile, the failure of quantitative easing and project Merlin to encourage greater bank lending is increasingly clear. The announcement of credit-easing measures to release funding for small and medium-sized enterprises was welcome, but it is probably too little, too late.

Government spending is, of course, a key area and we have influence over that. As Scotland has

no scope to borrow, the Scottish economy will suffer the full effects of the UK Government cut to the block grant—both the cut in resource and the 32 per cent cut to the capital budget. That is having a profound impact on consumer and business confidence and is adding fuel to the fire created by uncertainty over the systemic risk to the banking sector posed by the euro zone crisis.

It seems that George Osborne has pinned all on trade and exports. Although there have been some marked successes in expanding Scotland's exports of food and drink—especially Scotch whisky, on which we have had some very welcome news—other markets are clearly depressed. There was some reason for optimism initially, but the downturn in key European markets could place a drag on growth in Scotland and we are already seeing business confidence drop. Across most components of demand, unless the UK changes tack—and fundamentally so—we face continued downward pressures.

George Osborne offers only a limited loosening of capital budgets but, crucially, two thirds of the new capital investment will not be available until 2013 or later, despite the urgent need for stimulus this year and next, and we do not, as others have said, have the detail yet on transfer of resource to capital spend, so the overall impact is unknown at this stage. By contrast, despite a brutal cut of 32 per cent in Scotland's capital budget this year, the Scottish Government, through its own switch from resource to capital and through the £2.5 billion NPD programme operated by the Scottish Futures Trust, will support around £9 billion of capital spending over the next three years to deliver schools, hospitals, houses, roads, water infrastructure and much else. The overall impact of those measures is that overall capital spend will increase for the duration of the spending review period.

Willie Rennie: The member talks about the lack of borrowing by the UK Government. Does he not recognise that the stable conditions that we created in 2010 have led to the low interest rates and the low yields that allow us to borrow at all and allow us to keep the UK economy relatively stable?

Paul Wheelhouse: Willie Rennie's point is reasonable in that, obviously, confidence in the ability to repay debt is important in keeping the interest rate down, but markets will also take into account the overall prospects for growth and, if they feel that growth is collapsing, that will have a detrimental impact on our ability to borrow as well, so he should be careful about that position.

To give just two local examples, in the Scottish Borders and Midlothian the Borders rail project will be completed under the stewardship of Network Rail, while in Kilmaronock there will be a new

campus for Kilmaronock College, which we heard only last Friday will be a key element in the regeneration of the Diageo site there. I, too, very much welcome the Scottish Government's infrastructure investment plan, which provides crucial support for employment. Others have said clearly that it will have a positive economic impact. As the Finance Committee heard from the Scottish Futures Trust, it makes good economic sense to invest now while construction prices are lower than they have been for some time.

This week, the Scottish attitudes survey, to which Kenny Gibson referred, highlighted that Scots would vote two to one in favour of independence if they could be as little as £500 per annum better off. I have every confidence that that will be the case, but to see one example of where Con-Dem policies harm Scotland at the moment, we need look no further than fuel duty. The cost of fuel has increased by about 16 per cent since the Con-Dems came to office in 2010. That has led to increased financial pressure on farmers and hauliers. It has increased the cost of delivering public services, such as public transport, emergency services and many health and social service activities, which rely on transport. Crucially, the higher cost of fuel has taken money out of families' pockets and constrained high street spending. It has driven price inflation in productive sectors, as the cost of getting goods to market has increased substantially, and it has hit tourism, as it has become more expensive for tourists from the rest of the UK, Ireland and continental Europe to visit Scotland, particularly those areas that are ill served by public transport. Although the cancellation of the increase in fuel duty in January is welcome, I ask the UK Government to consider cancelling August's proposed increase as well, because we simply cannot bear that.

In concluding, I want to add to Malcolm Chisholm's point about child poverty. I certainly agree with Save the Children that the Parliament should make a clear statement condemning the decision to cut child tax credits and I ask the UK Government to consider that.

16:19

John Pentland (Motherwell and Wishaw) (Lab): Unfortunately, Mr Swinney's motion follows the usual Scottish Government mantra: UK, bad, Scotland, good. However, to be fair, it would not be too hard to portray the current state of affairs in that way, because the Tory-Liberal coalition's handling of the UK economy has been so bad that—dare I say it?—it makes even the current Scottish Government's policies look good by comparison. The coalition insists that it is dealing with problems that the previous Government created, which conveniently downplays the part

played by the greedy and incompetent bankers at home and abroad.

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

John Pentland: No, I want to move on.

Meanwhile, the Scottish Government is torn between criticising the Tories and joining them in peddling the myths about the nature of our economic problems. The coalition's entire economic strategy has been built on myths. There is the myth that British public debt, which is currently about 80 per cent of GDP, is at an unprecedented and unsustainable level, when in reality it is similar to that of many other developed nations and considerably less than that of some.

Mark McDonald (North East Scotland) (SNP): Will the member give way?

John Pentland: No, I want to move on.

It is right to be concerned about the level of debt, but hysterical and excessive responses are counterproductive and have given rise to the further myth that we need to slash hard and deep, which just destroys our ability to generate the wealth with which to repay debt. That myth is reinforced by the myth that public finances are out of control and public services waste money. The real waste is ditching services for the sake of a slash-and-burn ideology.

As Glenn O'Hara of the Oxford Brookes University notes,

"Recent history repeatedly shows that the combination of background inflation, resurgent growth and the establishment of a sound plateau for public spending are actually much more likely to be effective over the medium term."

Perhaps George Osborne should go back to Oxford to learn the lessons of history. His misdiagnoses and flawed prescriptions have hindered recovery.

There are some signs in the autumn statement, however, that the chancellor has got a fright. Perhaps the OBR's analysis has made him think again. If so, maybe our Cabinet Secretary for Finance, Employment and Sustainable Growth could benefit from having an OBR in Scotland.

Alongside the downwards revision of growth expectations, George Osborne has decided to take a small step away from disaster. He is trying to stimulate growth by investing in infrastructure, although by far less than he cut, and by making business borrowing easier, although he is not tackling bankers head on—even action on bonuses has been abandoned. Sadly, the abandonment of child tax credit rises and other measures will make low to middle-income families worse off and increase child poverty.

The continuing negativity of the Government also depresses consumer and business confidence, making it even harder for business to grow. George Osborne somehow fails to grasp that confidence matters when it comes to growth and that he needs to stimulate both. The OBR report makes it clear that, because of the chancellor's low-growth policies, borrowing will be much higher than that projected under the previous Government and much higher than the chancellor predicted. Mr Osborne's answer to the failure of his austerity programme is more austerity and making the public sector pay for the bankers' mistakes.

The Scottish Government, too, is critical of cuts, such as those in public sector pensions, but when SNP members had the opportunity to do something, what did they do? They passed on the cuts. They were notable by their absence from the picket lines during the recent strike, and their solidarity with and support for public sector workers stops with criticism of the UK Government. Teachers, hospital workers, refuse collectors and dinner ladies were not the cause of the financial crisis; bankers were. However, while plans to tax and trim the casino bankers' bonuses are abandoned, public sector workers are being made to pay for the consequences of the bankers' mistakes.

On the one hand, the Scottish Government has been critical of the Con-Dems but, on the other hand, it is aiding and abetting them with its own additional cuts agenda. There has been a 20 per cent cut in funding for colleges, a £319 million cut in real terms to the national health service budget and a 50 per cent cut to the social housing budget. In addition, there is very little to show for the Scottish Government's spending on jobs and the economy, with 100,000 young people unemployed and no overall reduction in child poverty since 2007. Perhaps the Scottish Government's mantra might more accurately be: UK Government bad, Scottish Government not so good.

16:25

Bob Doris (Glasgow) (SNP): The best way to attack the Tories on the damage that they are doing to Scotland is not to fire bullets at the SNP but to combine with the SNP and turn our focus on the UK Tory-Liberal Democrat coalition. The approach that John Pentland takes makes the Labour Party apologists for the savage cuts that are coming to Scotland. That is not a fig leaf that Labour can hide behind.

We could agree that the autumn budget statement was too little, too late. However, John Pentland is not willing to accept that.

I want to look at the autumn statement not in terms of capital expenditure but in terms of the piecemeal and fragmented nature of the announcements that were made. For example, the UK youth contract, which Mr Rennie mentioned, will receive £940 million over the spending review period, but only £6 million a year will accrue to Scotland in Barnett consequentials.

Willie Rennie: Does the member not realise that almost £100 million is coming to Scotland? Even though it is not going into the SNP's pockets, £100 million is going to businesses in Scotland.

Bob Doris: That is not my understanding of the situation. I checked, and Scotland will receive £6 million in Barnett consequentials as a result of the spending on the UK youth contract, although I am willing to be corrected on that. If we scratch the surface of that youth contract, we see that it will provide 160,000 wage subsidies across the UK—I point out to Mr Rennie that that is a UK-wide figure—to encourage the private sector to take on young employees. Each subsidy is worth £2,275. Although that could be welcomed, the initiative raises a number of questions. Will that merely be a wage subsidy for a job that would have been created anyway? Will it artificially create jobs that are not sustainable? How long will a young person need to be employed before the cash payment is made? Will there be a clawback if that subsidy mechanism is abused by employers? Will there be any training requirements? Those are all reasonable questions to ask if we want to ensure that the policy stimulates economic growth, and I hope that those issues can be resolved.

I contend that it is the Scottish Government that is best placed to resolve those issues in Scotland. I believe that it has a track record in the area. It already has experience of providing a £1,000 subsidy to encourage employers to take on apprentices whose apprenticeship has ceased because of the UK economic crisis. In 2010-11 alone, that has benefited 1,295 apprentices and companies.

In April 2011, £2.5 million was announced for an extra £1,000 subsidy for companies in Scotland that employ fewer than 50 staff and have particular challenges in taking on extra employees. That is already happening in Scotland, under an SNP Government. Also worth noting is the hugely successful small business bonus scheme, which has helped 85,000 of our very smallest firms to the tune of £1,500, on average—some have received several thousand pounds more than that.

If we add to that the opportunities for all scheme for all 16 to 19-year-olds as well as the 25,000 modern apprenticeships a year, it is undoubtedly true that the Scottish Government has created a dynamic network of support for those who are out of work and for our small business sector.

Therefore, when more money is being directed at that area, I would suggest that the Scottish Government is best placed to direct how that money is spent. I say that not because I want to start some constitutional turf war but because it just makes sense—it is the right thing to do, because the Scottish Government has the appropriate track record.

Of course, we can only do so much to stimulate growth. That is why many of the SNP speakers this afternoon have been talking about capital expenditure as a lever to stimulate growth. Again, Scotland has a track record in that regard, and everyone should listen to the facts. When the Scottish Government accelerated capital expenditure in the construction sector, there was a 22 per cent increase in employment in that sector in Scotland when the equivalent figure was falling by 5 per cent across the UK. Capital acceleration and expenditure works, and the UK Tory-Lib Dem Government should learn that lesson from the Scottish Government.

I am delighted that we have put our ambitions out there for £60 billion of capital expenditure in the next 20 years. To those who say that that money is not being spent just now, I say that they should learn the basics—

Gavin Brown: Will the member give way?

Bob Doris: I am in my last minute. They should learn the basics of economics.

Gavin Brown rose—

The Presiding Officer (Tricia Marwick): The member is in his concluding minute.

Bob Doris: I will give members one example: £285 million has been invested to fully modernise the Glasgow subway system, but that work, which has been going on for years, will not be completed until 2019. That is how major infrastructure investment is designed and carefully planned. The Scottish Government has a track record in creating employment and stimulating economic growth. If only we had the real powers to borrow to raise that capital expenditure and stimulate the Scottish economy, then my goodness we would be in a better place.

16:31

Mary Scanlon (Highlands and Islands) (Con): I welcome the tone of the finance secretary's opening speech. I actually wrote in my speech that I regret the tone, because I was going by the motion—

Members: Oh!

Mary Scanlon: —but I thought that his presentation was very appropriate, particularly in these difficult times.

John Swinney: What a recovery.

Mary Scanlon: Yes—I underestimated Mr Swinney's ability.

John Swinney: You certainly did, Ms Scanlon.

Mary Scanlon: The first line of the Government's motion notes the Office for Budget Responsibility's reduction in the economic growth forecast. What many have failed to mention is the context of that reduced forecast as stated by the OBR. With higher than expected inflation due to sharp increases in global commodity prices, the enduring crisis in the euro zone producing the increased instability and uncertainty that we witness daily, and the impact—as Gavin Brown mentioned—of the 2008-09 financial crisis becoming even clearer, the conclusion is that the boom was bigger and the bust deeper, which means that the effects of the crash are lasting longer than was previously thought.

Even Tony Blair admitted in his book that, from 2005 onwards, Labour was insufficiently vigorous in limiting or eliminating the potential structural deficit. The Institute for Fiscal Studies stated—this has been mentioned today, but I do not apologise for raising it again—that

"If the unprecedented transparency of the OBR had been in existence over recent years, it might have discouraged Gordon Brown from persevering with fiscal forecasts that most independent analysts thought over-optimistic from 2002 onwards".

Although we are addressing today the revised, lower growth figure from the OBR, it is at least an open, honest, factual, realistic and transparent figure.

The IMF and the OECD have both said that, without a reduction in the budget, there can be no sustained economic growth. Indeed, the UK Government's plans are backed by the European Commission, the Confederation of British Industry, the Institute of Directors, the Federation of Small Businesses, the British Chambers of Commerce and many others. It is worth comparing the UK economy with others in the euro zone, as many members have done. Our unemployment rate is still too high at 8.3 per cent, but it is 2 per cent lower than the euro average. The rate in Austria is as low as 3.8 per cent, but the rates in Spain and Greece stand at 23 per cent and 18 per cent respectively.

The effect of the euro zone crisis cannot be overestimated and the full effects are not yet known, especially as British banks lent heavily to businesses and Governments in the euro zone's worst trouble spots, as well as to French and German banks. Forty per cent of our exports are to euro zone countries, and as they experience their recessions, there is no doubt that they will drag down demand and affect our economy.

I make no apology for stating that the budget deficit that the coalition Government inherited was not only the largest in the G7 but the largest in the developed world, with the result that the UK Government is spending £120 million a day on debt interest alone. As Gavin Brown said, the chancellor's management of the economy has secured the trust of both the credit rating agencies and the bond markets, and every pound that the UK Government saves will be spent on measures to support growth, improve fairness and help families.

Our amendment highlights a constructive and appropriate approach to the problems that we face, with a mixture of demand-led and supply-side policies. Bob Doris is welcome to read my copy of the autumn statement. Pages 53 to 57 are full of supply-side economics and capital infrastructure spending.

Raising the personal tax allowance this year to £7,500 and to £10,000 for people who are aged over 65 has taken more than 90,000 people in Scotland out of taxation, which is welcome as a demand-led policy, and the allowance will increase by more than 8 per cent next year, compared with the 2 per cent by which it used to increase under Labour.

The Scottish Government will also receive £433 million in additional funding. Its response that that is too little, too late is unfortunate and it is not in keeping with the tone that the cabinet secretary struck today, but I am sure that he will sort that out.

Scotland will also benefit from the commitment to the provision of cross-border rail services in partnership with the UK. The decision to defer the 3p increase in fuel duty is also welcome, particularly in the area that I represent and in the islands. The policies of credit easing, increased capital investment and investment to support infrastructure and enterprise zones are quite similar to the policies that are being implemented in the rest of the United Kingdom, and the increase in the bank levy will raise an additional £280 million a year.

Although I welcome the eventual investment in the A9, the A96 and Her Majesty's Prison Inverness, I support the amendment in the name of Gavin Brown.

16:37

Kevin Stewart (Aberdeen Central) (SNP): We often hear about the bankers' mistakes and what the bankers have done. I am no friend of the bankers, but I remind members—particularly those on the Labour benches—that it was up to politicians to regulate the bankers. Tim Geithner, the United States Secretary of the Treasury,

recently said that a lot of the problems with deregulation emanated from London and from Gordon Brown.

Richard Baker: We are hearing a bit of revisionism. I remind the member that Alex Salmond said in *The Times*, in April 2007:

"We are pledging a light-touch regulation suitable to a Scottish financial sector with its outstanding reputation for probity, as opposed to one like that in the UK, which absorbs huge amounts of management time in 'gold-plated' regulation."

Kevin Stewart: A light touch is better than none at all, which is what happened under Labour.

Many Labour members still believe that Gordon Brown was the economic and financial messiah. However, in the words of Mrs Cohen from Monty Python's "Life of Brian":

"He's not the messiah. He's a very naughty boy!"

The sooner they learn that, the better.

I turn to the impact of the budget statement on my constituency and the city that I represent. The thing that really strikes me is its impact on the child tax credit, which was mentioned by Malcolm Chisholm and others. That will put 10,000 more Scots children into poverty, many of whom will be in my constituency. The figure is £40 million for nearly 400,000 children—I thank Save the Children for highlighting that for us. In complete contrast with the Scottish Government's early intervention policy, that is early damnation. We, as a Parliament, must condemn that aspect of the statement.

Mary Scanlon: Does Kevin Stewart welcome the Treasury's statement that

"In future the Government will publish an assessment of progress on child poverty against the full range of indicators"?

That was never done under Labour.

Kevin Stewart: I am not at all happy about that, because the UK Government is changing the measures. I am happy about the measures that Save the Children, rather than the Con-Dem coalition, wants.

Another aspect that affects my constituency is oil and gas taxation. I have talked previously in the chamber about the need for stability on that, to ensure that the North Sea sector continues to be vibrant. We heard nothing about that in the autumn statement, yet the chancellor is happy to take £54 billion in oil revenues in the next few years. This Parliament should control those moneys, so that we can make the right decisions for this country.

Mary Scanlon: Well, have a referendum.

Kevin Stewart: We will have a referendum, but not when Mrs Scanlon wants it—we will have it when we promised to, in the second half of the parliamentary session.

I welcome this week's infrastructure announcements, which will be welcome throughout Aberdeen and the north-east. I want better rail links between Aberdeen and Inverness and between Aberdeen and the central belt. We were promised them many years ago by various other Governments, but nothing much came of that. I am confident that we will get the rail network right this time. Like Mr Doris, I welcome the fact that we are planning for future strategic infrastructure projects. That is the way to do it.

I hope that we will see the beginnings of the Aberdeen western peripheral route sooner rather than later. As many members have heard me say, that road was first planned in 1948. When we think that we will finally get it, somebody is always there to kibosh it. I hope that the court situation will be dealt with sooner rather than later, so that we can eventually get on with that infrastructure project.

Transport is a key part of infrastructure spend in the areas that many members represent. I disagree with Mr Chisholm's point that we should not spend money on roads. The AWPR is vital to the economy of Aberdeen and the north-east. It would be wrong to say that no road building whatsoever should take place. When the Labour Party sums up, will somebody tell me what its plans are for road building and whether it commits to the AWPR?

I support the motion in Mr Swinney's name and I hope that all other members will do so, too.

16:43

Kezia Dugdale (Lothian) (Lab): I welcome the opportunity to contribute to the debate. My colleague Richard Baker made an excellent speech in which he set out wider issues that relate to the economic crisis and the UK Government's failure to respond. I will focus on the living wage and child poverty in the context of the economy. Kenneth Gibson said that the Scottish Government's focus was on putting money in the pockets of the people who need it most, so perhaps we can look at the detail of how the Scottish Government intends to do that.

The living wage is important to me and my party, so I am pleased that the Local Government and Regeneration Committee started a mini-inquiry into the topic this morning. I hope that the committee will report in January on three key issues: poverty pay and low-paid work, how we address procurement matters effectively, and the need for political will to drive the issue forward.

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

Kezia Dugdale: I am happy to give way to John Mason.

John Mason: The living wage is important, but does the member accept that, although a living wage is good, a minimum wage is better, because it affects the private sector as well?

Kezia Dugdale: The whole point of driving the living wage into the Scottish Government's main workforce at the beginning is that it will eventually drive culture change in the private sector as well. We wanted to see the living wage in the Scottish Government and we are pleased that it has been delivered. We want to see it for directly employed local authority staff, and some progress remains to be made there. We want to see it implemented through tendered local authority contracts. When we get to that point, we will have a critical mass that will force change in the private sector. In order to make that journey, we need political leadership. My party differs from the member's party in its willingness to drive that culture change all the way through the process.

Some 350,000 people in Scotland earn less than £7.20 an hour. It is a huge challenge for us to address that, particularly as it is those people who are most susceptible to the pressures of the cost of living such as increases in VAT and so on. The living wage has value and benefits for employers through reduced sickness, a more stable workforce and better performance. There is also value in the increased life chances and experience of the workers themselves. That is important to the local economy because of the buying power of low-paid workers. All the evidence points to the fact the lowest paid spend most of their money in their local economy. If we raise their wages, we are supporting and stabilising our local economies and the communities that we are here to represent. The Scottish living wage campaign report states that, for every £1 of the living wage, £1.63 is generated in the local economy. That makes an important point about the relevance of the living wage to all the economic issues that we are discussing.

There are many workforce-related issues in Labour's amendment, but I would like the Scottish Government to commit to a living wage to address some of the wider issues that we talk about. Six out of 10 children who live in poverty come from households in which at least one parent or guardian is working, so child poverty is an important economic issue. When the Joseph Rowntree Foundation gave evidence as part of the Local Government and Regeneration Committee's living wage inquiry this morning, it stated that child poverty costs the UK economy £25 billion a year. That is the cost of providing services to children

who are living in poverty and covering the loss of earnings by those adults who have not made it into the labour market. The Joseph Rowntree Foundation said that £17 billion of that money could be brought back directly to the Exchequer if we meet the target to eradicate child poverty by 2020. My party and I therefore believe that child poverty and the living wage are not just about social justice; they are economic issues that are fundamental to how we restructure—

Kenneth Gibson: Will the member take an intervention?

Kezia Dugdale: I am afraid that I do not have time. I apologise to Mr Gibson.

That is why I am so disappointed to see the UK Government do two key things. The first was to scrap the proposed increase in child tax credit. Kevin Stewart mentioned that earlier. The second was to drop the commitment that was enshrined in the Child Poverty Act 2010, which is barely a year old, to measure poverty in relative terms. The UK Government's own figures show that child poverty is likely to increase by 100,000.

I would go a bit further than Mr Stewart and say that the Scottish Government has a duty to play its part in challenging the changes to the child tax credit arrangements. Furthermore, I seek an assurance from the cabinet secretary that the Scottish Government will continue to measure child poverty in relative terms and will not seek to change the way in which it counts children who are living in poverty.

The Institute for Fiscal Studies has said that it is now inconceivable that the UK Government will meet its 2020 target, so I would welcome it if the Scottish Government would take the opportunity to update us on its progress towards eradicating child poverty in Scotland. If it cannot do that today, perhaps it could say when it is likely to produce its first annual report into child poverty, which it committed to doing in the child poverty strategy that was published at the end of the previous session of Parliament.

Progress towards addressing child poverty in Scotland is "stubbornly static" in the words of Save the Children. In fact, it has not moved in Scotland since 2005. With the welfare reform agenda and the proposed UK Government cuts, it is becoming ever more important that we seek to address that. I challenge the Scottish Government to revisit its child poverty strategy to make sure that it is fit for purpose in the new circumstances in which we find ourselves.

I am grateful for the opportunity to contribute to today's debate and I look forward to hearing the Scottish Government address some of the issues that Labour members have raised.

16:49

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): It is important to consider the economic backdrop to the debate. John Swinney was absolutely correct to say that the UK economy remains in a very fragile condition; indeed, we heard in the autumn budget statement that the Office for Budget Responsibility has revised down its GDP growth forecasts for the coming years. Significantly weaker growth is now expected this year and next year. It has been forecast that the UK economy will grow by just 0.9 per cent this year, 0.7 per cent next year, and up to 2.1 per cent the year after.

The Office for Budget Responsibility does not believe that the UK economy will fall back into recession, as the OECD predicted, but it has predicted that output will be negative in the last quarter of 2011 and that there will be only very weak growth at the start of next year. It is quite clear that there are rather negative economic conditions.

There is an expectation that between the first quarter of this year and the first quarter of 2016, UK general Government employment will fall by more than 600,000. In last week's pensions debate, I mentioned that I was at the Public and Commercial Services Union picket line at Her Majesty's Revenue and Customs in Cumbernauld, where very real concerns were expressed to me about the cuts that we will see in the UK Government workforce. That stands in stark contrast to the Scottish Government's stated aim of having no compulsory redundancies.

It would be remiss of me not to pick up on John Pentland's point about the Scottish Government's position on pensions. If he had been bold enough to take my intervention, I would have said then what I am about to say. Perhaps he will be bold enough to take an intervention by the end of the parliamentary session—or perhaps not. He was in danger of trotting out the Willie Rennie line of argument, which he would not have heard, as he was not at last week's debate. Willie Rennie might think that that is a good place to be, but I do not think that the rest of us—including Mr Pentland, I am sure—think that it is a particularly good place to be. The Scottish Government had absolutely no choice: it had no room for manoeuvre on pensions. How could it have any room to manoeuvre?

Willie Rennie *rose—*

Jamie Hepburn: I see that Willie Rennie is trying to intervene on me again. I will let him in in a minute. That will be the third time that he has intervened on me on the matter.

Mr Pentland fails to acknowledge Danny Alexander's threatening letter. Some £550 million

would be removed from the Scottish Government's budget over the next few years. Richard Baker recognised that position, and he has previously accepted the difficulties for the Scottish Government.

Willie Rennie: Did the member not listen to the radio programme from St Andrews that John Swinney and I were on together? He admitted in that radio programme that he has a choice on pension contributions.

Jamie Hepburn: I missed that radio programme. I am always happy to listen to Mr Swinney; to be courteous, I will leave the other part of the equation unspoken.

Neil Findlay: One area in which the Scottish Government has flexibility is public sector pay. The cabinet secretary did not mention public sector pay, but it is mentioned in the autumn statement. Does Mr Hepburn support the Osborne line or will he appeal to the cabinet secretary to move much further on public sector pay?

Jamie Hepburn: Mr Findlay has signally failed to recall the cabinet secretary's budget statement. The cabinet secretary hopes to end the pay freeze next year. He has not taken forward a pay freeze with relish. I hear Mr Findlay chuntering from the sidelines—it might be better for him to listen for once in his life. Mr Findlay fails to acknowledge the context that the Scottish Government has found itself in, which was, of course, begun under his party. Let us not forget that 85 per cent of the cuts to the Scottish budget were planned under his Government.

I return to the autumn statement. UK borrowing in this year is now expected to be £127 billion, which is £5 billion higher than the OBR forecast in March and £11 billion higher than it forecast in June 2010. I am not critical of that borrowing per se. Indeed, the cabinet secretary has previously called for £20 billion of borrowing for targeted measures, which would have been very sensible. However, it would have been much better if that borrowing had come earlier. The fact that we are seeing that borrowing now demonstrates the folly of the UK Government's position. We have consistently heard from those on the Conservative benches—and, today, from the Conservative adjunct, Willie Rennie—that that approach is entirely necessary. It fails to recognise, however—*[Interruption.]* Indeed, Mr Rennie might as well move down to the Tory front bench. He is being invited to do so; why does he not respond to that call?

That approach fails to recognise that many others have been suggested. Different approaches have been put forward by the Scottish Government, by the trade unions and by others on investing in economic recovery. Different

approaches have been suggested by leading economists such as Paul Krugman and Joseph Stiglitz. I could say a lot more, but I have had to deal with some interesting interventions. I look forward to hearing what the cabinet secretary has to say at the end of the debate.

16:55

Stuart McMillan (West Scotland) (SNP): In households in the west of Scotland, and across Scotland, budgets are being squeezed more than ever, especially at this time of year. Rising fuel and food prices are constantly on the minds of businesses and households alike. Last year, the *Greenock Telegraph* started its petrol and diesel watch campaign, which provides a great service to Inverclyde and the surrounding communities by printing the price of fuel at filling stations throughout Inverclyde and the neighbouring towns on a daily basis. As members will know, I have lodged a motion on this issue and, following the vote tonight, I am hoping to have a member's business debate on it next week.

Last week's decision not to introduce the 3p increase on fuel duty was welcome. However, the chancellor is still committed to introducing it next August, and there is much more to be done to encourage him not to do so. Welcome though the delayed introduction—and, I hope, postponement—of the fuel duty increase is, it represents a short-term fix in an area that requires fundamental restructuring. People in Scotland have long campaigned for a fairer fuel duty regime, and the SNP has led calls for the establishment of a fuel duty regulator. Unfortunately, those calls have been rejected time and again in Westminster.

We all know that the European economic situation is not in good shape. We read and hear daily of the increasing difficulties facing the European economies. Last week's downgrading by the OBR of growth forecasts over the coming three years made it clear that the UK Government's actions so far are just not working. Capital projects help to stimulate jobs and economies, but the chancellor's autumn statement last week was a missed opportunity for Scotland. An expanded £2 billion of capital infrastructure expenditure in Scotland to help offset the 32 per cent real-terms cut to Scotland's capital budget would have provided a good opportunity for the chancellor. As the cabinet secretary said, every £100 million invested in capital generates £160 million and 1,400 jobs in the wider economy. That kind of investment is even more vital in the current economic climate.

A theme is now well established, however. When action is required, the UK Government is lethargic, and when it sees fit to act, it does so

using broad strokes that are ill tailored to Scotland. Last week's announcements did not break with that tradition. Until the people of Scotland have full control of their own affairs, we will be forced to await such announcements from the chancellor with more than a little trepidation, year after year, knowing that despite the Scottish Government's best efforts, Westminster can continue to ignore and undermine proposals that are in the best interests of Scotland.

Gavin Brown: The member is critical of the UK Government, and of course praises to the hilt the Scottish Government. Will he tell us why growth in Scotland has been slower than in the rest of the UK since the recession?

Stuart McMillan: As Gavin Brown knows, the full economic powers still lie with Westminster. This Parliament does not have the full range of economic powers to deal with these situations better.

While the Scottish Government continues to take positive action to provide security for the people of Scotland by freezing council tax, abolishing prescription charges and protecting concessionary travel, the Westminster coalition pays little attention to Scotland. The coalition continues to squander billions on nuclear weapons, it has decided to keep the rate of VAT for building repairs and maintenance work at 20 per cent instead of reducing it to 5 per cent, and one week after the announcement in the UK Parliament, this Parliament is still waiting to hear what the consequentials actually are. It is little wonder that the people of Scotland are increasingly of the opinion that the UK Government's one-size-fits-all approach to fiscal policy does not suit Scotland as much as the Westminster coalition would like us to believe.

Mary Scanlon: There is one issue where one size does not fit all. The public sector in Scotland is 15 per cent bigger than it is in the rest of the United Kingdom. If the SNP gets independence, will it raise the size of the public sector or maintain it?

Stuart McMillan: I think that Mary Scanlon knows that that is a factually inaccurate question.

Willie Rennie said that households in Scotland know the challenges that face our economy. I whole-heartedly agree with that comment, but I also know that the people of Scotland are aware of the economic potential of our country and that, if we ran our own affairs, we would improve Scotland's economy compared with what Willie Rennie would like to continue.

Scotland is already the most competitive environment for business in the UK, and the enormous and increasing investment from companies such as Dell, Amazon and Doosan

comes as no surprise to those who want nothing other than to see Scotland flourish.

I am conscious of the time, so I will conclude by touching on one other point. John Pentland spoke of increasing borrowing. I agree with him that the UK borrowing level is way too high, but I suggest that he looks at the House of Commons table of borrowing figures. It shows that, under Labour, central Government gross debt was 49.3 per cent of GDP in 1997. It went down to 38.5 per cent in 2003, which was a good thing, but it was 77.2 per cent in 2010. I do not think that Labour can say anything positive about debt and borrowing to this Parliament.

17:01

Alison Johnstone (Lothian) (Green): The autumn budget signalled the day that the coalition Government finally dropped its pretence of being the greenest Government ever. In his statement, George Osborne was blatant in his support for energy-intensive industries while pulling the rug from under the fledgling solar industry.

In Scotland, we welcome Government commitments to an ambitious renewables programme and climate emission reduction targets. We support the moves announced in yesterday's capital spending plans relating to district heating schemes that will provide cheap heat to households where before it was wasted, and broadband infrastructure that will connect people and businesses and reduce the need to travel. Projects such as investment in rail transport infrastructure are key to reducing our dependence on private cars.

We must make more of opportunities such as those available via a subsea grid connection across the North Sea to let us trade electricity efficiently with the rest of Europe, and closer to home we must help to enable the creation of local energy companies in every council area in Scotland. There is a great opportunity to generate energy locally and renewably, boosting both jobs and revenue for vital public services.

We must demonstrate a commitment to a fitter, healthier and cleaner Scotland by properly funding cycling infrastructure—a spend-to-save measure on many levels. If we are to tackle the climate crisis, we need more such projects, phasing out dependence on carbon-intensive industries while increasing desperately needed employment opportunities. Political will should divert finance away from fossil fuels and towards viable alternative jobs for workers from the carbon-intensive industries, and all government spending plans should reflect that.

What does the autumn statement have to say about challenging inequality? Er, not a lot.

Although it is surely a central pillar of the economic recovery, the UK Government fails even to address it in the autumn statement, while taking £250 million away from hard-pressed families. The UK Government has confirmed that it will not support a financial transactions tax, such as the Robin Hood tax, or offer anything new to tackle tax avoidance and evasion. Big businesses and millionaires will not feel the pinch in the way that those on low earnings will. Although we do not have the power to raise a transaction tax, the lack of social justice shown by the UK Government cannot be replicated in Scotland. There is a green alternative to the public sector cuts, which are damaging the private sector, too, as consumer confidence plummets and businesses suffer.

There is an alternative to the gloomy financial forecasts: fairer taxation, more equal distribution of wealth, a radical energy efficiency programme and an economy on a local scale. Land value tax, which is a fairer form of taxation, is a progressive alternative to council tax that would bring more land into useful social and economic activity.

The jobs deficit must be addressed. Jobs are key and we have to create a new generation of them for young people. In Scotland we appreciate and understand that ripping up regulation is not the way to create new jobs. We must target our efforts where they will make the biggest difference: on new green jobs in the fledgling energy efficiency sector and the green industries and green technologies of the future.

The Deputy Presiding Officer (John Scott): I call Anne McTaggart, who has a brief two or three minutes.

17:05

Anne McTaggart (Glasgow) (Lab): Given that I have only a short time—although I am grateful for it—I will amalgamate what I was going to say into a couple of points for the cabinet secretary to address in his closing speech.

I rise to support Richard Baker's amendment and to say that I am aghast and sad that although we are nearing the end of this debate, the main and worst affected group has not been given proper mention. The fact is well researched that women, who make up two thirds of public sector employees, will bear the brunt of the tax credit changes. In 2014-15, the changes will potentially lead to women losing around £687 million, compared to men losing £388 million. That is the biggest attack on women in a generation. One of our Labour colleagues, Yvette Cooper, is quoted as saying:

“the chancellor's plans hit women more than twice as hard as men”.

I would like the cabinet secretary to address those points in his closing speech and outline some of the measures that he hopes to put in place to redress the situation.

The Deputy Presiding Officer: I am grateful. Thank you very much. We now move to closing speeches.

17:07

Willie Rennie: This has been another entertaining debate. At least we have the Labour members and the Green members here this week. I am disappointed that they missed last week's fiery exchange between this side and the SNP. It was an interesting exchange that showed the paucity of arguments from the SNP in defence of its position.

We heard first from the great Kenny Gibson. Only he could dismiss the biggest increase ever in the pension as something that was not worthy of support. Only the SNP would have the nerve to do that.

Kenneth Gibson: Will the member take an intervention?

Willie Rennie: Not just now.

Kenny Gibson referred to Norway as the great country that we should follow. Has he not listened to comrade Joan McAlpine, who now reckons that it is all about Alaska? SNP members are looking puzzled; they have obviously not read Joan McAlpine's weekly article in *The Scotsman*, in which she recommended that Scotland aim to follow Alaska. The SNP should be a bit more careful, however, as Alaska does not have a national health service to which Scotland would aspire.

Malcolm Chisholm made a very thoughtful contribution in which he talked clearly about child poverty, which I, as a Liberal Democrat, am extremely concerned about. Some of the measures that we in the UK Government have introduced are dealing with some of that, but I recognise some of the issues that Malcolm Chisholm raises. He also said quite rightly that the infrastructure plan was the longest wish list in history.

John Wilson ignored the relative stability of the UK Government and the decisions that it has made, which have delivered some of the lowest yields on borrowing in the world. At least Paul Wheelhouse did not ignore that; he at least recognised—in what I have to say was a pretty depressing speech—that there was some merit in the argument that the UK Government had brought stability.

Mary Scanlon is becoming one of my best friends. She made a strong case for the UK Government. *[Interruption.]* If SNP members would listen now, they might learn a little bit more. In a thoughtful contribution, she cited some of the context for the economic growth figures. I did not think that I would hear it from her, but she mentioned Tony Blair, who admitted the Labour Government's inability to deal more rigorously with the situation at the time. We should be pleased that we have the Office for Budget Responsibility, because it gives us a much more objective view. Robert Chote should not be dismissed as someone of no consequence; he has tremendous merit as a former director of the Institute for Fiscal Studies. We should not belittle the OBR in the way that some SNP members have done.

In addition, Mary Scanlon highlighted the fact that the UK Government spends £120 million on interest every day, which is something else that we should not ignore.

John Swinney: I take the view that the OBR is a highly beneficial innovation that strengthens public policy. However, it says that the UK Government's autumn statement will have no positive impact on growth. What does the member think about that?

Willie Rennie: If the member feels that he has a contribution to make to the debate, perhaps he should intervene on some of the members of his own party.

The OBR has recognised the necessity of the statement that the chancellor made last week. I would like to hear what Mr Swinney reckons the yields would be in the UK if we followed his advice to spend an extra £20 billion. What would the yield rates in the UK be?

John Swinney: The proposal that I put forward for £20 billion of additional borrowing is a modest one. The chancellor is to undertake additional borrowing of £158 billion. My proposal is perfectly sustainable and it would deliver higher growth than would the UK Government's approach.

Willie Rennie: Mr Swinney is a wiser man than that, so he should know that the UK has the yield rates that it has because of the decisions that the UK Government took in its early days to bring stability to the economy. Mr Swinney is suggesting that we should borrow £20 billion over and above—not instead of—what we are borrowing already. What would the effect be on yield rates in the UK if we followed his advice?

John Swinney: I will tell Mr Rennie what the effect would be: it would be that we would have an ability to generate higher taxation revenues from economic growth. That is what is being stifled by the UK Government's approach.

Willie Rennie: If we followed Mr Swinney's advice, we could well go down the spend, spend, spend route of Greece, Italy and Portugal. *[Interruption.]*

The Deputy Presiding Officer: Order.

Willie Rennie: It is worth reflecting on the extra spending commitments that members have offered in the debate: a tax reduction for the oil and gas industry; £20 billion of extra spending; a VAT cut; a higher pension increase than £5.30; money for public sector pensions; and the cancellation of the August fuel duty increase. In addition, I presume from all the criticism of the UK spending announcements that members would like to reverse all those cuts as well. Just how credible is that?

17:13

Murdo Fraser (Mid Scotland and Fife) (Con): I apologise to Mr Swinney for missing the first four minutes of his speech—I was detained elsewhere. I am extremely sorry about that, because it means that I cannot judge the accuracy of the unprecedented nature of the warm words that my colleague Mary Scanlon offered in praising Mr Swinney's speech. Not since before the Moray by-election has Mary Scanlon been so nice to Mr Swinney. I am hopeful that we will see such a rapprochement in future debates on the economy.

I listened with great interest to what SNP back benchers had to say. They were long on criticism of what the coalition Government is doing in Westminster but short on alternative strategies. That is entirely in tune with the approach of the members of the SNP's front bench, who claim that all the good news about the Scottish economy, whether it is new job announcements, unemployment statistics or inward investment, is down to the actions of the SNP Government, and that all the bad news is down to the actions of George Osborne and the coalition Government. I do not think that it is quite so simple.

Gavin Brown: They're not even denying it.

Murdo Fraser: Indeed—it is utterly brazen.

As he told the chamber again today, Mr Swinney thinks that the coalition Government is cutting too quickly and deeply. However, we have heard nothing from him about the level of cuts that would be acceptable or appropriate.

John Swinney: Will the member give way?

Murdo Fraser: I would be delighted to.

John Swinney: I have been labouring this point with Mr Rennie for most of the afternoon. My proposition was that if the UK Government invested £20 billion more in capital investment over the next three years it would make a

substantial contribution to assisting us in delivering growth in Scotland. That is a pretty straightforward statement of our demands.

Murdo Fraser: Mr Swinney has given us one specific example but he has not set out any overall package that the UK Government should follow. If he is maintaining the position that the UK Government is cutting too quickly and deeply, is he now saying that that one proposal would, if followed, be enough for him to praise everything else that the coalition Government did? I think not.

For us on the Conservative benches, a highlight of the debate has been watching the SNP and Labour back benchers spend all their time attacking one another. In fact, they are so busy attacking one another that they seem to have hardly any time for attacking us. It is all very refreshing.

The outlook is a matter of concern. Members who, like me, attended at an ungodly hour this morning the presentation on business confidence by the Institute of Chartered Accountants in England and Wales and Grant Thornton will have heard about the sharp fall in such confidence across the UK and Scotland. However, in the past quarter, that fall has been driven not by domestic concerns but by the euro zone crisis. There is also good news—gross profits and exports for Scottish businesses are expected to rise—and, despite the loss of confidence, growth, albeit modest, is still expected.

Richard Baker did not touch at all on the cause of the current concern and completely ignored the fact that the euro zone crisis is driving down confidence right across the globe but particularly in Europe. The UK is the only major western country where credit ratings are improving.

Richard Baker: It is funny that when this started it was all Labour's fault and had nothing to do with the global economy; now it is the euro zone's fault. Beyond that, however, how does Murdo Fraser explain the fact that, if it is the fault of the euro zone, why is growth in the euro zone superior to that in the UK?

Murdo Fraser: Some countries in the euro zone have superior growth; others have poorer growth than us. Some start from a lower base than us; others do not. However, if we look across the euro zone, experience will tell us that countries with credible spending plans are in a stronger not weaker position. All of us—householders, mortgage payers and businesses—benefit from record low interest rates. As I pointed out earlier to Malcolm Chisholm, interest rates in Italy are now at 7.2 per cent. We are paying less than even Germany; indeed, as Gavin Brown reminded us, there is a threat to Germany's triple A rating. A 1 per cent rise in interest rates would mean an extra

£10 billion on mortgage bills annually, an extra £7 billion on business borrowing and an extra £21 billion on debt interest payments. Any interest rate rise is far more damaging than any advantage that we might get from higher spending or tax cuts funded by borrowing.

Incidentally, while we are on the subject of the euro, where are all the euro advocates now? Where are all those people who, 10 or 15 years ago, were telling us that we should join the euro? The SNP benches are absolutely full of them. Of course, if Scotland became an independent country, we might well have no alternative but to join the euro—at horrendous cost to our economy.

Like Mary Scanlon, I will briefly remind the chamber of the ways in which the autumn statement has been good for Scotland. New spending on infrastructure means £433 million in Barnett consequentials for the Scottish Government; there will be a national loan guarantee scheme of £20 billion to provide cheaper loans for business; there will be cuts in income tax for lower earners; the scrapping in January of the 3p rise in fuel duty will save 10p on fuel duty compared with where we would have been under Labour; there will be £50 million to support cross-border sleeper services; there will be a record increase in the basic state pension of £5.30, which is above the CPI rate; there will be a youth contract to help 40,000 youngsters find work and to provide employers with wage incentives; and there will be an urban broadband fund. All that great news to get the economy going should be welcomed, and I am delighted to support Gavin Brown's amendment.

17:19

Rhoda Grant (Highlands and Islands) (Lab):

The debate has been interesting.

We believe that the UK Government's economic strategy has failed. When the current UK Government came to power, Labour was taking the country out of recession, the economy was growing and unemployment was falling. The UK Government squandered that position by cutting too hard and too fast, creating a challenge for the Scottish Government. However, we in the Labour Party do not believe that the Scottish Government is using its powers adequately to make a difference in Scotland, which continues to lag behind the UK.

The Scottish Government should do a number of things. For example, the budget for affordable housing has been cut by 50 per cent, yet the SNP manifesto promised that 6,000 social rented houses would be built every year. The SNP Government has already reneged on that promise. Paul Wheelhouse talked about investing when

construction costs are low, yet the housing budget has been cut—what an opportunity to grow our housing stock when costs are low.

We have called for retrofitting of energy efficiency measures. There is a 100 per cent target for electricity generation from renewables, but we must also implement energy efficiency measures to cut fuel poverty and meet our carbon emissions targets. The knock-on benefit of retrofitting would be more jobs for the Scottish economy—many would be local jobs that would help our communities. That is another opportunity that this Government has missed when it should be making the most of it.

Many members have talked about families losing out as a result of the autumn statement. Malcolm Chisholm, John Pentland and others talked about the terrifying cost to the UK economy of child poverty. We must put an end to child poverty, but in Scotland cuts were made to the fuel poverty budget last year. That budget will not catch up with spending in the previous year, which will lead to further poverty for families.

I was glad that Anne McTaggart got to speak, because she pointed out that the cuts in child tax credit in the UK have a bigger impact on women. In Scotland, the public sector cuts are having an impact on women, with fewer classroom assistants and home carers. The Scottish Government talks about there being no compulsory redundancies, but that does not mean that there are no cuts in hours. Women in part-time, low-paid jobs are bearing the brunt of those cuts, which is reflecting back on families.

The answer from Governments both here and in the UK on targets for child poverty and fuel poverty is to change the way in which those are calculated. That is a new and innovative way to meet a target. We hope that people step back from that approach. We need real targets that we can trace and which get rid of the effect of poverty in our communities. None of us should be complacent about that.

The Scottish Government talks about transferring resource to capital funding. We would agree with that, but the Scottish Government's approach is more spin than fact. The capital savings arising from the new Forth crossing have been treated as a transfer from resource expenditure to capital, but the new Forth crossing is a capital project.

The Scottish Government also tells us about transfers from revenue to capital in the Scottish Enterprise and Highlands and Islands Enterprise budgets. When those organisations gave evidence to the Economy, Energy and Tourism Committee, they told us that they do that year on year—that the approach is nothing new, that it is not new

capital and that the position is much the same as it was. Can we therefore have some new capital coming forward?

The Scottish Government published an infrastructure plan—a wish list—that focused on powers that it has not got rather than those that it has. In that infrastructure plan, there was no mention of the consequential from the autumn statement. We would very much welcome seeing the detail. We would also welcome the Government's response to the £50 million that has been put on the table for the Caledonian sleeper. Will that funding be matched? Will the proposed investment happen?

Delayed projects are reannounced in the infrastructure plan. The A9 upgrade has been announced on several occasions, but it is dependent on policies that have not been put in place. The previous SNP Government announced that the whole of the A9 would be dualled, but we are now told that that applies only as far as Inverness. What about the A9 between Inverness and Thurso? Will that be dualled, or is that another broken promise?

Stuart McMillan: Does the member agree that if the Parliament had not agreed to squander £500 million on Edinburgh trams, some of the money could have been invested in upgrading the A9?

Rhoda Grant: If I had had a pound for every time the SNP spent the Edinburgh trams money I could have dualled the A9 all the way to Thurso, and taken much pleasure in doing so.

I welcome the SNP's extension of the road equivalent tariff to the Argyll islands, which the Labour Party was keen to do. However, what the SNP gives with one hand it removes with the other. It is removing RET from freight, which will stifle jobs growth on the islands and mean that companies on the islands face higher costs. The response to the plea from the northern isles for RET to be extended to them was fare rises. There is no fairness in what is happening.

Mike MacKenzie (Highlands and Islands) (SNP): Does the member agree that extending RET to Shetland and some of the Orkney routes would have the effect of higher costs, not lower costs, for passengers?

Rhoda Grant: I agree, but that was the case with the Oban to Barra route. The SNP Government insists on calling the measure on that route RET; it is not RET but a discount. What the northern isles are getting instead of RET is a fare increase, not a discount. If they were getting a discount I would be happy to call it RET or indeed anything else, but that is not the case.

I was interested in what Kezia Dugdale said about the living wage, which I very much support.

We need a procurement bill that enshrines the living wage in public sector contracts and ensures that people are paid a fair wage for the job. John Mason asked Kezia Dugdale whether a minimum wage is better than the living wage. SNP members could not get out of their beds to vote for the minimum wage and they are asleep on the job in implementing the living wage, so we will take no lessons from them.

The Labour Party has come forward with positive proposals for growth. It is important to the country that we grow employment. I make a plea to the Scottish Government, on a matter on which we might be able to unite. The UK Government said in the autumn statement that 10 cities will receive funding for superfast broadband. The cabinet secretary will be aware that the market will provide superfast broadband in cities. We need the money in rural areas, to give them a competitive advantage. I make a plea to the Government to consider moving the money from cities to rural areas.

The debate has been interesting, and we agree with the Scottish Government that the UK Government has got it wrong. However, it is not enough for the Scottish Government to pass the buck; it has the powers to make a difference in Scotland. This is not a time for posturing; it is a time for the Government to use the powers that it has.

17:28

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): For the greater part, the debate has been positive and constructive.

I will talk about a number of speeches, and I must start by talking about Rhoda Grant's speech, which I regret. The point that Bob Doris made is significant. If there is no united front against the damage that is being done by the Tories and Liberals, particularly in fiscal terms, Scotland is weakened. I am old enough to remember the 1979 referendum debate, during which Helen Liddell, who I think at that stage was general secretary of the Labour Party in Scotland, memorably said that she would not soil her hands by working with the SNP. The result was a generation—no, two generations—in which the Tories ruled Scotland.

The lesson is that when we have a real enemy that is running down Scotland and destroying it, we have to work together.

Richard Baker: Will the cabinet secretary give way?

Michael Russell: I thank Mr Baker, but I will make some progress.

It is extremely important that we find the positives and emphasise them. We do not do so by making remarks such as we heard about the minimum wage and infrastructure projects. All that does is run things down. Mr Doris is right: in the circumstances the weakness of that argument means that Labour becomes the apologist for Tory misrule. That should not happen, because there were a number of very important speeches from Labour members that I want to explore.

Malcolm Chisholm made a number of extremely important points, some of which were echoed by Kezia Dugdale. I want to talk about child poverty in particular. Kezia Dugdale raised an extremely important point about relative child poverty, and I confirm at the outset that the Scottish Government commits itself to the targets in the Child Poverty Act 2010, including that of measuring relative poverty. That sounds as if it is a technical issue, but that is far from being the case. It actually means that the goalposts are being changed—that is the modest way to put it—and that the agreed measurement of child poverty, which allows us to see what progress is being made in this vital area, is being swept away.

The current measurement is that a child is living in poverty if they live in a household where the family income is less than 60 per cent of the median. That relative measurement is enshrined in law in the Child Poverty Act 2010, which all parties supported. The act includes other income measures, but the 60 per cent measurement is particularly important. It is widely used, not just here, but across developed nations. However, as Kezia Dugdale and Malcolm Chisholm pointed out, the Treasury documents that accompanied the autumn statement suggest a move away from the relative approach. That development was later disgracefully confirmed by the Prime Minister, who said:

“I think there is a real problem with the way we measure child poverty.”

There is not a real problem with the way we measure child poverty; the real problem is with the way the UK Government acts against child poverty.

The Prime Minister also said that measuring relative child poverty was “illogical”. This is an immensely serious point, on which I share Malcolm Chisholm’s anger—it was a flash of anger that we needed to hear in this debate. What is taking place is an attack on those who can least afford it.

I agree with Anne McTaggart that women are among those who will be most severely affected. There has been some progress in Scotland in attending to that issue. For example, we have ensured that employment rates for women have

improved—that has happened in Scotland—but the measures that we are seeing in the autumn statement and in the UK Government’s general approach are very regressive indeed. We need to make sure that they do not take place.

Rhoda Grant: Is it not the case that unemployment among women is growing, second only to unemployment among young people? If the cabinet secretary is taking measures to fight that, they are obviously failing.

Michael Russell: That is a graphic illustration of the problem. I tried as gently as possible to say that there is a real problem with the UK Government’s approach. The member does not think that the Scottish Government is perfect. I accept that: I do not think that Scottish Government is perfect.

Members: Aha!

Michael Russell: It is nearly perfect, but not perfect.

We could make common cause to oppose things that are bad for Scotland, but the automatic instinct of Rhoda Grant and of a number of Labour members is simply to attack the SNP. The more they do that in the way that they have done it, the more the case against the Tories is weakened.

Willie Rennie: Will the minister give way?

Michael Russell: No, no: I am coming to Mr Rennie. I have a particular paragraph reserved for him, and I do not want him to spoil it.

The reality is that female labour market outcomes in Scotland improved over the latest quarter and over the year. There are now 39,000 more women in employment than there were at the start of 2010, and the female employment rate in Scotland is the highest of any UK nation. It is not perfect; we have lots more to do. However, the damage that will come from the UK Government is great. Let us say that. Let us not attack the Scottish Government; let us attack those who are the problem.

I will move on to two other issues. I was very impressed by the warmth that Mary Scanlon showed to my friend Mr Swinney; I was touched by it. However, I have to interrupt this a little to say that when she accused SNP back benchers of being out of touch—

Mary Scanlon: Some SNP back benchers.

Michael Russell: Mary Scanlon accused some SNP back benchers of being out of touch with Mr Swinney’s positive nature. However, she was not paying close enough attention to her friend, because he said in a statement on, I think, 29 November that the UK Government was doing too little, too late. That is exactly what each of the SNP back benchers said, and they said that

because it is the truth: too little, too late. *[Interruption.]*

Mr Brownlee is drawing attention to himself, and I will draw attention to him, too.

Members: Mr Brown.

Michael Russell: Mr Brown—he is now lodged in my mind. He and Mr Fraser absolutely insisted that slower economic growth is due to events in the euro zone. If Mr Brown turns to the autumn statement document that is in front of him and looks at table 1.1, he will discover that it confirms that the UK Government will act as a drag on growth in each year from 2012 to 2016. The figures are: -0.3 per cent in 2012; -0.5 per cent in 2013; -0.5 per cent in 2014; -0.7 per cent in 2015; and -0.7 per cent in 2016. For the uninitiated—including me, as I am not an economist—that means that GDP growth will be lower in each year as a result of the UK Government's actions. To blame the euro zone is, to say the least, disingenuous.

Gavin Brown: I am shocked to learn that Michael Russell is not an economist. In fact, it was OBR that gave an explanation for the downgrades in growth. The economy is growing less strongly this year primarily because

“higher than expected inflation has squeezed household incomes and consumer spending.”

Those are not our words; they are the OBR's words.

Michael Russell: No one denies the validity of table 1.1 of the autumn statement document, which shows that the drag on growth is the UK Government.

I have a really important point to make about ordinary families. Mary Scanlon said, quite fairly, that people in Scotland will benefit from higher income tax personal allowances, but let us not forget that they will suffer from reductions in child tax credits, working tax credits, housing benefit and child benefit, all of which will reduce household income. There can be no doubt at all that the effect of the autumn statement will be damage to families in Scotland.

I do not believe that there is doubt about that in Scotland. I think that the vast majority of Scots, whether they are Labour, SNP or whatever, know that the reductions are damaging. I do not think that the role of any member in this chamber is to act as an apologist for that. However, it is not just that they should not act as an apologist.

As many members will know, Mr Rennie was once the Kelty coal-carrying champion, so he is used to taking on heavy burdens.

Willie Rennie: Will the cabinet secretary give way?

Michael Russell: In a moment—I just want to say this.

The task of Sisyphus—rolling heavy things up hills—is what Mr Rennie enjoys, and justifying the unjustifiable is a really heavy thing. Rather than being an apologist for the UK Government, Mr Rennie should apologise to the Scottish people, including my constituents, who have seen through the Liberal Democrats. In the election in May, Argyll and Bute was the number one target seat for the Liberal Democrats, who went around telling people how much they were defending the Scottish people. However, I am pleased to say that in that number one target seat they came fourth. I predict that in future, if Mr Rennie insists on justifying the unjustifiable, that will seem a good result.

Willie Rennie: The only apology that should be made in the chamber this afternoon should come from the Cabinet Secretary for Education and Lifelong Learning to our colleges for the cut that he is proposing to make to young people's training opportunities.

Michael Russell: I rather thought that if I opened up that trap, Mr Rennie would fall into it, so I will conclude on the issue of colleges.

I have consistently made it plain in the chamber that colleges have a central role in supporting our ambitions, but we have to change and reform. The Thatcherite reforms of 20 years ago, which are now defended to the hilt by Mr Rennie—the new Thatcherite—do not leave Scottish colleges fit for purpose. I have talked to college chairs and principals extensively over the past few months. By and large, the college sector supports the ambition for a reformed system. There is a healthy debate under way about institutional mergers, with active discussion taking place across the country. I am working hard with the colleges to ensure that that service is targeted sharply on what young people and Scotland need: greater opportunity, which means jobs. That is an imperative. Those who do not wish to reform are simply unable to see that we can always do better.

I always listen carefully to arguments for change, and I have been impressed by the argument that we should invest in the process of change. I am glad that my colleagues agree with it, too. Now we have a proposal—a good proposal—for a transformation fund, which will go a long way to help. It is new money for the sector that will take the process forward and ensure that we have a college sector that is ready for the 21st century.

Neil Findlay: Rubbish.

Michael Russell: Mr Findlay—I recognise his voice—shouts “Rubbish”. The reality of the situation is that, when there is pressure from the

UK Government—indeed, when there was pressure from its predecessor, which wanted to cut further than Thatcher—this Government ensures that we go on delivering as best we can. That means reform.

This has been a positive debate, for the most part. I hope that it will end positively with support for the motion in the name of Mr Swinney.

Legal Aid, Sentencing and Punishment of Offenders Bill

17:40

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-01510, in the name of Kenny MacAskill, on the Legal Aid, Sentencing and Punishment of Offenders Bill, which is United Kingdom legislation.

Motion moved,

That the Parliament agrees that the relevant provisions of the Legal Aid, Sentencing and Punishment of Offenders Bill, introduced in the House of Commons on 21 June 2011, relating to Council Framework Decision 2008/909/JHA on prisoner transfer, so far as these matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.—[*Kenny MacAskill.*]

The Presiding Officer: The question on the motion will be put at decision time.

Scottish Parliamentary Corporate Body Motions

17:40

The Presiding Officer (Tricia Marwick): The next item of business is consideration of four Scottish Parliamentary Corporate Body motions, S4M-01417 to S4M-01420 inclusive, in the name of Mary Scanlon, on the nomination of pension fund trustees for the Scottish parliamentary contributory pension fund.

Motions moved,

That the Parliament appoints Alex Johnstone MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Gil Paterson MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Tavish Scott MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Alasdair Morgan as a pensioner Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.—[*Mary Scanlon.*]

The Presiding Officer: The next item of business is consideration of motion S4M-01500, in the name of Liam McArthur, on behalf of the Scottish Parliamentary Corporate Body, on the reimbursement of members' expenses scheme.

Motion moved,

That the Parliament, in exercise of the powers conferred by section 83(5) of the Scotland Act 1998 determines to amend the Reimbursement of Members' Expenses Scheme annexed as Annex 1 to the resolution of the Parliament on 12 June 2008 (and as amended by resolution of the Parliament on 24 March 2010) by inserting "West Scotland" after "South of Scotland," in paragraph 4.2.6.—[*Liam McArthur.*]

The Presiding Officer: The questions on the motions will be put at decision time.

Business Motion

17:41

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-01518, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 14 December 2011

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Debate: Ministerial Appointment

followed by Stage 3 Proceedings: Offensive Behaviour at Football and Threatening Communications (Scotland) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

6.00 pm Decision Time

followed by Members' Business

Thursday 15 December 2011

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Debate: Integration of Health and Social Care

11.40 am General Question Time

12.00 pm First Minister's Question Time

2.15 pm Themed Question Time
Finance, Employment and Sustainable Growth

2.55 pm Scottish Government Debate:
Infrastructure and Investment Plan

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 21 December 2011

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Business

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 22 December 2011

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Business

11.40 am General Question Time
 12.00 pm First Minister's Question Time
 12.30 pm Members' Business
 2.15 pm Themed Question Time
 Rural Affairs and the Environment;
 Justice and the Law Officers
 2.55 pm Scottish Government Business
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time—[*Bruce Crawford.*]

Motion agreed to.

Parliamentary Bureau Motions

17:42

The Presiding Officer (Tricia Marwick): The next item of business is consideration of two Parliamentary Bureau motions.

I call Bruce Crawford to move motion S4M-01519, on the designation of a lead committee.

Motion moved,

That the Parliament agrees that the Economy, Energy and Tourism Committee be designated as the lead committee in consideration of the Land Registration etc. (Scotland) Bill at Stage 1.—[*Bruce Crawford.*]

The Presiding Officer: The question on the motion will be put at decision time.

I ask Bruce Crawford to move motion S4M-01520, on the approval of a Scottish statutory instrument, the draft Climate Change (Limits on Carbon Units) (Scotland) Order 2011.

Motion moved,

That the Parliament agrees that the Climate Change (Limits on Carbon Units) (Scotland) Order 2011 [draft] be approved.—[*Bruce Crawford.*]

The Presiding Officer: Alison Johnstone has indicated that she wishes to speak against the motion. Ms Johnstone, you have three minutes.

17:42

Alison Johnstone (Lothian) (Green): I will not take that long.

Scotland has committed itself to ambitious climate targets, with 80 per cent emission reductions by 2050. The Greens believe that our targets should be met as a result of our efforts in Scotland, through important actions such as widespread energy efficiency schemes and the promotion of walking and cycling. However, the order enables us to buy in carbon credits that represent promised carbon reductions in other countries, which is something that we consistently opposed during the passage of the Climate Change (Scotland) Bill. The Government says that it does not intend to use those powers. We welcome that commitment but, in that case, why lay the order?

If we end up spending money on buying the credits that the order allows us to, it will make our carbon accounts look good but will not provide for the people of Scotland the many other social, environmental and economic benefits that low-carbon investment can bring. For example, investment in cycling would improve people's health through physical activity and reduced air pollution.

Some argue that carbon credits can support developing countries and that we have a moral obligation to support others to take a low-carbon development path. That support should be provided not through carbon credits, but grants to support community-level projects, and the Government has promised to explore that through a climate adaptation fund. We look forward to seeing its proposals on that.

For those reasons, we oppose the order.

17:44

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Scottish Government—and, I believe, the rest of the members of this Parliament—are proud of the ambitious climate change targets that we have collectively set. Meeting those targets will be challenging, but we remain absolutely committed to doing so, and we are on track to do so.

The spending review sets out this Government's plans to invest more than £690 million in a wide range of measures that will help to drive the low-carbon transition. That significant investment supports the Government's strategic priority to secure Scotland's transition to a low-carbon economy. As well as cutting emissions, that will help to give Scotland a competitive edge in global green industries and will be central to maximising our sustainable economic growth.

We plan to meet all our annual emissions targets through domestic action rather than by offsetting emissions through the use of carbon units. However, in an uncertain world it is only sensible that we accept the advice of the independent Committee on Climate Change that we should allow ourselves the flexibility to use carbon units for the period 2013 to 2017 up to the 20 per cent limit that is prescribed in the Climate Change (Scotland) Act 2009. That means, for example, that with annual targets to reduce emissions by 3 per cent between years, ministers could use carbon units equating only to 20 per cent of that 3 per cent, which is only 0.6 per cent of the total amount of emissions allowed in a target year.

I hope that members will agree that, far from enabling ministers to buy their way out of trouble whenever targets become tight, the draft order that we are debating simply avoids ruling out the use of carbon units if the circumstances should ever present themselves, which I hope they do not. It is a very small contingency measure. [*Interruption.*]

I reassure members that we recognise and acknowledge the concerns regarding the quality and provenance of carbon credits that have been raised in some quarters. The further legislation that we plan to bring forward next year will set out

which internationally recognised carbon units may potentially be purchased, and will ensure that those units represent genuine emissions savings.

On checking the record, I noted that Robin Harper of the Green party supported a 20 per cent limit when the Climate Change (Scotland) Bill was before the Parliament. Principles are good things, and I urge the Green party to stick to theirs.

The Presiding Officer: I regret that Mr Lochhead's contribution was interrupted by a mobile phone. I remind all members that when they come in to the chamber, their phones should be switched off.

The question on motion S4M-01520 will be put at decision time.

Decision Time

17:46

The Presiding Officer (Tricia Marwick): There are nine questions to be put as a result of today's business. I remind members that, in relation to this afternoon's debate on the United Kingdom Government's autumn budget statement and the Scottish economy, if the amendment in the name of Gavin Brown is agreed to, the amendment in the name of Willie Rennie falls.

The first question is, that amendment S4M-01501.3, in the name of Richard Baker, which seeks to amend motion S4M-01501, in the name of John Swinney, on the UK Government's autumn budget statement and the Scottish economy, 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)
 Henry, Hugh (Renfrewshire South) (Lab)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

Against

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, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Davidson, Ruth (Glasgow) (Con)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 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)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (North East Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McLetchie, David (Lothian) (Con)
 McMillan, Stuart (West Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 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)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Liz (Mid Scotland and Fife) (Con)
 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

Johnstone, Alison (Lothian) (Green)

The Presiding Officer: The result of the division is: For 36, Against 83, Abstentions 1.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-01501.1, in the name of Gavin Brown, which seeks to amend motion S4M-01501, in the name of John Swinney, on the UK Government's autumn budget statement and the Scottish economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (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)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

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)
 Dornan, James (Glasgow Cathcart) (SNP)

Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (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)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 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)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 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

Hume, Jim (South Scotland) (LD)
 McArthur, Liam (Orkney Islands) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)

The Presiding Officer: The result of the division is: For 14, Against 100, Abstentions 5.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-01501.2, in the name of Willie Rennie, which seeks to amend motion S4M-01501, in the name of John Swinney, on the UK Government's autumn budget statement and the Scottish economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McArthur, Liam (Orkney Islands) (LD)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

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)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (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)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 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)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 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)

The Presiding Officer: The result of the division is: For 19, Against 101, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-01501, in the name of John Swinney, on the UK Government's autumn budget statement and the Scottish economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

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)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 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)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 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)
 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)

Against

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)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 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)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)

Murray, Elaine (Dumfriesshire) (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)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 56, Abstentions 0.

Motion agreed to,

That the Parliament notes the Chancellor's Autumn Statement and that the Office for Budget Responsibility has demonstrated that the UK Government's economic and fiscal plan has failed, with a cut of over two thirds in the growth forecast for 2012; agrees that the UK Government's response falls far short of the urgent action that Scotland needs to boost growth; notes that the Chancellor has proposed only a limited increase in capital budgets and that two thirds of the new capital investment will not be available until 2013, despite the urgent need for a stimulus this year and next; supports the Scottish Government's call to the UK Government for a targeted, expanded programme of some £2 billion for capital infrastructure investment in Scotland to help offset the 32% real-terms cut to Scotland's capital budget inflicted by the UK Government; notes that the Scottish Government will support around £9 billion of capital spending over the next three years to deliver new schools, hospitals, houses, roads, water infrastructure, community facilities and improved availability of high speed broadband across Scotland; welcomes the Scottish Government's infrastructure investment plan, which will provide crucial support for employment, with every additional £100 million of capital invested per year estimated to generate £160 million worth of economic activity and support 1,400 jobs in the wider economy for that year; notes that, as a result of the Scottish Government's £2.5 billion non-profit distributing capital programme and switching of resources from revenue to capital, infrastructure investment in Scotland will now rise year on year throughout the spending review period; supports the Scottish Government's actions to boost economic growth through initiatives such as maintaining Scotland as the most competitive environment for business in the UK; supports the Scottish Government's efforts to boost economic security and household budgets by freezing the council tax, abolishing prescription charges and protecting concessionary travel, and welcomes the success of Scotland's enterprise agencies in securing major new investments in recent months from international companies.

The Presiding Officer: The next question is, that motion S4M-01510, in the name of Kenny MacAskill, on the Legal Aid, Sentencing and Punishment of Offenders Bill, UK legislation, be agreed to.

Motion agreed to,

That the Parliament agrees that the relevant provisions of the Legal Aid, Sentencing and Punishment of Offenders Bill, introduced in the House of Commons on 21 June 2011, relating to Council Framework Decision 2008/909/JHA on prisoner transfer, so far as these matters fall within the legislative competence of the Scottish Parliament, should

be considered by the UK Parliament.

The Presiding Officer: I propose to put a single question on motions S4M-01417 to S4M-01420, on the nomination of pension fund trustees for the Scottish parliamentary contributory pension fund. If any member objects to a single question being put, they should please say so now.

The next question is, that motions S4M-01417 to S4M-01420, in the name of Mary Scanlon, on the nomination of pension fund trustees for the Scottish parliamentary contributory pension fund, be agreed to.

Motions agreed to,

That the Parliament appoints Alex Johnstone MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Gil Paterson MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Tavish Scott MSP as a Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

That the Parliament appoints Alasdair Morgan as a pensioner Fund trustee of the Scottish Parliamentary Contributory Pension Fund, further to his nomination for such appointment by the Parliamentary corporation.

The Presiding Officer: The next question is, that motion S4M-01500, in the name of Liam McArthur, on behalf of the Scottish Parliamentary Corporate Body, on the reimbursement of members' expenses scheme, be agreed to.

Motion agreed to,

That the Parliament, in exercise of the powers conferred by section 83(5) of the Scotland Act 1998 determines to amend the Reimbursement of Members' Expenses Scheme annexed as Annex 1 to the resolution of the Parliament on 12 June 2008 (and as amended by resolution of the Parliament on 24 March 2010) by inserting "West Scotland" after "South of Scotland," in paragraph 4.2.6.

The Presiding Officer: The next question is, that motion S4M-01519, in the name of Bruce Crawford, on the designation of a lead committee, be agreed to.

Motion agreed to,

That the Parliament agrees that the Economy, Energy and Tourism Committee be designated as the lead committee in consideration of the Land Registration etc. (Scotland) Bill at Stage 1.

The Presiding Officer: The next question is, that motion S4M-01520, in the name of Bruce Crawford, on the approval of a Scottish statutory instrument, the draft Climate Change (Limits on Carbon Units) (Scotland) Order 2011, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

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)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 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)
 Davidson, Ruth (Glasgow) (Con)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 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)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McLetchie, David (Lothian) (Con)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (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)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 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)

Against

Johnstone, Alison (Lothian) (Green)

The Presiding Officer: The result of the division is: For 118, Against 1, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the Climate Change (Limits on Carbon Units) (Scotland) Order 2011 [draft] be approved.

Truth About Youth Project

The Deputy Presiding Officer (Elaine Smith):

The final item of business is a members' business debate on motion S4M-00851, in the name of Sandra White, on the truth about youth project. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges Young Scot, the national youth information and citizenship charity for Scotland that provides people aged 11 to 26 with information and incentives supporting them to become informed and active citizens; supports the project, Truth About Youth, run by Young Scot and funded by The Co-operative Foundation, which aims to challenge and change negative perceptions of teenagers and young adults in the wider public; commends Glasgow as being the only Scottish city to take part in the project; supports the aim of showing how young people contribute positively to society with the help of various workshops, a blogging website and a media partnership, and wishes everyone involved success with the project.

17:55

Sandra White (Glasgow Kelvin) (SNP): I thank all the members who have stayed behind for the debate, as I know that we are running late and that many members have other business.

It is important to see young people in a positive light. They are not all bad. In my speech, I hope that members will hear comments from one youngster that prove that young people are ambitious for not just themselves, but the country as a whole.

Young Scot is the national youth information and citizenship charity for Scotland. It provides young people between the ages of 11 and 26 with information, ideas and incentives to become confident, informed and active citizens. I congratulate it on its work and its undoubted success as an organisation. The breadth of the information and help that it offers people is truly staggering—it ranges from how to set up a band, to advice on housing, relationships, getting a job and knowing legal rights.

The organisation is a great resource. The national entitlement card for young people, which offers them discounted travel and other discounts at more than 1,400 outlets throughout Scotland, has of course been popular. The card is part of the European youth card network, which provides more than 100,000 discounts in more than 40 countries. That is also popular.

Much of Young Scot's work is about empowering young people, providing them with the necessary information to make informed decisions and choices and giving them the necessary tools to turn their ideas into action and

to take advantage of the opportunities that are available to them. All that together helps young people to grow into confident and aspirational young adults.

Members might remember that we debated youth unemployment last Thursday. In the debate, I was keen to stress that many of the young people whom I meet in my constituency of Glasgow Kelvin are aspirational, ambitious, passionate about what they want to do and keen to participate fully in their communities and larger society. However, they sometimes feel that, rather than being listened to, they are pigeonholed at a young age, which has a negative impact on their confidence and outlook.

If we are to tackle some of the issues that young people have to deal with—be they unemployment or a feeling of being pigeonholed—we need to engage the young people, listen to them and help them to achieve what they want. The truth about youth project sets out to do exactly that. It aims to engage young people in highly practical activities in their communities that will make a great difference to those communities and to the young people involved.

Truth about youth is run by Young Scot and supported by the Co-operative Foundation, which I congratulate on and thank for its support. The project focuses on challenging negative perceptions of young people. It is being undertaken in Glasgow, but the negative perception that people sometimes have of young people is certainly not confined to Glasgow.

The project sets out to challenge such perceptions by supporting workshops that are created and delivered by young people, in which young people and adults can come together to gain a better understanding of the positive things that young people do. The workshops have been highly successful in bringing together young and old to gain a better understanding of one another through identifying stereotypes, encouraging understanding between generations and sharing stories of positive involvement in the community.

A blogging site called The Patter—"patter" is a good Glasgow word—has been set up to give everyone the opportunity to blog and share their thoughts on young people. A recent entry by Anon—a media studies student at Cardonald College—hit the nail on the head. Anon said:

"One common word used to describe young people nowadays is 'lazy'. I bet you, if you are young, will have been called this word one time or another by older folk. But the question is, is it the truth or a complete misconception? For one, it is slightly unfair, as although there are a fair many young people who are genuinely lazy, a lot of them just have nothing practical to do. With the lack of jobs and lack of social activities in towns (e.g. ruined football pitches, closed sport or entertainment facilities etc), the only thing in my opinion which is available to young people now is

chatting to each other on the internet, such as Facebook, or playing their games consoles all day. Or resort to becoming a NED which is sadly becoming more commonplace. So, while a lot of us are lazy, many of us are still called 'lazy' very unfairly. If we have nothing to do, what can we do?"

That young person feels that young people are being painted in a negative light and the blog identifies the fact that we need to provide more opportunities for social and other activities.

I would like the lessons that have been learned and the experience that has been gained by the project to be extended across Scotland, and the Scottish Government to work with Young Scot to see that that happens. Perhaps the minister will look favourably on my request in summing up, as I believe that he understands the challenges that face younger people. Angela Constance once said:

"I probably didn't really engage with education fully until I was about 14. Prior to that, I was a little disengaged. Not problematic, but disengaged."

That probably sums up the feelings of some young people today.

I ask the minister to look favourably on Young Scot and its projects. As I said in my opening remarks, it is time for someone to stand up for the youth of this country against the negative publicity that they always get. A lot of good young people are out there and we should be praising from the rooftops Young Scot and what it brings to young people. If anyone from the media is in the gallery, I hope that they will pick up on that and engage with young people.

Perhaps the minister will tell us whether he will meet representatives from Young Scot and its projects in Glasgow, particularly in the east end, and look to rolling out that experience across the country. We want positive, aspirational and confident young people. We have such young people, but we just have to ensure that other people know that young people are not all lazy. I look forward to the rest of the debate.

18:02

Liz Smith (Mid Scotland and Fife) (Con): I apologise that I have to leave the chamber immediately after speaking. I have a longstanding engagement for which I am a little bit tight for time because of the adjustment to today's agenda.

I thank Sandra White for bringing the debate to Parliament, and I certainly concur with any proposal that can help to raise awareness of the commendable achievements of our young people. Read any local newspaper around the country and it is not too hard to find examples of the extraordinary efforts of many young people, at school or in their communities.

Sandra White has already referred to some fantastic examples in Glasgow. In Drumchapel, we have seen the fantastic work of the G15 youth project, which helps young people with issues such as unemployment; it also helps young people to address drugs and alcohol abuse and campaigns against vandalism. The Prince's Scottish Youth Business Trust has invested £37 million in helping young people who are aged between 18 and 25 to start up their own businesses, and how imaginative some of their ideas have been.

On top of all that, an interesting statistic came out last week. Charitable giving in Britain, including by our young people, remains at a particularly high level and among the best in the world. Nor should we forget about the huge efforts of a growing number of young carers who give so much of their time to looking after family members, often in very difficult circumstances.

That said, the 2009 social attitudes survey reveals some uncomfortable facts that we ignore at our peril, particularly the fact that misplaced perceptions rather than factual evidence can often be the determining factor in the public opinion of young people—I refer to the young man to whom Sandra White referred—and the national media can too often play a role in perpetuating that. The good-news stories seldom make the headlines, whereas the bad-news stories often do. It is disturbing that half of those who were surveyed thought that the media were particularly negative towards young people, but two thirds of those who were surveyed thought that many young people in their own communities were extremely positive. Those sums do not add up, and that is a matter of concern to us all.

It is clear that there are cases in which there is a higher incidence of negative behaviour among young people and in which it would be completely wrong to ignore what is often a vicious circle of antisocial problems that have a corrosive effect on the fabric of communities. However, instilling confidence and self-esteem in our young people is crucial. Young people who are experiencing significant problems at home or in their personal life often feel that they have no one to talk to about those problems. The project that Sandra White has described is excellent in that regard. It gives young people a place that they can go to to talk about their problems and get specialist help. That is sometimes important from a role model aspect. Sometimes, those people have had very little, and they have been too frightened or embarrassed to talk about the problems that they have faced. One of the most challenging issues for a young person is finding somebody who cares about them and understands their problems.

I did not appreciate how much work some of the truth about youth groups have done, particularly in setting up a new website, which I have looked at. I was very impressed by that website, as it is exactly the kind of support that is required.

I warmly commend the work of the truth about youth project, but we must not forget about the important role that parents and schools can have in tackling some of the issues. As parliamentarians, we have a responsibility to try to take that forward. I will not hear what the minister says, but I am sure that he is aware of those difficulties.

I firmly compliment the project and Sandra White, and again apologise for having to leave the chamber.

18:07

Claire Baker (Mid Scotland and Fife) (Lab):
Presiding Officer,

"What is happening to our young people? They disrespect their elders, they disobey their parents. They ignore the law. They riot in the streets inflamed with wild notions. Their morals are decaying. What is to become of them?"

"The young people of today think of nothing but themselves. They have no reverence for parents or old age. They are impatient of all restraint ... As for the girls, they are forward, immodest and unladylike in speech, behaviour and dress."

Those are quotes about young people of their time. The first is not from Jeremy Clarkson; it is from Plato. The second is not about Rihanna; it is from 1274. The popular perception of young people has a tendency to fear, label and generalise about them rather than reflect the full range of what they do, how they study and work, and how they engage with their community and create their own communities and cultures, which really drives the creative spirit of our society.

I welcome Sandra White's debate, join her in highlighting the truth about youth project, and congratulate Young Scot on securing the project with the Co-operative Foundation, which is taking forward similar projects in seven cities in the United Kingdom.

As Sandra White said, the project challenges the negative perceptions of young people in Glasgow. I was interested in exploring that a bit further and, like Liz Smith, I had a look at the social attitudes survey. I was surprised to see that the most negative views of young people were found not among older people, who are most often thought to be critical of them, but among young adults, aged 18 to 29. The way in which the truth about youth project is developing, with the blogging site for discussion and peer-led

workshops, may be a good way to engage with that age group in particular.

We cannot ignore the pressures that young people currently face. At lunch time, I was at a National Union of Students Scotland's think positive campaign meeting. That campaign is to do with mental health issues among students, who are a group of young people considered to be overprivileged or lazy but who are often studying and working, stressed about exams and deadlines, and worried about their future careers. All those pressures impact on their mental health. That is not the popular view that we have of young people.

Young people are not immune to the perception that others in society have of them, and negative views can become a self-fulfilling prophecy. A video produced by Young Scot entitled "Perceptions Versus Youth" opens by asking the viewer what their perceptions are of young people in Scotland. It continues:

"Too often they're described as lazy, selfish, intimidating, and anti-social. If someone kept saying that about you, would you not begin to believe it?"

A couple of weeks ago, there was a shocking report from Barnardo's, which had surveyed 2,000 adults, 49 per cent of whom agreed that children are beginning to behave like animals, and almost 47 per cent of whom thought that youngsters are angry, violent and abusive. One in four said that those who behave badly are beyond help by the age of 10. There has been a recent increase—which coincides with the economic and financial pressures that the country faces—in negativity in the media, describing young people as feckless, scroungers and lazy. Only last week in the chamber, we heard disagreement over young people's attitudes to work, and a description of them as workshy. The project and the work that we are highlighting tonight is to be welcomed, but there are bigger challenges about the extent to which society believes in and values children and young people, which we all have to influence and challenge.

In my region, I meet young people every week who are making a contribution to their community. I meet young people who are enthusiastic, young people who are developing their skills and young people who need a bit of support in their schools and communities in order to achieve. I also meet young people who are viewed as being antisocial, but we can usually help to get such local issues resolved with the involvement of partners and organisations.

More often, I am impressed by young people and by their initiative. Fife Youth Radio was officially launched just over a year ago, and it is driven by young people who worked hard to get funding for their project, who offer training for all

their presenters and who will play requests from 6 pm every evening—although people might have to retune from Radio Scotland to Radio 1 if they are going to request anything that the presenters will have heard of. That is only one example. There are hundreds throughout Scotland, and we need to celebrate young people's achievements more.

I very much welcome the truth about youth project, which aims to challenge misconceptions about young people. Although headlines lead on young people's involvement in antisocial behaviour, only a tiny minority get into any kind of trouble. Far more young people are involved in volunteering work, studying, working and contributing, and I am pleased to be able to recognise that this evening.

18:11

Bill Kidd (Glasgow Anniesland) (SNP): I congratulate Sandra White on bringing this timely motion before the Parliament. Although it is a long time since she was young, I know that she remains passionate about the issues facing our youngsters today. Too often, young people are demonised and seen as layabouts or as trouble, hanging about on street corners. They are seen as folk to be avoided or ignored, but is that the truth about what young folk are doing and what they are like, or is it just a bit too convenient to look at them in that way? If we ignore them, or pigeonhole them as trouble, perhaps we feel that we do not need to bother with the issues that they are facing or to listen to what they are saying. I contend that to do that is a big mistake, because it risks alienating young people and engendering fear of them among older people. That just cannot be right.

That is why I think that the truth about youth project is an excellent initiative; it is one that I fully support. I want to give members an idea of its success so far. The project has brought together more than 3,000 young people and 1,000 adults, which is no mean feat. It has also teamed up with *The Sunday Mail* to produce a truth about youth supplement featuring positive stories about young people, more than 200,000 copies of which have been distributed throughout Glasgow.

When I cast my mind back—not to when I was young; I am not a miracle worker—but to January 2009, I remember securing a members' business debate congratulating Knightswood youth theatre on, among other things, its work on bringing together young asylum seekers and refugees with young people from the local area to talk and share feelings. That helps them to realise that they are all the same, and to gain a better understanding of young people's views and aspirations on a wide range of issues. I went to secondary school with the minister who replied to that debate, Linda Fabiani, although she was the janitor—[*Laughter.*]

I used that joke because I thought that she was going to stay behind and listen to this debate but, unfortunately, she has gone. She said then that the

"efforts ... made by the young people involved and those who have taken the time to organise, teach and support the group"

are

"a great example of community spirit."—[*Official Report*, 28 January 2009; c 14469.]

That community spirit extends across Scotland. In my constituency of Glasgow Anniesland, there are a number of groups who are to be commended for the work that they do in bringing the community together and in tackling stereotypes, wherever they might be. G15 in Drumchapel, which Liz Smith mentioned, and the Dumbarton Road corridor youth project in particular have grown to become organisations that now encompass the aspirations of a great number of the residents, young and old, in Drumchapel, Yoker, Scotstoun and Whiteinch. Their ambitious plans for those areas are a credit to the dedication and passion of all those who are involved in the various projects being taken forward, particularly in peer education on the issues of drink and drugs. Young people listen to other young people first and foremost.

One of the main aspirations frequently voiced in those areas is the need for more employment, particularly for young people. As Sandra White mentioned, we debated that issue last week, and I hope that some of the initiatives that the Scottish Government has brought forward, such as the 25,000 modern apprenticeship places a year for the next five years, the opportunities for all programme and the announcement of a dedicated minister for youth employment, will help young people as they strive to realise their hopes and dreams. Although no one is denying that much needs to be done, I am confident that those initiatives and initiatives such as the truth about youth project will deliver for young people.

18:15

Anne McTaggart (Glasgow) (Lab): I thank Sandra White for bringing this members' business debate to the chamber. I share Bill Kidd's passion about some of the projects that he has mentioned—I live in the same area and I am heavily involved in some of the youth projects there. There are great projects, such as the intergenerational project. Last week, I had the pleasure of going to a presentation for a 90-year-old woman who had worked for 70 years as a volunteer with young people. It is a fabulous project.

Having worked with youth justice in Drumchapel, I have to say that, although the truth about youth project is great and meets the needs of some people, it does not meet the needs of others. While I was working in the social work department, there were great strains, with some local projects not being able to meet the needs of the young people who were coming through the youth justice project—in particular the ones who were vulnerable and perhaps also going through the children's hearings system at the same time. There was a gap, but I hope that the minister may well choose to fill that gap by the end of his speech.

18:17

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I welcome the motion and congratulate Sandra White on bringing such an important issue to the chamber and on contributing so positively to it.

This is a welcome opportunity to debate in positive terms young people and the contribution that they make to society. I think that I guessed after about a sentence where Claire Baker was going, but it was an appropriate way to introduce the subject. There tends to be a generational divide and, among those who are moving into an older generation—despite my belief about myself, I am sure that that includes me—there tends to be a negative view.

It is good to have the truth about youth project drawn to our attention, and I congratulate Glasgow, the Co-operative Foundation, Young Scot and all those who are involved in it. Although Anne McTaggart's point that no project does everything is valid, I think that we should always emphasise the positive, and it is a positive project.

Young Scot is also a positive project. I am proud to say that I work quite often with Young Scot. We have brought it into a number of organisations, including one of the curriculum for excellence groups. We are already ensuring that Young Scot receives substantial Government funding: £500,000 for its headquarters grant, which is matched by health with another £500,000. The organisation is central to fulfilling the purposes that we have as a nation, and it is already contributing.

The truth about youth project is naturally one that Young Scot would want to take on. The figures speak for themselves: 60 per cent of 11 to 16-year-olds believe that they have often or sometimes been treated unfairly because of their age, and 77 per cent of 17 to 25-year-olds believe that, too. There is clearly an issue to be addressed, and I am glad that it is being addressed.

Too often, there is a negative portrayal of youth and youth activities not only in the media but in our own minds, and it is important to recognise the positive contribution that is made by the majority of young people. Youth work services in Scotland engage more than 300,000 young people every year, so an awful lot of young people are engaged in positive activities. We should encourage them and support them.

This project has shown considerable promise and success. It is now in discussion with the Co-op about funding that would allow it to roll out throughout Scotland. The decision will be made later this month. Although I cannot influence funding decisions by other bodies, I think all of us in the chamber—not that we are passing a resolution here—would regard a favourable decision by the Co-op as something positive for Scotland's young people.

As far as Sandra White's request about meeting Young Scot is concerned, I can tell her that I meet Young Scot regularly, as do other ministers. To use a good Irish word, I will be quite flaithiúlach with the time of my new ministerial colleague, Aileen Campbell, and commit her to meeting Young Scot at an early date to take these issues forward and discuss the wider issues of youth work. It will be illuminating for Aileen Campbell to get to grips with these issues by talking to people who are deeply engaged with them.

The job that Aileen Campbell will be doing and the job that I, and my colleagues, do is to make sure that we are champions for children and young people at every age. It is not just about providing for young people in silos, whether nursery school, pre-school, school, college or university. It is about the whole child; it is about making sure that we have that care and commitment.

We want to ensure that young people generally are respected within society and have their voices heard, which is fundamental to the United Nations Convention on the Rights of the Child, which I have been championing since I became shadow minister for children way back in 2000. The Government is committed to recognising, respecting and promoting children's rights and the UN convention and we will take that forward with legislation in this parliamentary session.

We also want to see greater participation in the voice against violence project, which involves full participation from young people on a key issue that affects them and wider society.

This week, there is a new ministerial role in the Government: Angela Constance's new role as minister for youth employment. An additional £30 million has been allocated to that role over and above what is a very substantial budget. That post

will also have young people and their prospects at its centre.

It is a truism that young people are the future. Unless we invest in them and see that investment as being something that carries forward the whole of society, society will not progress.

Key Government policies such as getting it right for every child, the curriculum for excellence and more choices, more chances live together with a wider commitment to the whole child and a focused commitment on matters such as youth employment.

We have to support young people not just to be done to but to do—to take control of and manage their own circumstances, rather than being dependent on services that are doing things to and for them. This project is a good example of where young people can be empowered to move forward and tell the truth about themselves. It is always the truth that sets people free.

Meeting closed at 18:22.

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