



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 15 September 2011

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Scottish Parliament

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

Waste Management

The Presiding Officer (Tricia Marwick): Good morning. The first item of business is a debate on motion S4M-00853, in the name of Michael McMahon, on waste management. In the light of the possibility of sub judice matters being mentioned, I advise members that although I am content to allow references to be made to general concerns about the planning process in relation to incinerators. There are active legal proceedings in the Dovesdale and Carnbroe cases, so they should avoid straying into matters that could be considered sub judice. I call Michael McMahon to speak to and move the motion.

09:16

Michael McMahon (Uddingston and Bellshill) (Lab): Although, as all colleagues did, I came into politics to make life better for those whom I represent, I confess that—unlike for a good number of fellow members of the Scottish Parliament—environmental issues were not my most prominent consideration when I first entered this place. To be honest, they are still not the most important issues for me; nevertheless, over the years I have come to realise that we generally spend too much time doing things that undermine our ability to enjoy our tenure of this rather beautiful country. Although it did not occupy much of my initial thinking, I am now firmly of the view that creating waste is both a consequence and a symptom of living unwisely.

To date, too much thinking has been directed at accommodating our excesses, and we rarely consider curtailing our use of the resources that we have. For many years, rubbish was seen as a health issue and a problem to be dealt with; then it began to be seen as a resource and something of value. That is why it is important for us to have an effective, deliverable and clear zero waste management strategy. To meet the target, all our local authorities need to become zero waste local authorities. Some have done a good job of waste minimisation, but we cannot ignore the warning from Audit Scotland which, in its report from 2010 that is cited in the motion, concluded:

“Collectively, councils’ plans are not sufficient to meet landfill and recycling targets beyond 2010.”

Although councils such as North Lanarkshire Council easily exceeded their 2010 target, the average was simply not good enough and there is

little prospect of future overall targets being met, according to Audit Scotland.

There remains a reluctance to spend even the amount that councils previously spent on burying the stuff to find more productive uses for the stuff that we throw away. Where a job was done well, it owed more to the enthusiasm and passion of environmentally and socially aware officials and stakeholders, who forced local authorities to think about the long-term consequences of throwing stuff into holes in the ground. Reducing environmental stress means not only reducing the amount of waste that we generate, but changing the way we think about our use of resources.

The Scottish Government’s zero waste strategy should therefore be a good launch pad, but we need more than a launch pad; nothing less than changing the culture of waste will suffice. No one should claim that that will be easy, but to those who argue that culture shift is too difficult and that we should do only what is easily achievable, we must respond by saying that we should at least expect it to be the overarching goal that underpins our activities.

If we are genuinely committed to zero waste strategies, we must commit to what is necessary to achieve zero waste. The waste management hierarchy is an accepted guide for prioritising waste management practices with the objective of achieving optimal environmental outcomes. It sets out the preferred order of waste management practices from most to least preferred. The waste management hierarchy must be one of the guiding principles of the zero waste strategy, and I am pleased that the Government recognises that green pecking order.

Reuse requires less energy than recycling, although factors such as the consumer desire for newness can conspire against reuse. There are many ways in which clothes, books and other materials are currently reused, even through the use of new technologies such as eBay. It is already part of our society and there are precedents on which we can build. Reduction also requires less energy, by designing out waste before it is created. We must also recycle and recover, but it would certainly be best to avoid waste. That is the ultimate zero waste challenge—the highest point on the hierarchy. To address zero waste effectively, there needs to be a move beyond recycling to the largely uncharted territory of the higher end of the hierarchy.

To get to that point, we must also plan. When a local authority is asked to deliver on waste management targets, it is vital that the planning framework, based on which it makes decisions, is as clear as it can be. Local authorities that respond to the concerns of local communities cannot be left to carry the can for decisions that

are made—against the wishes of local people—when their decisions are overturned by ministers.

I welcome the fact that, from previous answers to me and others, Aileen Campbell is committed to recycling, to reusing and to preventing waste, and has conceded that production of energy from waste is a part of that. However, the former Minister for Enterprise, Energy and Tourism, Jim Mather—in recognising that energy from the waste process has a role to play—stated that current regulatory measures prevent the building of large-scale energy-from-waste plants. Tell that to the communities that are now lined up to oppose exactly such facilities in their areas.

Regarding one energy-from-waste proposal, a current cabinet secretary even had the brass neck to state publicly—and to tell local campaigners—that his party

“opposed this application since day one”

despite his Scottish National Party Government having since endorsed the proposal. It must also be a huge disappointment to Stewart Maxwell that his Government has approved so many incinerators since he asked for, and received, a promise from Mr Mather that an incoming SNP Government would continue to oppose such plants.

Stewart Maxwell (West Scotland) (SNP): Perhaps Michael McMahon did not read the full question and answer exchange with Mr Mather when he was minister. We were talking about a particular plant in my area—a large-scale waste incinerator. Perhaps Michael McMahon should check the definition of large-scale incineration. That plant is more than 1 million tonnes, which is quite a different scale from the one he is talking about.

Michael McMahon: A plant of 1 million tonnes might be of a different scale from the ones that we are talking about, but people on the Government side of the chamber campaigned against what Mr Mather said would be introduced. That is the point that I am making.

Iain Gray (East Lothian) (Lab): Perhaps the member will acknowledge another example in my constituency, where an application for an incinerator handling 300,000 tonnes a year—well over twice what is required locally—was rejected by the local authority but then approved by Scottish ministers. Perhaps he can ask the minister to explain to my constituents how that is not consenting to large-scale incineration.

Michael McMahon: I agree, because that is the level at which Jim Mather said incinerators would be unacceptable. However, they are being approved by this Government against the promises that were made to members who asked

for that commitment from ministers in the previous Government.

It is not acceptable in any circumstances that there is a lack of clarity, but certainly not when it involves the planning process that local authorities have to apply and that businesses have to work to, and when it leaves local communities exploited for political ends when they need honest representation from their elected members.

I concur, therefore, with Christina McKelvie, who asked the Minister for Local Government and Planning to agree that the creation of national guidance on dealing with planning applications for waste incinerators and waste-to-energy plants would help local planning authorities that are facing decisions about proposed developments, and the communities that would be affected by them.

The minister has so far refused that request, but I make it again today and ask the Scottish Government to consider my request that the development of such guidance be sought so that no waste-to-energy project is approved unless it meets strict environmental justice tests.

There are many issues that will legitimately divide politicians. However, I am sure that the chamber will unite in agreeing that any politician who cynically sided with local campaigners in order to gain their support at the ballot box, then reneged on the promises that were made and, indeed, failed to deliver on those promises when subsequently promoted to the ministerial office that could affect those outcomes, would be open to ridicule and reproach.

The Minister for Local Government and Planning (Aileen Campbell): Will the member take an intervention?

Michael McMahon: Right on cue.

Aileen Campbell: Does the member not recognise the role of local authorities in that case? That decision was rightly up to South Lanarkshire Council and it made its decision.

Michael McMahon: The minister has clearly not been listening and makes the point for me. The minister passes the buck to local authorities for issues that ultimately rest with her. Guidance is required for local authorities. She should stop blaming local authorities for decisions that she does not like.

Aileen Campbell: It is part of the Planning etc (Scotland) Act 2006 that local decisions would be made locally.

Michael McMahon: The minister makes the point for me. We have asked her to review the guidance and the planning laws. She refuses to do that but continually campaigns and claims that she

is on the side of communities when she will not lift a finger to help those communities. I am sure that, like the minister, members who speak after me and people who join us in the public gallery might know of an example or two.

What I do know is that Scottish Labour supports the ambition of a zero waste Scotland but has serious doubts about the Scottish Government's ability to meet recycling and landfill targets. We believe that the lack of a coherent national approach to planning guidelines for waste developments has led to significant problems in a number of communities. In particular, local authorities need more clarity. That is why I have brought the debate.

I move,

That the Parliament supports the ambition of a Zero Waste Scotland and the waste hierarchy of reduce, reuse, recycle and recover; notes the need for an effective national framework to guide waste management strategy; further notes the Audit Scotland report, *Protecting and improving Scotland's environment*, published in January 2010, which concluded that "collectively, councils' plans are not sufficient to meet landfill and recycling targets beyond 2010"; notes the increasing number of waste incineration projects currently in the planning process across Scotland and that many of these projects are opposed by local communities and were opposed by a number of successful candidates during the recent election; believes that local authorities need more clarity on planning guidelines with regard to waste incineration developments, and further believes that no project involving biomass and waste-to-energy should be approved unless concerns such as environmental justice and the impact on wood supply have been thoroughly considered.

09:26

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): I welcome the opportunity to debate this important topic and thank Michael McMahon and his colleagues for giving Parliament this opportunity.

I listened carefully to Michael McMahon's opening speech and I agree with many of his comments. However, I cannot agree with his assertion that we should scrap Scotland's planning system and scrap the appeals process unless we reject every appeal that comes before us.

Michael McMahon: I make it clear that we are not asking for the scrapping of planning system. I said that I concur with Christina McKelvie in asking for a review to ensure that planning guidelines are helpful to local authorities.

Richard Lochhead: The debate addresses some of the challenges that our society faces on the road to zero waste Scotland—a destination that we all, I am pleased to say, appear to support.

I hope that we can all agree on at least one important point: it is no longer acceptable for Scotland to landfill 4.7 million tonnes of the

17 million tonnes of waste that we produce as a nation. We must reduce the amount of waste that we produce in the first place, and we must reuse and recycle as much waste as possible.

Michael McMahon pointed to the challenges that are outlined in the Audit Scotland report. I am grateful to him for highlighting the report, because I can now highlight that many of the points that it made have been overtaken. For example, Scotland has now achieved its landfill diversion targets, which were due to be met in 2013. That is good news for Scotland. It is also excellent news that many councils in Scotland are now approaching 50 per cent of waste being recycled in their areas.

However, we must extract maximum value and environmental benefit from the residual waste that we will be left with and which cannot be recycled. Scotland therefore requires to have the infrastructure in place in the coming years to treat the nation's residual waste. There are different technologies for treating residual waste, of which energy from waste through incineration is but one option. This Government does not specify which technology should be used, as long as it meets appropriate standards and fulfils our policy aims.

Margaret Mitchell (Central Scotland) (Con): I thank the minister for taking an intervention. I do not think that anyone disputes the fact that there will be residual waste. The problem is that facilities are often not available to facilitate the recycling.

Richard Lochhead: I have an element of sympathy with the member's comments. That is why more infrastructure needs to be built in Scotland.

I am acutely aware of the strong emotions and opinions that surround energy-from-waste facilities. They are not restricted to energy-from-waste plants; the location of recycling centres, waste-processing facilities and, of course, landfill sites all stir strong feelings in our communities.

Stewart Maxwell: On a very specific point, my understanding is that the Planning etc (Scotland) Act 2006 provides that there should be a fit and proper person test for anybody owning or running such a plant. However, it is also my understanding that, under the Electricity Act 1989, there is no fit and proper person test for somebody running such a plant. A large-scale plant, such as the one that has been proposed for the edge of Newton Mearns, comes under the Electricity Act 1989, because of the proposed output of electricity from the plant. Will the minister take up the issue of the lack of a fit and proper person test under the Electricity Act 1989?

Richard Lochhead: The member raises an interesting point. Of course, the Electricity Act 1989 is reserved to the United Kingdom

Government, although elements of it are devolved to the Scottish Government. I will certainly bring his concerns to the attention of the UK Secretary of State for Energy and Climate Change, who I am sure will be willing to write to the member with his views.

Our approach to tackling Scotland's waste is set out in our zero waste plan. Simply put, we wish waste to be treated as a valued resource, rather than as something that is simply to be discarded. Achieving our zero waste agenda will require changes and improvements to the infrastructure for managing Scotland's waste, not to mention the development of a reprocessing sector. We need to stop exporting materials that can be recycled and start recycling them here. I think that we can all agree on that. I want to be clear that the majority of infrastructure that we need will support improvements in recycling and collection. However, that does not mean that energy-from-waste plants or other types of residual-waste treatment facilities will not be needed.

We are heading towards a level of 70 per cent recycling with no more than 5 per cent of waste going to landfill in the longer term. Not all waste is suitable for thermal treatment. Therefore, the reality is that less than 10 per cent of Scotland's total waste is ever likely to be processed in that way. The importance of avoiding overcapacity in infrastructure to treat residual or black-bag waste is clear. We do not need to look too far afield to see the consequences of infrastructure overcapacity. Other European countries have established large networks of energy-from-waste facilities. Scotland incinerates around 2.7 per cent of municipal waste, while Denmark, the Netherlands and France—which have good environmental credentials—incinerate 53.8 per cent, 32.9 per cent and 33.7 per cent, respectively. Those plants rely on a constant supply of waste, which can restrict the levels of recycling that can be achieved.

Elaine Smith (Coatbridge and Chryston) (Lab): Will the member give way?

Richard Lochhead: I apologise, but I have taken three interventions already.

I have no desire to see such levels of incineration in Scotland. That is why we have set some of the most ambitious recycling targets in Europe, including a target of recycling 70 per cent of all waste by 2025. It is why all new facilities must be highly efficient in producing heat and energy and why there is a presumption against large-scale facilities, and why this Administration is progressing legislation that will ensure that only materials that cannot be recycled are incinerated.

Of course, none of that will remove the need for difficult planning decisions—around not only waste

infrastructure, but a variety of large-scale infrastructure—which is why local accountability and decision making are key to successful planning decisions, and why ministers get involved only when planning decisions are appealed or when there are matters of national significance.

The Convention of Scottish Local Authorities and our local authorities are not knocking on our door and asking for planning decisions to be taken on a national basis—they want local accountability. That is what this Government supports and will continue to support.

Elaine Smith: Will the member give way?

Richard Lochhead: I am sorry, I have taken three interventions already. I will take the member's intervention in my closing speech.

At each stage of the planning process, whether it involves a decision by a council, reporters or ministers, those who are responsible must give material consideration of public representations in national policies and guidelines. In the case of waste infrastructure, that means that all elected members must recognise the need to take responsibility for waste and must show support for the development of appropriate infrastructure to manage our waste.

However, when it comes to public concerns over the siting of incineration plants, we attach the highest importance to protecting and improving the health and wellbeing of our communities. For example, experts who have been engaged in a wide range of independent scientific and medical studies have examined the evidence around the impact on health of modern incinerators, and have concluded that the relative health impact that is associated with their operation is very low. We need to put all of that in context. I have been told by the Scottish Environment Protection Agency that a modern incinerator would have to run for 120 years to produce the amount of pollution that was produced by the millennium firework display in London.

SEPA and our other authorities have responsibility for regulating all the applications that are being received. They will continue to do so, taking into account local representations and the very fit-for-purpose national framework that is in place at the moment. I am clear that energy-from-waste technologies and other technologies are safe and sustainable and represent a valuable option for dealing with Scotland's big problem of residual waste.

I move amendment S4M-00853.1, to leave out from the first "notes" to end and insert:

"and notes the importance of an effective national framework to guide waste management, represented by Scotland's Zero Waste Plan."

09:34

Margaret Mitchell (Central Scotland) (Con):

This is a timely debate, for there is little doubt that waste management is contentious, complicated and emotive—almost always because communities do not consider that their views are being taken into account.

The motion outlines the waste hierarchy that is important in achieving a zero waste Scotland, which focuses first on attempts to reduce waste. In that regard, the Westminster Government's announcement today on sell-by dates is welcome and should be helpful. The hierarchy goes on to cover the reuse of waste, and then emphasises recycling and recovery.

For the benefit of the layperson and anyone else who is bemused by the different types of waste management systems, recovery means extracting other value—for example, creating energy. However, the hierarchy does not mention landfill as a means of disposing of waste, which would come a poor fifth in the pecking order.

To put the issue in perspective, householders are undoubtedly trying to do their bit, but are increasingly angered and frustrated because despite their supporting the zero waste objective by conscientiously concentrating on reusing or—if that is not possible—recycling their waste, the local authorities have not put in place the necessary services to facilitate that.

The minister and the cabinet secretary may be interested in a situation that has arisen in Central Scotland. The courageous communities of Greengairs and neighbouring communities in the north Airdrie community group in North Lanarkshire currently live with the largest-capacity landfill site in Europe, as well as four other recently completed landfills. Those communities have taken the reasonable and responsible positive action of supporting—and even, in some instances, suggesting—the establishment of recycling and reuse waste technologies in North Lanarkshire in order to avoid the need for an incinerator. However, despite the communities making those suggestions and taking part in the local plans, and despite the designation as a rural investment area—which should have precluded the presence of an incinerator—the Drumshangie incinerator, which will have the capacity to burn 300,000 tonnes of waste a year, was approved in May 2009. In effect, that ignores the hierarchy of waste management and the willingness of people to support the creation of reuse and recycling facilities in their communities. North Lanarkshire will now have a huge capacity not only for landfill, but for incineration.

In addition, two more applications for incinerators are pending in North Lanarkshire, the

most recent in Harthill. With that number of applications currently on the go, it is difficult not to conclude that, rather than concentrating on need, people are making widespread speculative planning applications.

If all that was not enough, there is also an issue with incinerators in South Lanarkshire and, at the other end of my region, Forth Energy has applied to build a biomass plant in Grangemouth. I am reliably informed that biomass facilities often turn into incinerators.

It is therefore clear that the waste management priorities as outlined in the hierarchy are not being implemented, and that consequently, the people of North and South Lanarkshire, Falkirk and elsewhere in Scotland are not being rewarded for their perseverance and participation. Furthermore, given the strength of feeling against the use of landfill and incinerators, the communities that are involved are, more often than not, much better versed in the issues than are politicians, yet there is a definite lack of meaningful consultation of local residents.

To take the latest example, in Harthill the developer held the consultation on a weekday afternoon when it was clear that the vast majority of local residents could not attend, so—not surprisingly—only seven did. It is particularly frustrating that in councils such as North Lanarkshire, there appear to be startling inconsistencies on how incinerator planning applications are dealt with. In those circumstances, I suggest that the following should be considered as a priority: first, the Scottish Government should consider the reasons why local authorities do not have appropriate recycling facilities and ensure that the issue is addressed. In the meantime, a moratorium on large incinerators and biomass applications should be implemented—

Aileen Campbell: Will the member take an intervention?

Margaret Mitchell: I am in my last seconds.

Finally, the Scottish Government must consider the reform of subsidies for renewable energy operators in an effort to discourage speculative planning applications, which cause communities such anxiety.

The Presiding Officer: We move to the open debate. I remind members that they have a very tight four minutes.

09:39

Elaine Smith (Coatbridge and Chryston) (Lab): The debate is vital, because how we deal with our waste will have consequences for our planet for generations to come. People recognise

that. Masses of people across Scotland are engaged in disputes about safe waste disposal. In my constituency, a campaign against incineration has been run in the past few years. I have fully supported my constituents' campaign from the start, because their research was thorough and their arguments were compelling. Recently, I spoke at a march and rally that was attended by hundreds of people, including many young people, who oppose incineration and call for environmental justice. I have raised the issue in Parliament in various ways and much of that is on the public record.

On health issues, I recently received from the Scottish Government a response that said:

"the evidence suggests that any potential damage to health of those living close to incinerators is likely to be very small, if detectable."

That is not good enough. We can accept no level of threat to public health, particularly in Lanarkshire, where people are 44 per cent more likely than people anywhere else in the UK are to be admitted to hospital with a chronic obstructive pulmonary disorder, which pollutants aggravate. Incinerators could have dire health consequences, which might become apparent only when it is far too late.

A leading campaigner—Maggie Proctor—summed up the problem of dealing with private companies at a packed public meeting in Coatbridge when she said:

"Their only risk is financial, they are asking us to risk so much more."

Waste management is too important to leave to the private sector, whose prime motive is profit—not safety or the environment. To make their money, private companies depend on volumes of waste, which they will ship in from far afield to meet their business needs. Of course, the residue goes to landfill, which completely contradicts the Government's zero waste plans. There is no doubt that continuing to incinerate waste will have a detrimental impact on our efforts to reduce, reuse, recycle and recover.

If the Scottish Government cannot guarantee the safety of incineration, it should oppose the technology and put that opposition in Scottish planning policy. If the Government now supports incineration, it should not be left to the private sector to make private profit from it. However, before the election, the Government seemed to be against incineration. Jim Mather said:

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

He did not say what the scale was or that that position applies only in some areas.

North Lanarkshire Council is exceeding its waste targets. It recently refused planning permission for a pyrolysis incinerator but, when the company involved appealed, the Scottish Government referred the case to a reporter, who found in the applicant's favour. So much for local decision making.

At the inquiry in February, I gave evidence on my constituents' behalf. I will raise concerns about that process. On the opening day, we were told that the Scottish Government had changed annex B to the zero waste plan, which materially altered the proximity principle. The reporter therefore adjourned the inquiry, and we were all told to read the new version of annex B and change our precognitions. That was totally unacceptable. Those precognitions had to be submitted a week in advance, and any changes to policy on a Government whim should have been subject to a similar cut-off date. The goalposts were moved, to ordinary people's detriment. The situation shows that the planning system is stacked in favour of big business, which has the resources to pay for top legal advice, and is against ordinary people who are trying to defend their communities. The Scottish Government must ensure affordable access to environmental justice, in line with its commitments under the Aarhus convention.

My constituents clearly say no to incineration. They are not daft—they know who is responsible, and they know that I will not stand by and allow my constituency to become Scotland's dumping ground. We have suffered enough from our industrial past and we demand environmental justice now. MSPs who support that demand must support Labour's motion tonight.

09:44

Mark McDonald (North East Scotland) (SNP):

I know that the Labour Party does not oppose energy from waste per se, and I give it credit for that. I know that because when Aberdeen City Council—I declare my interest as a member of that council—discussed and decided on our waste strategy, which includes options for energy from waste, the strategy received the unanimous backing of all political parties that are represented on the council, which include Labour. Labour does not oppose the general principle of energy from waste.

I will broaden the focus of the debate, but perhaps narrow it in terms of geography. We have spoken about the waste hierarchy, but we are in danger of being caught between the two fixed positions of landfill and incineration. However, there are other ways in which to deal with waste. There are good examples of companies in my region that deal with waste creatively and add value to it. I know that the minister is keen on the

approach of viewing waste as a resource. One of those companies is Keenan Recycling of Turriff, which for several years has been recycling food and garden waste into compost material. The company can process up to 100,000 tonnes every year and now operates the largest vertical composting unit in Europe. The recycled organics are used in products that benefit the end users, communities and the environment. The main products are compost, garden bark and, as I found out only recently, a specialist product for indoor and outdoor equestrian areas called Equishred.

There are also examples of small organisations in the north-east, such as the Pitscurry project, which is run by the Pitcaple Environmental Project, and Wood RecyclAbility at Udney. Both are small local enterprises with community benefits and which provide meaningful employment for adults with learning disabilities and minor physical disabilities. They involve taking delivery of uncontaminated wood pallets and turning them into garden furniture and other items. Michael McMahon spoke about the consumer demand for newness but, particularly in times of economic difficulties, there is a focus on, and genuine interest in, products that have been developed in a way that involves reuse. Those enterprises provide not just environmental value, but social value. We must consider that in thinking about how to deal with the waste hierarchy.

Another project that I want to highlight is The Box Room in Banchory, which is a community project that takes old furniture and either sells it on or passes it to good causes. I mention it because it launched the magpie project, which it runs in partnership with Aberdeenshire Council and which is a scheme that aims to divert waste from landfill. It involves intercepting reusable household objects and furniture that are brought to the household waste and recycling centre in Aberdeenshire and then selling them or passing them on to local good causes. All too often, we do not see that part of the process. We see things going to the waste recycling centre and assume automatically that they will either go to landfill or somewhere else, but there are often small social enterprises that can deal with them. If such enterprises do not exist in other areas, we need to consider how to encourage local authorities or entrepreneurs to consider taking that approach to diverting waste. The magpie project was so successful that it had to relocate to new premises after only seven weeks, such was the demand.

I do not dispute for one second that local concerns exist on waste incineration. We have heard them in the north-east, most recently in Peterhead, where an application caused a great deal of protest and was rejected by the local authority. However, we must be careful that we do not get into a situation in which we automatically

rule out an approach to waste management that is based on particular examples. We have to be cautious in that regard. I urge members to consider the issue on a broad basis. There will always be local concerns, but we must have an eye on the bigger picture.

09:48

Siobhan McMahon (Central Scotland) (Lab):

The Scottish Government's zero waste plan was intended to lead to waste disposal being regulated in

"a better, more consistent way",

and to help clarify the existing waste management regulations, which were described as

"complicated and difficult to understand."

The targets that are laid out in the zero waste plan are ambitious, and such ambition should be lauded, but we must ensure that, in the rush to meet the targets, we do not sacrifice long-term benefits for short-term gains.

The introduction to the zero waste plan states that it is underpinned by a determination to make

"best practical use of the approach in the waste management hierarchy: waste prevention, reuse, recycling and recovery."

There are currently 20 proposals for waste incinerators in Scotland, many of which do not meet those criteria. For example, pyrolysis incinerators burn waste at high temperatures to extract energy from waste. That is one of the two least-favoured options in the waste hierarchy, as it undermines efforts to reduce, recycle, and reuse.

The zero waste plan states that, by 2025, no more than 25 per cent of municipal waste should be used for energy from waste, with the remaining 75 per cent recycled. In January 2010, Audit Scotland reported that councils were highly unlikely to meet the target and noted that, to have any chance of meeting it, councils would require additional composting and recycling centres—so, not more waste incinerators. However, Government reporters who were reviewing a recent case contradicted that by stating that an incinerator was "urgently" needed to work towards zero waste targets. That leaves us in something of a quandary, because the more incinerators we build, the less likely we are to meet our recycling targets.

The inconsistencies do not end there. According to the zero waste plan, waste management developments

"should be located in sites where potential impacts on the human, built and natural environment can be minimised."

However, in certain recent cases, seemingly legitimate concerns about the potential impact of

the development on the human, built and natural environment have been dismissed.

Finally, and perhaps more pertinently in this debate, the zero waste plan states:

“Members of the public and community groups have an important role in the planning system and are encouraged to get involved in the development planning process and planning applications.”

In the past two years, local people have united in opposition to proposals to build incinerators in their areas. The groups have involved themselves from the start of the planning process and, where they have thought that they have been excluded, they have made great efforts to ensure that their voices are heard. Thousands of objections that have been lodged against waste management planning applications and many thoughtful and reasoned arguments that have been offered in support of those objections have effectively been discounted. The final recourse in such cases is to instigate costly legal proceedings.

That brings us to the equivocal position that the Scottish Government and Scottish National Party MSPs occupy. Although the Government is on record as being opposed to large-scale and inefficient energy-from-waste facilities, that did not prevent it from appointing reporters to review a local council's decision to refuse planning permission for a pyrolysis plant, despite the fact that the Government retains complete discretion over which appeals it chooses to delegate. Some local SNP MSPs who were seeking re-election were vocal in their condemnation of local planning decisions about waste management facilities, only for post-electoral changes in their professional circumstances to cause them to become a great deal more circumspect. Rather than calling for Government interventions, they have ceded responsibility and neglected to represent their constituents.

The zero waste management policy was designed to iron out inconsistencies and contradictions in the current planning regulations, to make the process more transparent, to give local communities a voice and to ensure that waste management targets are met in the most efficient and environmentally friendly ways possible. It has not achieved those things. We need more than effective waste reduction targets; we need a realistic programme to achieve those targets and we need clear and concise planning regulations across local and national government, on which there has been wide consultation and which take into account the views of local people. We need to ensure that environmental justice is available to all and is not prohibitively expensive, as it currently is.

09:52

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): As we conduct this debate, it is obvious that waste incineration is an immediate concern for many members. It is also an immediate concern for many of my constituents. As the Presiding Officer said, there is an on-going judicial review process that concerns the planning decision in question, so I cannot discuss the specifics of the case. As a constituency member who works every day to respond to those concerns, that is obviously frustrating. From a selfish point of view, I would prefer the debate to take place at a time when I could speak more freely, but it would be churlish of me to complain, as I fully support the judicial review, which was fought for and won by an action group in my constituency. I certainly do not want to compromise it. This is an important debate that we need to have, regardless of the timing. It is a shame that, in Labour's typical negative fashion, it is being used as a party-political stick to try to beat the Government with and, indeed, to attack individual members with. That is a shame, particularly as there is much on which we agree and on which we could work together across the parties.

There is enormous disquiet in many communities about the potential effects of waste incineration on their environments. In the part of my constituency that is affected, there is also considerable worry about the economic impact. It is hard to overstate the importance of agriculture and horticulture to the local community in the Clyde valley. The view of local farmers and market gardeners is that the area's outstanding reputation for producing top-quality fresh produce could be seriously adversely affected by the presence of an incinerator in its midst. Images of the garden of Scotland and fumes from burning waste do not exactly go well together. My constituents are entirely justified in questioning the impact that emissions would have on their ability to sell their eggs, milk and fruit and vegetable produce to supermarkets and other retailers. Modern consumers demand quality and retailers respond. Producers are all too aware of how even a perception of impaired or tainted quality could be a hammer blow to their livelihoods. Those producers have a right to expect that the councillors and officials in their local authority would give at least as much priority to the environmental and economic health of the local area as to the desires of commercial companies to profit from incineration. I agree with other members on that, but perhaps I am straying into areas that could become sub judice.

I emphasise that I fully support the Scottish Government's zero waste ambitions and agree that we need to move away from the use of

landfill. I recognise that the Government has to strike a fine balance between competing environmental issues. I know, too, from my extensive correspondence with the Cabinet Secretary for Rural Affairs and the Environment that he is fully aware of the strong feelings of communities in my area.

The Scottish Government has undertaken to publish further planning guidance on waste management this autumn. In my extensive correspondence with the cabinet secretary, I have already asked for that guidance to pay particular attention to the issues surrounding incineration. I repeat that request today.

I can confirm that, in my experience, some local authorities are not handling the planning processes at all well and communities feel that their sincere concerns are being treated as an irrelevance. Strong, clear national guidance is badly needed to ensure that local authorities carry out their duties properly, especially given that we are likely to see more planning applications of this type throughout Scotland.

Given the concerns about incineration, the subject is an obvious candidate for an inquiry by a committee of this Parliament, which could listen to the concerns of action groups from throughout Scotland, such as the one in my constituency. Too often, such groups are not being listened to locally and this Parliament could ensure that their voices are heard.

I say to Mr McMahon that my constituents, my party, this Government and I are taking action—instead of having mealy-mouthed debates for the purpose of party-political point scoring.

The Deputy Presiding Officer (John Scott): Thank you for finishing on time. I call Rob Gibson, to be followed by Jim Hume, who have four minutes each.

09:56

Rob Gibson (Caithness, Sutherland and Ross) (SNP): We know from the whole nature of this debate that policy making does not stand still. The Planning etc (Scotland) Act 2006, which was introduced by the previous coalition Government, set up the appeals system, which came into effect during the time of the minority SNP Government. That system has taken some time to bed down. In cases in my constituency we have had to deal with an appeals process that was interrupted by an intervention by the Court of Session, and a new appeals process with regard to an incinerator in Invergordon.

The 2006 act deliberately took the decisions away from ministers and put them in the hands of

officials. Whether that is the best way forward for planning has to be looked at carefully.

My next point is about things moving on. At the end of the previous session of Parliament, when debates were being had about the kind of incinerators that people have complained about, I asked questions pertaining to the nature of measurement that SEPA can achieve. It is likely that when some of the applications were made the particulates could not be measured very carefully. However, in a written answer from 18 March 2011, Roseanna Cunningham said:

“The Scottish Environment Protection Agency ... has recently enhanced its ability to measure ambient fine particulates. There are, however, some technical limitations in the methods available to measure low levels of fine particulate emissions in the stacks of incinerators.”—*[Official Report, Written Answers, 18 March 2011; S3W-40283.]*

That shows that the science is improving. It is not perfect yet, but it is one of the conditions for deciding whether incineration can take place safely. We will find ways to tighten that up in due course.

Guidelines that SEPA issued in 2009 make quite clear, in general terms, how thermal treatment will be dealt with. That is why local authorities have a fairly good idea about what they should be doing when such planning applications come forward.

Elaine Smith: If that is the case, does the member think that their decisions should be agreed to and should not be referred on?

Rob Gibson: That is not the planning process at the present time—the planning process that Elaine Smith’s party put in place. Let us be clear: we are working in a framework that was created by a Government that was determined to take ministers out of the equation. The current Opposition wants to put ministers into the equation, to take responsibility, much like some campaigners do—

Sarah Boyack (Lothian) (Lab): Will the member take an intervention? Did he vote for the 2006 act?

Rob Gibson: I am sorry—I do not have time.

The unintended consequences of that change are coming out in the debate. The most important issue for all of us to recognise is that speculative applications for thermal incineration will be affected directly by the control of materials that are allowed to be used in those thermal processes. I believe that, in many cases, such speculative applications will fall because they cannot meet the guidelines that the Government has put forward.

10:00

Jim Hume (South Scotland) (LD): Much has been made of the Scottish Government meeting its 2010 European Union landfill directive target on the quantity of biodegradable municipal waste that it is permitted to send to landfill. I draw members' attention to the fact that it was the Lib Dem Minister for Environment and Rural Development who increased the target recycling rate in Scotland from 7 per cent in 2001 to 25 per cent in 2006. The cabinet secretary's predecessor established a good, strong foundation for where we are now.

I suspect that the Government will be aware of the key findings in Audit Scotland's 2010 report, which is referenced in the motion. The report said that

"Collectively, councils' plans are not sufficient to meet landfill and recycling targets beyond 2010"

and that some councils are still significantly short of meeting their recycling and landfill objectives. Therefore, I was surprised that the SNP's mooted zero waste bill failed to make an appearance in its legislative programme, particularly given that the EU can impose fines on member states. I am interested to hear more about how the Government plans to assist councils to meet those targets and to provide the additional waste management facilities that Audit Scotland states are necessary for the future.

In our manifesto, the Liberal Democrats were committed to establishing a network of anaerobic digestion facilities to process organic waste and divert it from landfill. Such new and innovative solutions will be required if local authorities are to fulfil the target of recycling or composting 70 per cent of municipal waste by 2025. Although the Government's modest investment in that area last year is a welcome start, now is the time to explore the expansion of the use of anaerobic digesters and to be mindful of the benefits of such technology over and above the obvious landfill benefits, which include its ability to assist us to meet our renewable energy and emissions reduction targets.

I am aware that two waste incinerator disputes are on-going and sub judice, so I assure the Presiding Officer that I will take care with my words. I share the concerns of Michael McMahon, whose motion speaks of local authorities requiring

"more clarity on planning guidelines with regard to waste incineration developments",

but I point out that local area plans and local planning regulations are absolutely pointless if a local area planning committee contravenes its local area plan by approving applications on greenbelt land.

As we try carefully to engage in discussion of waste incinerators, I am reminded of the vocal opposition of one nationalist MSP to an application for such an incinerator in the run-up to the election. The member concerned will recall the disappointment and concern that she expressed in February, following the application's success, and her comments that a council had ridden roughshod over its own policies. Since the election, the member has been silent. She is now the minister responsible for planning, and has stated that, because of her ministerial position, it would not be wise for her to comment further on the matter. I am afraid that, as parliamentarians, we have a duty to our constituents and cannot simply pick and choose when we wish to be active on certain issues. Constituents deserve better, and that minister should consider what is more important—a ministerial Volvo or her constituents.

I support the Labour motion.

10:04

Richard Lyle (Central Scotland) (SNP): I intend to put forward another view. Prior to the conversion of most council houses to gas fires, rubbish and waste were burned in householders' fireplaces. Since the 1960s, the amount of waste that we produce has risen dramatically, and thousands of tonnes have gone to landfill. That must change.

We now have a policy of zero waste, and we have made tremendous progress on waste management. In 10 years, we have reduced the amount of waste that we send to landfill by more than a third. Waste is a resource that can be used as a catalyst to create products and to generate renewable energy, heat and fertiliser. It has also been suggested that Scotland's waste policy could create more than 2,000 jobs.

We need a broad policy to tackle waste. We need companies to reduce their packaging. How much waste is produced because companies use too much packaging? We also need councils to increase their recycling rates and to have a common policy on recycling. Too many councils still have different collection policies: some collect glass and some do not; some collect cardboard and some do not. If somebody moves from one council area to another, they find that the councils tackle waste differently.

Energy from waste has a part to play, but it should be used only for material that cannot be recycled. In 2009, only 2.7 per cent of our waste was incinerated, and 4.7 million tonnes was landfilled. Local councils have a responsibility to listen to and react to their voters' needs, especially when it comes to incineration projects. Incineration should be the last resort in tackling waste.

The Labour Party has made great play of how it has opposed incinerators. In North Lanarkshire, the Labour Party supported the Greengairs incinerator—I was there and I know that Labour pushed it. However, it now opposes the other incinerator, in Coatbridge in Elaine Smith's constituency. I agree with that decision, because we have enough incineration in North Lanarkshire.

Margaret Mitchell: Does Richard Lyle agree that we need not a review of the guidelines but a change in political will so that councils start to listen to local people?

Richard Lyle: The Labour Party goes from one end to the other, as Margaret Mitchell knows. North Lanarkshire Council's Labour-led planning and transport committee needs no clarity on planning guidelines in the area. If all councils fully embraced recycling of all items that they could recycle, we would not need to review planning guidelines, as most of the waste that would otherwise go to incineration could and would be recycled.

It is well known that the Scottish Government has a presumption against large-scale, inefficient energy generation from waste facilities. We have an effective national framework to guide waste management. It is quite simple: if a council reduces waste in its area, it will reduce the need for a local waste incineration project.

I note from today's newspapers that there is a proposal to scrap sell-by dates. Those new rules would mean that food and drink would be labelled only with a best-before date or a use-by date. That would also reduce the tonnes of food that shops and customers throw out.

10:08

Jackson Carlaw (West Scotland) (Con): The late Robert Robinson might have called this the "Ask the Family" debate, with Michael McMahon and his daughter Siobhan both making speeches. I was refreshed by Mr McMahon's speech, which chimed with my own view of the matter. Pragmatic realism, rather than some evangelical quest, brought him to wishing to see it addressed. I am always slightly alarmed by those who say they have come into politics, as he obviously has, to pass waste more efficiently—or to pass waste measures, in any event.

In my speech, I will concentrate on where mass waste incinerators sit in relation to waste policy and where public consultation fits in.

The term "mass waste incineration" is regularly used. The Government's zero waste plan says that there is no need for mass waste incineration. The Institution of Civil Engineers, whose report said that waste infrastructure was just a grade C

that required a lot of attention still, said under questioning that there was no room for mass waste incineration.

The plant to which Mr Maxwell referred—the one that is proposed for the south side of Newton Mearns—will take 1.5 million tonnes of waste, so it is clearly a mass waste incinerator, but is it formally defined as such? I was pleased when, in answer to a parliamentary question earlier this session, the Minister for Local Government and Planning eventually confirmed that the definition of a mass waste incinerator is one that processes 300,000 tonnes of waste. Given that there is to be no room for mass waste incinerators, I was quite surprised that 300,000-tonne incinerators are being approved. It is a concern that, despite there being no role for mass waste incinerators, they are being approved.

Aileen Campbell: For clarification, the upper limit is 300,000 tonnes.

Jackson Carlaw: How very convenient. It is just like student fees: we get to the upper limit as quickly as we can.

Mr Lyle said that if waste is being processed efficiently in a community, there is no need for a mass waste incinerator in that community. East Renfrewshire has reduced its total waste from 50,000 tonnes to 35,000 tonnes per year, so I do not quite know why it needs a 1.5 million tonne waste incinerator, which is a big concern for local people.

If the largest lorries in Britain today were to be filled to capacity with all the waste that they can hold and taken in and out of that 1.5 million tonne plant 24 hours a day, it would mean a movement every 3.45 minutes, 24 hours a day, 365 days a year. As I have said before, the M77, which is the access road to the proposed plant, would look like the approach road to Heathrow airport, with a stack of heavy goods vehicles going all the way back and causing all manner of congestion. I do not think that many people are reassured by the promoters saying that they would target journeys so that they avoid the rush hours. How can that be done with a journey that starts at point X and ends at point Y?

I will be more direct in relation to Mr Maxwell's point. Does the minister regard someone who has waste infringement convictions as a suitable person to be given the opportunity to take on a waste management plant?

I contradict one of the minister's points. I thought that I heard him say that he does not think that the effects on health are going to be of much concern. In 2009, SEPA, Health Protection Scotland and NHS Scotland produced a report that said that the evidence was that the effect on public health of waste incineration was

“inconsistent and inconclusive”. That is not a basis on which one can say with any great conviction that we can be certain that no potential effects on public health will follow.

10:12

Richard Lochhead: We can all agree that the debate has been interesting and valuable. The issue of waste and how best to manage it is one that never fails to stimulate discussion in the chamber and throughout Scotland.

I was slightly confused at some points about whether the debate was about the future of Scotland’s environment or about the distress that the Labour Party is experiencing at losing some key constituencies in Lanarkshire. Of course, those issues are linked, because the election of SNP MSPs is good for Scotland’s environment.

I was struck by Jackson Carlaw’s opening comment that he agrees with the Labour Party on the issue. If I were in the Labour Party, I would be slightly concerned that the Conservative Party was agreeing with Labour’s environmental policy. I also note that he and some of his colleagues have criticised the attempts to roll out waste food collections across Scotland, which shows that, in relation to some of these issues, they are still stuck in the 1980s.

I have no doubt that companies will continue to pursue planning consents for a range of waste infrastructure across Scotland. I am also confident that our zero waste plan and the measures that will be introduced through the zero waste regulations will significantly reduce the volume and type of materials that can be disposed of through incineration. The feedstock will simply not be available to feed large-scale plants or an extensive network of incinerators across Scotland. Our zero waste plan is the right national strategy to deliver real and lasting change to how Scotland’s waste is managed.

I am going to be generous to Elaine Smith and address two of the points that she raised during the debate. First, she and other members mentioned private sector involvement. We cannot say that it is really important to deal with Scotland’s residual waste but then attack the role of the private sector in helping us to solve that problem. The resources and expertise must come from somewhere. Jim Hume said that he wants anaerobic digestion to be rolled out across Scotland, but he did not remark on the fact that Scotland’s budget has been cut by his own party at Westminster. That really takes the biscuit. We must start to realise that the private sector’s resources will be required if we are to deal with Scotland’s waste challenges and that that sector has a valuable role to play.

Elaine Smith and Jackson Carlaw raised the issue of the health implications of incinerators that may be built in Scotland. SEPA is responsible for regulating the waste industry, and before it considered issuing a permit for an incinerator, the operator would have to undertake health risk assessments and demonstrate that human health and the environment would be protected. Waste incinerators must also comply with stringent emissions standards and controls, which require plants to meet minimum burn temperatures and strict emissions limits.

Clearly, we all take very seriously potential increases in health risks. I can reassure Parliament that we are not resting on our laurels in that regard. The Government recognises that there is public concern on the issue, and we are reflecting more on what can be done to alleviate some of those concerns. For instance, I am examining whether more can be done to give the public easier access to real-time, continuous information on emissions from facilities through SEPA’s website. We are also considering other ways of communicating the issues to the public. However, we all have a responsibility in our own constituencies to keep things in perspective and ensure that information that we get from others is checked out properly and that the information that we give to constituents is accurate.

Elaine Smith: On clarity of information, can the cabinet secretary clarify for us that current planning law means that ministers can decide to accept local authority decisions and that, even if they then refer such decisions to reporters, right up until the decision letter is issued ministers could call it back and take their own decision? Unfortunately, in a recent case, the decision letter was issued just after the election, and not just before it.

Richard Lochhead: In certain situations there are, of course, exceptional circumstances of national significance that mean that ministers cannot intervene. However, a very important part of the debate is what should be decided locally and what should be decided nationally. If ministers took into their remit decisions as part of a national decision-making process, Labour members would be the first to complain if ministers then said that one of Scotland’s incinerators was going to be based in a Labour member’s constituency. They would suddenly start to complain that there was not enough local input or local accountability. We must therefore stick with what local authorities, COSLA and—I believe—most if not all parties in the chamber support, which is that some decisions must be decided locally and within the planning framework because that is what is delivering at the moment.

Michael McMahon: I agree with the minister on that point. However, our concern is that we cannot have a situation in which a member says one thing in their locality and then hides behind sub judice in the Parliament in order not to say it here.

Richard Lochhead: The member will be aware that the Presiding Officer made it clear to Parliament that some applications that are causing contention around Scotland are subject to judicial review at present and cannot be referred to by ministers or others in the chamber. The member has just made a ridiculous accusation. Surely he is not suggesting that members of the Scottish Parliament should not stand up locally for their constituents and work with them on local issues. It is our democratic right to do that, and we should all stick to doing that. Perhaps if Labour Party members had done that a bit more, they would not have lost so many seats at the last election.

We all have a responsibility to deal with Scotland's waste. I hope that the debate has been about that. I think that there is a lot of agreement across the chamber that we must deal with residual waste. We cannot just put it in a big hole in the ground, which is a waste of money and bad for the environment—and, of course, bad for our climate change targets. Let us all move forward together on the issue. Let us stick to our national framework, put the waste strategies in place and ensure that local decision-making continues to be seen as important.

10:18

Sarah Boyack (Lothian) (Lab): Labour wanted the Parliament to have this debate because we think that the current situation is totally unsatisfactory and that the Scottish Government's position on waste management facilities lacks clarity.

Across the country, people are up in arms at the plethora of large-scale incinerators. At the very least, they expect that the planning system will allow their concerns about health and transport impacts to be heard. However, there is a strong feeling that the Scottish Government is not listening. That frustration is reinforced by the fact that SNP candidates across the country campaigned against waste incinerator proposals at the election but have been silent on the issue since then.

Christina McKelvie: Will the member give way?

Sarah Boyack: No, thank you. I am not even into my first minute.

The truth is that the SNP put in place a system of decision making that is less transparent and tilts the balance of power towards the centre, which

means that local authorities, developers and local communities do not have certainty. That is totally unacceptable.

Even more disappointing, we have been here before. In 2007, Scottish National Party candidates who are now ministers campaigned against the Beaulay to Denny line, but when they were elected to Government, that Government green-lighted the project. This is not about members' right to disagree with the Government; it is about consistency. On waste management, the SNP Government has presided over the changes that have led us to the unsatisfactory situation in which communities and businesses across the country now find themselves.

I welcome the chamber's total support for the Government's ambitions for a zero waste Scotland—the cabinet secretary should take heart from that. We also support the principles that underpin those ambitions in the waste hierarchy of reduce, reuse, recycle and recover. However, members of every party have expressed concern that the strategy is not yet being implemented.

The SNP put in place ambitious targets for delivering on its strategy and, again, there was support across the chamber for that move. However, what the Audit Scotland report made clear was not that every single local authority was not going to meet its targets but that, collectively, council plans were not in place. That is the problem. Why are those plans not in place? In the Lothians, there was joint planning between the authorities but one of the first acts of the minister in the previous parliamentary session was to dismantle the regional strategy that would have enabled them to put facilities in place. The regional strategy was simply dumped. At the time, we warned of the consequences. When that co-ordinated approach was taken away, the Government left the private sector to fill the vacuum, and that has led to the problems that we face today.

When, in the previous session, the proximity principle was introduced in new guidelines that the cabinet secretary issued, we thought that the idea of local facilities that were planned locally sounded good but questioned how it would work in practice. In fact, it did not give clarity to local authorities, which have to set out the development plans that provide certainty for infrastructure investment. That is what the planning system is about. It is also, crucially, about democratic accountability. Local people must be able to see the plans for their area.

Aileen Campbell: Will the member give way?

Sarah Boyack: I would love to.

Aileen Campbell: I just point out to the member that the Scottish planning policy and zero waste

plan provide a framework for waste treatment and that planning advice is forthcoming that will be peer reviewed and go out to consultation later this year.

Sarah Boyack: As Elaine Smith pointed out, the problem is that the Government is changing the rules in the middle of decisions that are being taken now. Moreover, she made clear that the proximity principle was unceremoniously dumped earlier this year in the middle of a public inquiry. That cannot be right.

Not only that, but the Scottish Government has also quietly removed crucial planning rights and planning requirements on local authorities with regard to notification. SNP members supported the Planning etc (Scotland) Act 2006 but, quietly, the Scottish Government has removed the requirement for local authorities to report to the Scottish Government when they breach their local plans. The only categories left that require notification are developments in which the local planning authorities themselves have an interest; objections by Government agencies; and opencast coal and related minerals applications. The fact that there is now no trigger notification with regard to neighbouring local authorities or development plan breaches is part of the problem in waste management.

This is a centralising Government. Having dumped the regional planning framework for waste management and the proximity principle, the Scottish Government has removed the capacity for local authorities to make decisions on waste management proposals. Nobody wins. Local authorities know that the planning applications they refuse can be approved by Scottish ministers; indeed, that is what has happened with two major waste management schemes. Community campaigners know that, in the end, these decisions are made by Scottish ministers and there are no upfront safeguards, because this Government has been undermining them.

I say to Mark McDonald, who I thought made an excellent speech, that local authorities' decisions about cumulative impact have not been taken on board. Indeed, a number of SNP back benchers highlighted points about cumulative impact and the impact on recycling programmes. It is clear that large-scale incinerators provide no incentive to drive up recycling rates; after all, in the long term, it is cheaper to burn rubbish instead of separating it out and finding markets in which the materials can be reused or recycled. The cabinet secretary acknowledged that very point in his opening speech. However, planning decisions are not being based on those needs and are not taking cumulative impact into account. The environmental costs need to be factored in. Large-scale projects mean large numbers of lorries

travelling long distances, and environmental justice has to be part of the picture.

I was really disappointed that the cabinet secretary did not address our points about wood, biomass and waste-to-energy projects. Projects are not sustainable if wood is not available and has to be imported.

The Confederation of Forest Industries and RSPB Scotland have flagged up their concerns about the major expansion of large-scale biomass-to-energy projects. They highlight the fact that we already have a limited supply of wood and that the problem with projects of major and significant size is that they will damage United Kingdom jobs and have a counterproductive impact on our carbon emissions. That needs to be factored in. I was disappointed that the cabinet secretary did not specifically address that point and wants to take it out of our motion completely.

RSPB Scotland has also raised concerns about the impact on forests, not just in relation to how we use our wood in this country but in relation to habitats in exporting countries and rainforests. There is a wider responsibility here that is not being addressed, and I was disappointed that those issues did not even get a name check in the cabinet secretary's speech.

At the local level, local authorities are left without clear guidance. Developers are not being given clarity, either. They spend thousands of pounds on planning inquiries and on making proposals. It is not in anyone's interests not to take up the issue of need, not to address the issue of cumulative impact and not to give clear guidelines.

Throughout the country there are debates. I need only mention Lanarkshire, Renfrewshire and the Lothians. We know that in all those places, SNP candidates were clear about their views before the election—

Christina McKelvie: Will the member give way?

Sarah Boyack: I am not attacking the SNP.

Their own Government has removed the guidance that would help these decisions to be made properly. People can see through that.

Richard Lochhead: Will the member take an intervention?

Sarah Boyack: No. I am in my last 30 seconds. The cabinet secretary had two speeches and did not even have the courtesy to address the issues in our motion. He has merely gone for a delete-all-and-insert amendment. That is not good enough. He should stand up for his principles and debate the issues in the motion, but he has ignored them. I am disappointed that he has gutted the motion. No one disputes the need for a zero waste

strategy in Scotland. The problem is that he is not delivering that. This is happening on his watch—it is his strategy and he has played around with the rules. That is why his strategy will not succeed.

Social Care Services (Procurement)

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-00854, in the name of Jackie Baillie, on the procurement of social care services.

10:27

Jackie Baillie (Dumbarton) (Lab): How we care for the old, the vulnerable and the young is considered to demonstrate the essential character of a society, its values and its beliefs. The provision of social care is an essential service to our older people, those with learning disabilities, physical disabilities and mental health problems. At its best, it is about providing care and support to help people to live independent lives. It plays a key role in sustaining people in their own homes, in their own communities, without the need for more formal care.

Social care is provided by local authorities, the voluntary sector and the private sector. We all know about the pressures facing local government, with an average 5.5 per cent real-terms reduction in its budget this year. Nowhere is that financial pressure more evident than in the social care budget.

Local authorities are facing real challenges, such as increased demand set against a backdrop of tightening budgets. We need to be creative about how we do things and how we deliver good outcomes for people and design services to meet their needs and aspirations. There are some positive examples of that, yet they are few and far between.

What appears to be happening across local authorities is a race to the bottom in the procurement of social care, driven solely by cost, and the inevitable sacrifice of quality. Let me be clear: that is not just happening this year; it has been going on for some time. We need only consider what is happening with employment conditions among voluntary sector care providers to see the truth of that. For the past three years, 79 per cent of staff have had no cost of living increase equivalent to local authority rises; 57 per cent of them have had pay freezes. Sixty per cent of voluntary sector care providers have made cuts to their training budgets. Only 15 per cent have any link to public sector pension arrangements.

If members need any more convincing, they should consider what is happening at Quarriers today. Ninety-day redundancy notices have been issued to all staff, front-line staff have been asked to take a 23 per cent pay cut and changes have been made to terms and conditions. Quarriers is

not alone: that is happening across the social care sector. I welcome the Unison members from Quarriers who are in the public gallery today and remind members that those front-line staff are being asked to take a 23 per cent pay cut, which, on a modest salary, is staggering. Although I do not want to comment on industrial relations at Quarriers, it is clear to me that the problem that is being experienced there lies with the procurement system.

Local authorities are questioning the hourly rates of care employees of other organisations—interfering, in effect, in the internal pay arrangements of provider organisations. Surely, we should seek to commission services on the basis of the outcomes that are delivered and on quality, rather than on the volume of service that is delivered boiled down to an hourly rate. What does the kind of cut that is being experienced at Quarriers do to staff morale? We would all do well to pause and think. We all agree that the quality of care is of primary importance and that that quality is delivered by people: by families, by friends and by social care staff. In my experience, the people who work in social care are well motivated and care passionately about how they do the job and the people whom they work with, who are often the most vulnerable in our society. We all value what they do—we have said so many times in this chamber. They are at the very heart of ensuring the quality of care that we all care about so much; yet, we choose to reward them by cutting their terms and conditions and slashing their pay.

There is one central truth in all this: we cannot get good-quality care on the cheap. In the past few years, local authorities have increased their charges for services to make up the shortfall in social care budgets. I have some sympathy with the principle that, when people have sufficient resources, they should be asked to make a contribution. However, the approach across Scotland is piecemeal. We have a postcode lottery of care, with different eligibility criteria, different costs and 32 different ways of doing things, which creates an inherent lack of fairness in the provision of social care.

Let us consider the illustration that was provided to members by the Learning Disability Alliance Scotland for further evidence of that. The criteria for charging vary widely. Argyll and Bute Council considers 100 per cent of somebody's income; across the water in Inverclyde, only 25 per cent of income is considered. How about the hourly rates for home care, which is just one social care service? A picture is painted of wildly different costs in that, too. In West Lothian, home care is £7.76 an hour, but in Angus it is £22 an hour—three times the amount. How is that fair? The guidance on the procurement process has been revised, but the opportunity to do it differently was

missed. There are risks in our approach: the unforeseen costs, the disruption to service continuity and the real anxiety for the people who are being supported, their families and their carers. Even leaving those things to one side, it is increasingly clear that the guidance is being ignored in practice and that there is a need for stronger enforcement mechanisms.

The Scottish Government and the Convention of Scottish Local Authorities have published guidance on eligibility for social care. However, frankly, that is being used in local authorities as a rationing system to deny people with needs access to social care, as only the most critically ill and those with the highest needs are getting services. Where is the focus on prevention now? I know that the Scottish Government and COSLA intend to review care charging, but members will forgive me for being slightly impatient. I have been raising the matter for almost three years and voluntary organisations have been doing so for a lot longer—we are nothing if not persistent. It is becoming boring, but every time that we raise the issue, we are told that COSLA and the Scottish Government are going to sit down and review care charging. If they were on performance-related pay, they would take a salary cut for that kind of approach.

Let me resist the temptation to apportion blame, because doing so would not serve us well. I acknowledge that local authorities are struggling to do the best that they can with increasingly limited resources. I want to look ahead. We must urgently ensure that our social care provision is the best that it can be, and I believe that that ambition is shared across the chamber. It is therefore not good enough for the Scottish National Party to sit to one side and say that responsibility lies with the 32 local authorities. The Scottish Government must provide a lead; it must provide a coherent framework that brings together all the different strands of social care—setting minimum expectations across the country, but at the same time stimulating innovation at local level.

The framework could include how to promote choice and independence, and I commend the Government for introducing a bill on self-directed support. The Government knows that it will enjoy the support of members on this side of the chamber for that bill. The framework could also ensure consistent criteria and fairness in the determining of care provision and charging. The framework could focus on prevention and early intervention, not just on crisis, and it could set out a new form of commissioning based on outcomes and quality, not on volume and unit price.

Scotland is not such a vast country that we should experience such wide variation and injustice in the provision of social care. Whether a

person lives in Dumbarton or Dunbar, in Dingwall or Dumfries, they deserve a care system that supports them to live as independently as possible and which offers access to the best-quality care possible. The basis of the system, and how much people pay for it, must be fair.

Today's debate is about people, standards and quality of care. I am therefore disappointed that the cabinet secretary is unable to be here with us, given her personal commitment to the issue. I am astonished that the planning minister is leading in this debate for the Government, and I hope that the Government is not sending a signal that it is more interested in producer interests than in vulnerable people receiving a service.

This task is not for local authorities alone. This is a task for the Scottish Government, and it needs to get on with it. There is no room for complacency. We will contribute; we will feed in ideas; and we will push the Government to do more, as it would expect us to. Above all, this chamber must ensure that our system of social care is overhauled so that it is fair and available to the most vulnerable in our society.

I move,

That the Parliament notes the 5% real-terms cut to the local authority settlement by the Scottish Government; further notes the demographic and financial challenges facing local government in the delivery of social care; recognises that these financial pressures have resulted in substantial reductions in service, with some care providers proposing changes to staff terms and conditions and pay cuts of up to 23%, leading to unprecedented industrial action; further notes the increasing postcode lottery of care, with differing criteria for eligibility and charges across Scotland; believes that the procurement of social care is characterised by short-term decisions based on reducing the cost of existing services rather than having a focus on the improvement, development and redesign of services to provide long-term value for money; further believes that quality and continuity of care is of primary importance and cannot be achieved on the cheap, and calls on the Scottish Government to bring forward a framework for social care to ensure consistency and raise standards for the benefit of some of the most vulnerable people in society.

The Deputy Presiding Officer: We have quite a bit of time in hand, so I will be able to be generous with those who wish to speak for a little longer than the allocated time. I call Aileen Campbell, with a generous seven minutes.

10:37

The Minister for Local Government and Planning (Aileen Campbell): I thank Jackie Baillie for raising such an interesting yet critical issue during this period of imposed austerity for Scottish public expenditure.

Although I note the sentiments in the motion that was lodged for debate by the Labour Party, I have suggested an amendment to it. I hope that the

amendment will be accepted: it attempts to reflect the broad consensus on the need to improve care for all vulnerable people and to provide a system that works in all cases. I also note Mary Scanlon's amendment and fully understand the sentiment behind it, but I do not feel able to support it at this time. This debate is complex enough without adding in charging for residential care, which requires much more thought and further debate.

To answer Jackie Baillie's point, I am leading in this debate as I am not only the planning minister but the local government minister. She cited local government a number of times, so it is entirely appropriate that I should answer. That illustrates this Government's commitment to working across sectors—in particular, across health and social care.

Jackie Baillie: Does the minister not accept that a signal is perhaps being sent that the Government is reflecting producer interests in this debate?

Aileen Campbell: I think that we are sending a clear signal that this Government has a joined-up approach, and we are reflecting the importance of local government in the debate.

Let me be clear from the outset that, despite the overall £1.3 billion funding cuts imposed by the United Kingdom Government, the total funding package of £11.5 billion has maintained local government's share of the overall Scottish budget in 2011-12. I also want to make it clear that, despite the tightening of funding, this Government will do what it can to ensure that every vulnerable person receives the highest level of social care, and that the appropriate structures and regulations are in place to ensure that they receive that care.

We are working with the public and key partners to develop a compelling vision for the care of older people in Scotland now and into the future—a vision of fully integrated care, and a vision that sees our increasing older population living longer, healthier lives, and staying for as long as possible in their homes or in the community.

Over the summer, I have been lucky enough to visit a number of inspiring projects across the country, which serve to illustrate how people's lives can be changed for the better when public services do what they can to work in partnership and take innovative approaches to the delivery of health and social care.

In South Lanarkshire, I learned about a very important project between the council and NHS Lanarkshire, which was focused on reducing falls and their associated hospital admissions. The project's early success has led to it being rolled out widely around all council care homes and to it being looked at further of South Lanarkshire. In Highland, I visited Nairn hospital, which is a multi-

use facility that has been jointly commissioned by the council and NHS Highland. Those projects underlined to me how much more we can achieve when we work together, but they also underlined to me that people who use such services care about the service and its quality, not about who delivers it. What is important is the person, not the way in which we structure our organisations.

We need to provide better services, with better outcomes, for more people, using resources that will be under pressure for some time to come. Audit Scotland's review of community health partnerships made it clear that a voluntary approach towards the integration of health and social care has not delivered fast or far enough. We therefore need to drive up efficiency and productivity, and we need to accelerate the integration of health and social care delivery, which will help to ensure the sustainability of high-quality care. We are ensuring that we speak to people—key stakeholders—about how we do that. We want to build on the systems that are already working well and not get diverted into reforming structures for the sake of change.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): I hear what the minister is saying, but there has been a joint futures unit in the Scottish Government since we set it up in 2001 to integrate care. Is that unit still in existence? What is it doing? Where is the compelling vision coming from in practice?

Aileen Campbell: We are taking forward that joint approach. The cabinet secretary will provide further detail later. As I said, we have been speaking to key people, but we must accelerate progress on shifting the balance from acute hospital settings to the community and get better at early intervention. I think that that goal is shared across the chamber.

We have established a £70 million change fund as bridging finance to help make those shifts. That has driven the integrated approach and I am sure that it is of interest to Richard Simpson.

The need for change is urgent and non-negotiable, so we are examining a range of options for how health and social care services can be reconfigured and integrated so that they can meet many more people's needs.

We are working with partners to reshape radically the provision of care for older people. That will prioritise delivery of the care, compassion, support and dignity that they need and deserve. That reshaping cannot be driven by short-term needs to reduce expenditure and there must be a strategic approach to joint commissioning.

Johann Lamont (Glasgow Pollok) (Lab)
rose—

Aileen Campbell: To that end, we are developing proposals to help partnerships develop joint commissioning strategies; we asked them to work on those strategies together with third sector and independent sector organisations as part of the change fund guidance for 2012-13.

The reshaping also requires us to enhance the role that people can play themselves, with support, to play a fuller part in their own care. We see the importance of giving people as much flexibility as possible in how they manage their care arrangements.

Bill Walker (Dunfermline) (SNP): Does the minister agree that we are trying to make a virtue out of financial necessity—a financial necessity that has been forced on us not only by the coalition Government in London but by previous Labour Governments? Through their gross economic mismanagement, we are now in the position of doing the best that we can by looking at all the most efficient ways of doing things. There is no good in Labour members jumping up all the time to intervene, when the key is to make the best of what we have in a situation that was caused by Labour's inefficiency in the past.

Aileen Campbell: The member makes a very good point: the cuts that have been imposed on the Parliament were started by Labour and have been continued by the coalition.

What is driving forward the change is the need to ensure that we work in partnership together to ensure that the person is the focus of the changes and that we work innovatively together.

Some people have packages of care that are funded by the local authority and the health service, and we need to ensure that they have the opportunity to shape their care package in a way that meets their needs. Self-directed support will require far greater emphasis on commissioning strategies that focus on outcomes for individuals. Block contracts may have provided some security for providers in the past, but such contracts and the constraints on monitoring them have not necessarily empowered citizens.

We are supporting providers to adapt to the change in culture and approach. This year, we are allocating £1 million to help providers to build their capacity to deliver self-directed support.

The future shape of the way in which we provide care in the community raises very timely and legitimate questions about who should provide that care. The Scottish Government procurement directorate and the joint improvement team developed social care procurement guidance, which was published in September 2010, following consultation with a wide group of internal and external stakeholders. It emphasises that decisions on procurement should rarely be taken

on price alone and that there should be greater emphasis on the quality of services provided.

Jackie Baillie: Will the member give way?

Aileen Campbell: I am in my last minute, and I have taken three interventions already.

It is important that public bodies and service providers work together to find innovative ways to provide services to make the best use of available funds and maintain quality services. I have attempted to outline how this Government will respond to that question.

Care for people is, rightly, an issue that is high on the public and political agenda. I intend to ensure that we treat our people with respect, compassion and dignity and provide them with the care that they deserve. However, we must go further in joining up service delivery if we intend to do that.

I move amendment S4M-00854.2, to leave out from first “notes” to end and insert:

“notes that, despite cuts to the Scottish Budget by the UK Government and the previous Labour administration, local government funding in Scotland has been significantly protected compared to local government funding in England; welcomes the commitment of the Scottish Government to continue to improve care for older people by maintaining free personal care and improving the integration of health and social care to help ensure long-term sustainability of high quality care; believes that local authorities should have due regard to the Scottish Government’s guidance on the procurement of care and support services, which was co-produced by a reference group involving all key stakeholders’ interests and which sets out guiding principles for use by local authorities as a framework for evaluating local practice; further believes that, in accordance with the guidance, local authorities should promote the achievement of positive outcomes for service users and carers through the delivery of good quality, flexible and responsive services and ensure that continuity of care and the importance of a skilled and competent workforce are fully taken into account, and further notes COSLA’s intention to tackle variation on charging via its fundamental review of the cost of care.”

10:46

Mary Scanlon (Highlands and Islands) (Con):

I thank the Labour Party for giving us this opportunity to debate the procurement of social care services. Given the amount of information that I have on the care of the elderly, I will focus my comments on those care services, in the knowledge that similar procurement and pricing procedures are used for all vulnerable people who are in need of social care.

The briefing paper from the Learning Disability Alliance, which Jackie Baillie quoted from, was very interesting. As she said, it highlights the fact that the hourly rates for care at home range from £7.76 in West Lothian to more than £22 in Angus, which is three times more. It also says that, in

Highland, the hourly rate is more than £15 per hour, which is £5 more than it is in neighbouring Moray. There is no doubt that there is a postcode lottery for care, and we need to focus on improvement, development and redesign of services to provide long-term value for money and, as important, to raise the quality standards of care.

Jackie Baillie said that she has raised those issues for three years. I have been raising the issue of the postcode lottery in relation to care home fees since 1999, and my persistence has not paid off—yet.

The postcode lottery with regard to care is true, with 7 per cent of care homes for the elderly in West Dunbartonshire being given the highest grading, compared with 70 per cent in Highland and 69 per cent in Inverclyde. Quality matters—let us not all get caught up with the issue of the costs and the fees. Several councils have no care homes in the weak or unsatisfactory categories, but up to 35 per cent of homes in certain council areas are in those categories.

Not only is there disparity between the gradings of care homes, but there are huge differences between the fees of those who self-fund their care and those who do not. As responsible parliamentarians, we need to do something to incentivise people to save for their old age but, with the way that things are at the moment, there is no incentive. I will give a few examples relating to council-run homes, which I obtained through a freedom of information request. In South Lanarkshire, a self-funding client pays £474 a week to be cared for in a council home. That rises to £552 a week in North Lanarkshire, £650 a week in Fife and East Lothian and £843 in Dundee—a difference of £369 between the lowest and the highest mainland councils.

The costs of care differ widely, too. They range from £474 in a council-owned and council-run home in Midlothian to more than £900 in one in Angus—a difference of 91 per cent. In the independent and voluntary sector, councils pay £474.16, in agreement with COSLA. For the same quality of care and support, a self-funding client in the same home can pay £950 a week—twice as much. How can it be fair that two people in the same care home receive identical care, with identical quality standards, when one has to pay twice as much as the other is funded?

We should ask why councils charge self-funders up to 78 per cent more in one area than in another, and so much more than they pay to fund a place in the independent and voluntary sector. How can there be a difference of 91 per cent in the costs of providing care between one mainland council area and another?

There is another postcode lottery in relation to self-funding clients. As they are self-funded they are placed instantly in a care home, while others—through no fault of their own—must wait for funding packages from local authorities and are labelled as bed-blockers, the numbers of whom are rising week by week. That is why we are seeking a review of the charges. There is nothing complex in it: anyone with basic mental arithmetic could compare those figures.

In March 2010, there were 39,150 places in care homes for the elderly, with 33,900 residents. In simple terms, we have 5,209 empty beds out there, yet the cost of emergency admissions to our hospitals is one of the largest health budgets. Those homes could be better used for respite care. If we were to concentrate on delivering high standards of care to people in their own homes, there would be many fewer emergency hospital admissions and less need for long-term stays in homes.

It need not cost more to improve, develop and redesign services. If a general practitioner and a pharmacist visited a care home more regularly, medication could be reviewed and potentially reduced. With the right skills, knowledge and training, much more effective personalised and appropriate care could be provided.

I find it quite upsetting that 75 per cent of elderly people in care homes are on psychoactive drugs, perhaps because they have become agitated in one instance. If our elderly people are constantly on those drugs, we are not serving them well.

Dr Simpson: Will the member give way?

The Deputy Presiding Officer (Elaine Smith): I am afraid that the member is over her time.

Mary Scanlon: I move amendment S4M-00854.1, to insert at end:

“and calls on the Scottish Government to review the system of charges for care home places whereby, at present, self-funders pay considerably more than those placed and funded by a local authority.”

10:52

Mary Fee (West Scotland) (Lab): I welcome the staff of Quarriers who are sitting in the gallery. I ask the First Minister and the Cabinet Secretary for Health, Wellbeing and Cities Strategy to speak to them today after First Minister's questions about the impact that social care procurement has on the lives of the staff and the service users to whom they provide excellent care, and to step in to help everyone who is involved in the current pay and conditions dispute between the management and Unison. Those people represent the damage that is being done to our social care services throughout Scotland.

As many members know, I have been very vocal on the situation that the Quarriers staff and service users face. I understand the financial pressures that are forced on the organisation by local authorities, but I cannot stand back and allow the staff to bear the brunt of cost cutting that procurement has led to.

Like many others in the chamber, I strongly believe that local authorities have been using the procurement process to lower costs, and that there has been little focus on quality of care when services are retendered. Social care services provide essential care to the most vulnerable people in Scotland, and they require well-trained and qualified staff. Such services are a lifeline to many in society, and must not be provided on the cheap.

I will give members an example of how cuts to the third sector are harming the care of the elderly, the disabled and the vulnerable. This case, which was brought to my attention by Epilepsy Scotland, involves a young girl who is legally blind with no verbal capacity and has two or three full-blown seizures every night. She was formerly receiving weekly support, and is cared for by her mother while her father serves in Afghanistan. Her funding and care were not renewed, and the choices support was withdrawn.

That has had a huge detrimental impact not only on the girl's wellbeing and care, but on her mother, who is a full-time carer with no respite. SNP members will howl and moan when I say that the problems of the economy and budgets were not caused by that young girl or other service users like her, but local authorities should be ashamed of the treatment of service users and the third sector as they cut budgets throughout Scotland.

The procurement process has its merits, but its advantages are being exploited to bring cuts to social care. When a local authority believes that care is insufficient, it is right to retender that service, but retendering is being done to cut costs. If we continue to retender services—particularly those that provide the greatest level of care—we will have a system that forces the third sector to its knees and in which competition is less about care and more about how low we can go. That will be a race to the bottom.

I call on the Scottish Government to introduce a minimum five-year term for social care contracts that are well funded, allow the organisations involved to plan for the longer term and give employees job security. Increasing the terms of contracts is essential for the stability of organisations such as Quarriers and for the quality of services that our vulnerable service users deserve.

Local authorities must consult the third sector and trade unions more to deliver a clear procurement system that has care—not cost—at its heart. A distinct approach must be taken—that can be done by consulting other bodies.

In previous years, many organisations in the third sector have taken massive steps to survive.

Aileen Campbell: Will Mary Fee take an intervention?

Mary Fee: I am sorry—I do not have time.

Operating costs have been reduced hugely through cuts to staff pay and changes to terms and conditions, for example. If we continue to make cuts, carers will become demoralised and the level of care will suffer.

In February, the director of the Coalition of Care and Support Providers in Scotland wrote to *The Herald* to highlight that

“more than 80%”

of its members

“have been unable to”

provide pay increases that

“match the cost of living increases awarded by councils to their staff during the same period”.

Why has the Scottish Government allowed local authorities to cut the budgets to organisations that care for our elderly, disabled and vulnerable, while the wages of top managers and chief executives have increased?

The cuts that have been enforced on the third sector are short-sighted and based on cost cutting, not improvements to the care that councils tender.

The Deputy Presiding Officer: Will Mary Fee please wind up?

Mary Fee: The organisations that deliver our social care must not be attacked further. I call on the Government to protect organisations, staff and service users alike.

10:57

Dennis Robertson (Aberdeenshire West) (SNP): I declare an interest, as I worked in the social care sector for more than 30 years. As a member of the third sector, I was very much involved in working with a local authority on service procurement.

I applaud Jackie Baillie for not apportioning blame—thank you, Jackie. That was reassuring to hear.

We must consider what is essential in procuring services for our people who require social care across the board. Having sat round the table to look at procurement, I do not believe that quality is

compromised. One of my duties as a service manager was to ensure that the quality of care was never compromised, regardless of the cost-cutting exercises that the local authority sometimes imposed.

It is right that every local authority tries to get the best value that it can from organisations with which it has contracts for care provision, because spending from the public purse must be held to account. However, we should never ever compromise on the quality of care.

There will always be examples of care that has been removed or of care that is inappropriate to the need. That comes down to basic assessment, which is essential to ensuring that we provide the care that an individual requires. That care is a moving thing. We cannot think that doing an assessment one week means that it is done for the next two, three or four years. Requirements constantly move and need to be monitored.

That is why it is important that all our people in social care have the appropriate training. It is disturbing to hear that many organisations in the public, private and third sectors are reducing their training budgets. However, many of them are starting to be innovative and to share training costs and are providing appropriate training, which is to be applauded.

We need minimum standards for qualifications. The work that is being done by the Government in collaboration with the Association of Directors of Social Work and the CCPS, and across the third sector, needs to ensure that the national standards and the guidelines that were set in September last year are being met. I note with concern the suggestion that the guidelines are not being adhered to in some authorities. If guidelines are not being adhered to, those authorities should be brought to account. We must ensure that we do not compromise social care in 2011. It should never be compromised at any time, because we are dealing with the most vulnerable in society.

The other day, we welcomed the Cabinet Secretary for Health, Wellbeing and Cities Strategy to the Equal Opportunities Committee. She told us that outcomes and preventative care are extremely important and gave assurances about ensuring that we support our carers. The infrastructure has to be in place. Many vulnerable people in society these days are supported by carers, who are often unsung heroes and who are the heart of care. We must ensure that they are supported so that they do not become the people who require care.

I reassure Dr Simpson that the joint futures approach still happens, although a lot of dialogue still goes on. I was certainly a member of joint futures committees in the Grampian area.

The Deputy Presiding Officer: I ask the member to come to a conclusion.

Dennis Robertson: I do not believe that we should compromise quality at any time. I thank the Labour Party for bringing the motion to the Parliament.

11:01

Chic Brodie (South Scotland) (SNP): I, too, welcome the debate and, knowing full well Jackie Baillie's integrity and intent on the questions, I am particularly happy to participate in it. However, Labour's motion shows that party to be one of many opinions although, thankfully, most of them are of short duration. The motion is well meaning but misguided. There is the usual attempt—I wait for the guffaws—at a selective rewriting of the recent history of financial management by the current London Government and the previous Labour Government. I have yet to hear how Ms Baillie would cope with the existing financial situation in Scotland and what that would mean for social care.

Jackie Baillie: Does the member accept that the Scottish Government's amendment is factually inaccurate because, actually, the Scottish Government budget rose year on year under Labour and the most recent resource budget that was received rose again in real terms, from £25.2 billion to £25.9 billion? I look forward to the apology and correction.

Chic Brodie: No apology is needed, because Ms Baillie knows that the local government financial settlement for 2011-12 is exactly the same as it was for last year. The impact of inflation means that we will have to continue to seek change and efficiencies to improve care for the elderly and other vulnerable dependants in our society.

As the motion points out, there is significant demographic change and a significant financial challenge. However, that does not mean that the principle of the quality of care necessarily needs to be prejudiced. The motion claims that the current financial pressures

"have resulted in substantial reductions in service".

Jackie Baillie mentioned Quarriers, which she knows is slightly mischievous, because other care companies that operate in Scotland are having similar discussions, but they are having them outwith Scotland and with less focus. I am sure that, as Mary Fee and I have done, Ms Baillie has spoken to the staff, management and unions. The charge that they would countenance such a reduction in service will lead to anxiety among those to whom the service is provided. That denigration is not at all helpful. We must achieve a

compromise settlement, but the motions that have been lodged on the issue have not been particularly helpful in resolving what is a difficult situation.

Drew Smith (Glasgow) (Lab): The motion that my colleague Mary Fee lodged encouraged Quarriers to go to the Advisory, Conciliation and Arbitration Service, which is the national organisation that encourages conciliation and arbitration. What was unreasonable about that?

Chic Brodie: I am sure that Mary Fee knows as well as I do that direct discussions between management and the union were going on at that time, although I accept that there was resistance to going to ACAS at one stage. However, they did go to ACAS, of course. I am saying that we should be circumspect in debates such as this, as getting involved is not particularly helpful.

Last week, I said that change is constant. We must recognise that, in the current financial situation and environment, there must be change across a range of care provision and procurement. That is why we announced a £70 million agenda for change programme. That was not a short-term decision; the programme is a long-term one for the integration of health and social care services through lead commissioning and a partnership with the local authorities.

Dr Simpson: Will the member give way?

The Deputy Presiding Officer: I am sorry, but the member is over his time and he must come to a conclusion.

Chic Brodie: I would like to see from Labour an explanation of its national care programme. Where are the operational, financial and service details? What are the planned outcomes?

We need to grasp the change that confronts us, and ensure that we secure the care service and care provision. We do not need shibboleths, although they may be well meaning.

11:06

Duncan McNeil (Greenock and Inverclyde) (Lab): I think that we all agree that the Parliament faces a significant challenge in ensuring that the most vulnerable in our society are given the dignity, care and support that they need and deserve. We need to face up to the difficult demographic changes and falling budgets, which are creating real pressures. Irrespective of who is to blame, that is the situation that we are dealing with. Just last week, in his evidence to the Health and Sport Committee, the architect of free personal care, Lord Sutherland, compared our approach to that significant challenge with our approach to global warming. There has been a lot of planning and there have been many calls for

investment, but we still have not seized the issue. We have heard about that this morning.

I am pleased that we have the opportunity to focus on at least one key area: procurement. That area is not part of the Health and Sport Committee's on-going inquiry into regulation, but it continues to raise its head regardless. We know from our constituencies, wider experience and even personal experience that the pressures go right across the board. Wherever care is delivered—whether in the public sector, the private sector or even in the third sector—the pressures and issues have been present for some time.

Aileen Campbell: Will the member give way?

Duncan McNeil: I am sorry, but I do not have enough time, as we have under four minutes.

In the public sector, there was a stark example in April 2009 of the consequences when we get procurement wrong. A "Panorama" programme exposed the delivery of services in the country in a very bad light. It showed that we had a system in place in which our elderly people were being humiliated and mistreated in their own homes. That was a wake-up call to many people. I see members shaking their heads, but the experience was horrible. The programme forced the Local Government and Communities Committee, which I convened at the time, to look at e-procurement practices—the reverse auctions that drove prices down to the bottom. Thankfully, the Scottish Government intervened after the inquiry to end those practices altogether.

Low pay and the high turnover of staff are problems in the private sector. What about continuity? How can people's skills be developed in that situation? A situation has been delivered that is lowering standards.

In his evidence last week, Lord Sutherland spoke about care homes in Edinburgh that have difficulties in recruiting workers during August. It seems that we live in a country where it is more lucrative to hand out flyers during the festival than it is to provide vital care for the most vulnerable in our society.

If that is the reward that we attach to this difficult job, it can be no surprise that concerns are raised about standards. In the third sector, the Coalition of Care and Support Providers in Scotland showed this week that 79 per cent of the workers who provide these valuable services have not been awarded a cost-of-living pay rise for three years—it is the lowest-paid people who are delivering these services—and 57 per cent of the organisations that deliver care have implemented pay freezes. We realise the necessity of training people to understand the situation that they are working in, yet 60 per cent of the organisations in

the third sector that are delivering that care for us are cutting their training budgets.

There are very real consequences of all that. It is not just about the hard facts and figures in the budget; we are dealing with people. They are the victims of the squeeze on social care. If we do not value the people who deliver these care services, we devalue the care that we provide to those vulnerable people.

11:11

Jim Eadie (Edinburgh Southern) (SNP): It is a pleasure to follow my colleague on the Health and Sport Committee, Duncan McNeil; I particularly welcome his impassioned contribution.

Ensuring the long-term provision of good-quality social care for members of our society is one of the biggest challenges that the Parliament faces. The wellbeing of people who require social care is a fundamental issue and the decisions that we take in this place will most certainly affect future generations. We must work together constructively across the chamber to strengthen and safeguard the sustainability and quality of social care services.

We face a number of challenges, of which we are all well aware: the integration of health and social care; the need to ensure that quality and not just price is the driver in the procurement process; and the need for a robust system of regulation with a strong voice for the public and with service users at its heart. There is an opportunity, through the proposed social care (self-directed support) (Scotland) bill, to empower many more people who wish to commission and receive care that is customised to fit their individual needs.

We are well aware, too, of the demographic shift: by 2031, the number of people aged over 65 in Scotland is expected to rise by 62 per cent. That figure alone testifies to the fact that there will be more people with long-term conditions and complex needs who will require to be cared for.

Therefore it is clear that health boards and councils have no choice but to work together more closely and effectively. Ultimately, we want a situation where more older people can access care packages faster. We want to see cuts in delayed discharges and, as Mary Scanlon said earlier, we want to address unplanned emergency admissions. The national health service, local authorities, the third sector and the private sector all have a crucial role to play in delivering social care services.

The Scottish Government is up for the challenge—if you will pardon the pun—which is why it has allocated £70 million through the change fund, which was established to bring about

greater integration of services. The establishment of a lead commissioning implementation group backed by £2 million over the next financial year is taking this agenda forward.

Lord Sutherland said:

"Lead commissioning provides the best and quickest way of achieving an integrated care system, and ... avoids the need for new legislation and wholesale re-organisation, which means improvements can begin to be made straight away."

Dr Simpson: Will the member give way?

Jim Eadie: I have only four minutes; I apologise to the member.

It would be a mistake to assume that large-scale structural change, as has been advocated by others, provides a silver bullet in meeting these challenges. Creating a new nationwide bureaucracy would make no difference to those who require services.

The Association of Directors of Social Work, which represents senior social work managers in local authorities, has sounded a note of caution about taking a top-down approach. It states:

"We need to provide the very best care that we can for the people in our communities that need our help. We do not believe that this can be achieved through nationally driven integration."

There is a need for an integrated system that can cut through red tape and focus directly on people's needs.

We need an open system in which members of staff can freely and confidently report shortcomings in the system and contribute to the improvement of services. However, without a radical culture change that leads to staff feeling comfortable about submitting complaints, we will not see progress.

As has been said, the Scottish Government and COSLA have published guidance to ensure that quality is at the heart of the procurement process. The development group and the work programme that arises out of it aim to identify and disseminate good practice. I recognise the challenges that face Unison members who are employed by Quarriers and welcome their presence in the gallery. I acknowledge the constructive approach that Unison has taken in seeking an acceptable solution.

The Deputy Presiding Officer: I would be grateful if the member could conclude.

Jim Eadie: The false belief that people with learning disabilities, our older people and others with complex healthcare needs are somehow a burden to society has to change. Their contribution to society is invaluable and it is our duty to

guarantee their wellbeing throughout their lives for the benefit of the whole of society.

11:16

Derek Mackay (Renfrewshire North and West) (SNP): I suppose that I should declare an interest, given that Jackie Baillie described councils as providers. As a local authority councillor, I am a member of such a provider.

It is right that we do not talk about the specifics of the Quarriers situation. All that I will say on that is that I believe that continuity of care is paramount, regardless of the outcome of the discussions between the trade unions and management in that dispute.

Jackie Baillie said that she would not allocate blame but then spent a few minutes doing so. Furthermore, the allocation of blame is there in black and white in the motion, which says that the Scottish Government is responsible and sets out what it should do. There is some legitimacy to that but, although I was interested in what both Opposition parties had to say, it was what they did not say that was telling.

Mary Scanlon pointed out the pressures that exist with regard to delayed discharges, but she did not indicate that the level of delayed discharges is lower under the Scottish National Party Government than it was under previous Labour-Liberal Executives.

Mary Fee commented on the dispute at Quarriers and expressed her support for the workforce, but she did not mention that, back at Renfrewshire Council, she voted to close a newly built care home, which has been described since as a mistake. It was a mistake at more than one level.

Jackie Baillie described quite eloquently some of the pressures on local government and care provision, but she failed miserably to tell us about the national care service that the Labour Party proposed at the election.

Jackie Baillie: It is astonishing the number of SNP members who have mentioned the national care service. Perhaps they misunderstand the fact that the motion is about social care procurement now; it is about the services that are provided to the most vulnerable people in Scotland now; and it is about voluntary organisations that are going to the wall now.

Derek Mackay: I am amazed that the Opposition spokesperson does not see the relevance of the Labour Party policy of a national care service to the procurement of social care. It is important that, if Labour or the Conservatives have any ideas about how to reduce the pressures, they

bring forward their proposals. All that we have had is crocodile tears and empty rhetoric.

Despite the doom-mongering that we have had from the Labour Party, the world that I am aware of is not as bad as Jackie Baillie makes out, and the inspection agencies would agree. It is an insult to the professionals in this country to say that they put cost before quality, human lives and the support of our most vulnerable. It is an insult to social work, to managers and to many organisations to suggest that it is only cost that matters.

Neil Findlay (Lothian) (Lab): Will the member take an intervention?

Derek Mackay: I have taken one intervention and I am three quarters of the way through my time.

Great work is being done by the Scottish Government on increased integration and collaboration, and shared services. Sir John Arbuthnott's work on the Labour policy of the national care service was pretty weak, but at least it has led, in the west of Scotland, to good work on social collaboration, which will ensure that we can address the demands on services and the pressures that we face.

Why say, when we involve the third sector, that it is social care on the cheap? Sometimes third sector organisations address need that would not otherwise be met, in partnership with the health service, local government and others. That is an extremely constructive way forward. How dare you describe the third sector's support as policy delivery on the cheap. The UK cuts of the UK Government are difficult to manage, but we are weathering the financial storm and are innovating every day of the week to ensure that people get the services that they require. You have no credibility when it comes to Glasgow City Council, for instance. If it wants to improve working people's working conditions, why has the Labour Party not increased the minimum wage or implemented the living wage where it is in administration?

The Deputy Presiding Officer: Can we have some quiet until the member concludes his speech, please?

Derek Mackay: Finally. I know that the Labour Party does not like accurate facts on social care, but I will give you another. There may be 32 variations in charging policy but, unless we have a unitary charging system, there will be variations. That is what local democracy is about. You either let the councils decide or you set a national charging policy. If that is the Opposition's position, so be it, but so far it has not said anything concrete about what it believes.

The Deputy Presiding Officer: I remind members that they should address their remarks through the chair.

11:21

Murdo Fraser (Mid Scotland and Fife) (Con): I thank the Labour Party and Jackie Baillie for giving us the opportunity to debate this important subject. I am disappointed that she has not yet put her hat in the ring to be Labour leader. However, there is still time and I look forward to seeing it happen in due course.

A number of important points have been raised and I have only four minutes. First, a very important point was made about the amount of care that third sector charities and voluntary groups provide. As Jackie Baillie pointed out, there is a sorry tale throughout the third sector of, for example, pay cuts, poor packages, reductions in hours and poor pension provision. We understand that local authorities face serious budget pressures, notwithstanding what the Government has said. However, we are concerned that local authorities are too ready to protect their own in-house services at the expense of the third sector, which often bears the brunt of the cuts.

There is often a disconnect between councils and the voluntary sector. As the Coalition of Care and Support Providers in Scotland said in its briefing for the debate, we need better

"Recognition and respect for the third sector as an engaged partner, not just a contracted supplier",

and the funding to those arm's-length bodies should not be the first port of call when there are cuts to be made.

On Friday, I was at a question time in Perth for the local voluntary sector. It came out strongly in the contributions from the voluntary sector representatives who were there that they feel that councils are too ready to make cuts to their voluntary sector services rather than cutting in-house. COSLA and the Scottish Government need to take that point on board.

Aileen Campbell: In Perth and Kinross, in Murdo Fraser's region, the change fund has helped to enhance service delivery and provision. That has involved local government working with the third sector.

Murdo Fraser: That may be the case, but that is not the message that I got on Friday at the conference for the Perth and Kinross voluntary sector, which is extremely concerned at cuts coming down the line.

Charging has been at the core of the debate. Learning Disability Alliance Scotland has referred to dramatic increases across council areas in

charges for some of the most vulnerable people in society, leaving them worse off.

We have heard a lot about postcode lotteries. That brings us to a serious issue on which Derek Mackay touched in his speech: localism against national standards. If we believe in a localist agenda and in local democracy, of course we must recognise that local authorities have the right to set different charging rates. At the same time, there is no contradiction in saying that there should be nationally set standards and parameters, as well as local flexibility. Indeed, in its amendment, the Government talks about

“COSLA’s intention to tackle variation on charging via its fundamental review of the cost of care.”

That is a sensible way forward and there is no contradiction between that and promoting localism.

Mary Scanlon talked a lot about funding arrangements. We all trumpet free personal care, which is treated with a certain degree of irony by people who pay large sums of money to be in full-time residential care. There has always been a discrepancy between the high cost of council-run homes and those in the third sector or private sector, but Mary Scanlon raised another serious issue: the disparity between self-funders and those who are funded by local authorities. Under COSLA arrangements, those who are funded by local authorities pay £474 a week, but some self-funders can be paying up to double that amount. There is a moral hazard there: how can we expect people to save for their old age when they are being penalised as a result? The amendment in the name of Mary Scanlon simply calls for a review. That is a sensible suggestion, and I am disappointed that the minister is not prepared to accept it.

11:25

The Minister for Public Health (Michael Matheson): This has been an interesting debate. It started off being about procurement, but it has gone into a range of areas around social care.

It is important to properly recognise the financial environment in which the debate is taking place. The Scottish Government’s budget has been cut by £1.3 billion. That was started by the previous Labour Administration at Westminster and it has been accelerated by the current UK Government.

Jackie Baillie: Does the minister recognise that the resource departmental expenditure limit to the Government has increased in real terms from £25.2 billion to £25.9 billion? That means that there was an increase to the Scottish Government’s budget in every year of the Labour Government.

Michael Matheson: The eight years of Labour’s Administration in the Scottish Executive led to a year-on-year decrease in the percentage of the Scottish Executive’s overall budget going to local government. This Government has protected the share of the overall budget for local government, and increased it when it could.

That is the financial environment in which the debate is taking place. We must also recognise that a substantial amount of money is spent on social care every year—£1.18 billion. Purchasing social care is not like purchasing paperclips. It is about providing the care that people need to support them in their most vulnerable situations, so it is important that it is high quality and flexible.

To get greater consistency in the social care procurement process, the Government issued procurement of care and support services guidance to all local authorities in September last year. I recognise that it is early days for that guidance, and some members, such as Dennis Robertson, are concerned about whether it is being properly adhered to. However, Audit Scotland is considering the guidance as part of its investigation into the commissioning of social care and will report on it in January. That will show us clearly where local authorities are not adhering to the guidance, so we will be able to look at the matter in more detail. It is important that we do not call for a review or a new framework now when more than 100 different organisations were involved in developing the guidance over a two-year period. We should not simply throw that out and say that we need to do something else. We need to see what the Audit Scotland report comes out with early next year and then consider what further progress needs to be made.

Some members referred to the integration of health and social care and the central importance that that has in improving people’s experience of how their care needs are properly met. That is not a new thing. Jackie Baillie might be new to the issue of the integration of health and social care and the variation in charges, having come to it during the past three years, but Mary Scanlon is right to say that it has been going on for almost 20 years. Jackie Baillie became involved in the issue when she went into opposition, but she was not interested enough to do something about it when she was in government.

Jackie Baillie: Will the minister give way?

Michael Matheson: I will finish my point. The Government is determined to drive forward the integration of health and social care in a way that has not been achieved for the past 20 years, so that people can receive care as they wish to receive it.

Jackie Baillie: The member might recall that my involvement came about three years ago when constituents raised the issue of charges for care in my constituency. A constituent in Argyll and Bute paid £300 a week for exactly the same service that was being delivered in West Dunbartonshire for £30 a week. The Government has done nothing for the past three years.

Michael Matheson: I am surprised at that, because the variation in charges has existed for almost two decades and not just for the past three years. Derek Mackay was right: what was Labour's big idea to address the issue of health and social care integration? It was a national care service, involving a super-quango of 180,000 people stripped out of local government and the health service. However, Labour has gone all quiet about that now because it realises that no one supports the idea.

On the issue of providers, I welcome the staff from Quarriers who have come to listen to the debate. I am more than happy to meet them later on today and have a discussion with them, if they get in touch with me. I recognise that real change is taking place in the sector, which different organisations must address. I encourage Quarriers and Unison to work as constructively as they can together to resolve their differences.

I accept that there is variation across the country in charges for the provision of social care. However, what is important is that we take action to address that issue, which is exactly what COSLA is doing. It will report in November on how it intends to take that forward. The variation in charges for care homes has been around for a long time. Currently, we are working with COSLA and the sector on our national plan on payments for care homes to address the issue of charge variation. That occurs for a variety of reasons, but it is extremely important that we address the issue.

The Scottish Government is determined to ensure that we integrate health and social care and that we get quality care for people who need it. We will continue to take the necessary action to ensure that that happens.

11:31

Dr Richard Simpson (Mid Scotland and Fife) (Lab): The debate has been a bit like the curate's egg: there have been some very good speeches from members of all parties, but others have been—frankly—somewhat below standard.

We need to start by looking at similar situations overseas. For example, Sweden went through its banking crisis in the 1990s, a consequence of which was, we now know, a significant deterioration in care of the elderly. That is what this Parliament faces, and it is the Government's

responsibility. You must make the choices that you must make within the budget that you have.

We cannot accept your amendment, because there is a factual error in it. It states that the budget to the Scottish Parliament decreased in the last two years. That is just incorrect.

In a good speech, Jim Eadie talked about the efforts to achieve joint futures—I think that Dennis Robertson also referred to that.

Michael Matheson: The member referred to a factual inaccuracy in our amendment. Will he clarify which factual inaccuracy he is referring to, because I am afraid that the budget cuts to the Scottish Government—not to the Scottish Parliament—started under the previous United Kingdom Labour Administration?

Dr Simpson: There was no reduction in the budget for Scotland in the last two years of the Labour Administration. That is a fact.

Turning to the question of integration, I will not get into the debate about the national care service just now, because that is for another day. However, I have to say to you that your suggestion that we wanted to create a super-quango is completely and utterly erroneous. If you looked at our manifesto, you would see that it was all about local democracy and community health partnerships. So, I think that you just—

The Presiding Officer (Tricia Marwick): Dr Simpson, can I remind you to speak through the chair and not to use “you”?

Dr Simpson: Sorry—my apologies, Presiding Officer.

To return to the question of integration, Perth and Kinross was the first area to integrate services back in 2001, but it has just been given a change fund to achieve integration for the second time. The community health partnerships in Glasgow attempted to achieve integration, but they fell apart. Our point is that there have been attempts by us—and I am sure that there have also been attempts by this Government—to integrate, but they simply have not been successful. In the current climate, the attempt is even less likely to be successful, unless it is underpinned by a new commissioning framework.

Michael Matheson: Will the member give way?

Dr Simpson: I am sorry—I do not have time to take any more interventions.

Although the third sector is critical to how we move forward, the lack of a true partnership with it is extremely evident. Dennis Robertson mentioned the 60 per cent cut to training budgets and Duncan McNeil referred to the 79 per cent of the third sector that has been subject to a pay freeze. Such cuts are hugely significant to the sector.

Other colleagues have already dealt with the issue of Quarriers but, after 150 years, the organisation is clearly facing a difficult situation if its dedicated staff feel that they have to go on strike. However, it is not alone. Epilepsy Scotland has reduced its monthly running costs by about 30 per cent from £90,000 to £60,000; even though every single member has taken a pay cut, it is still in very grave difficulties because of the cuts that have been imposed. The cuts range from the 5 per cent that has been imposed on local authorities to more than 20 per cent. Why should the third sector have to bear much more of those cuts than other areas?

Despite what Derek Mackay might have said, the cuts to the local authorities are quite real; indeed, Mr Mackay must know that. However, they vary across the country. Argyll and Bute is facing a 7.3 per cent cut, while Stirling and Clackmannanshire, which are quite different councils, are getting the same level of cuts. That is just not fair.

Mary Scanlon's comments about the variation in charges are absolutely valid.

Derek Mackay: Will the member give way?

Dr Simpson: I am sorry—I just do not have the time to take an intervention. Because the minister ran over by a minute and a half, my own time has been cut.

Members: Aw.

Dr Simpson: The massive variation in charges has been going on for a long time and we accept that the issue needs to be looked at closely as part of the overall examination of the situation. However, as Jackie Baillie pointed out, there are substantial variations in charges between authorities that are very close to each other. The hourly rate in Angus, for example, is £22.10; in Glasgow, around £16; and in West Lothian, £7.76. Those variations are huge. The Welsh Assembly has capped charges and I suggest that the chamber look very carefully at doing the same. We should not stop all localism, Mr Mackay—*[Interruption.]* I am sorry for addressing Mr Mackay, Presiding Officer. *[Laughter.]* We should not stop all localism but charges need to be capped because some of them have become quite excessive. *[Interruption.]*

The Presiding Officer: Excuse me, Dr Simpson, but I must ask Mr Swinney and Mr McNeil to stop talking to each other across the chamber.

Dr Simpson: I would welcome it if they were going to have a sensible conversation—but I doubt it. I have to say, though, that Duncan McNeil welcomed the Government's ban on reverse tendering; however, it has not gone far enough.

There is still a race to the bottom. The promotion of low pay is bound to affect quality and such a situation cannot be tolerated. If we are going to ensure dignity in the care of our elderly, we have to provide decent pay, conditions and training, and that can only happen through the introduction of a new framework.

In the minute that remains, I stress that we must have a new contract with the third sector. The Government has said that that will be introduced through its change fund, but the fact is that the third sector is really suffering. If the Government does not recognise that now, it will reap a significant reward for that later. After all, in the care home sector, the number of trained nurses has fallen from 34 per cent to 25 per cent. How can that happen without a change in quality? It simply cannot because the complex needs of those who go into care homes are increasing, not decreasing. We must examine the issue very carefully.

We do not deny the financial difficulties of the situation. Nevertheless, the time has come to open up the debate and introduce a new national framework that respects and has a genuine partnership with the third sector.

I commend our motion to the chamber and welcome Mary Scanlon's amendment.

The Presiding Officer: That concludes the debate.

Scottish Executive Question Time

General Questions

11:40

Living Wage (Local Authorities)

1. Kezia Dugdale (Lothian) (Lab): To ask the Scottish Executive what plans it has to encourage the adoption of the living wage by local authorities both for their own staff and for tendering and procurement processes. (S4O-00144)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is leading by example by including a requirement in our public sector pay policy for 2010-11 for a living wage to be paid to employees covered by the scope of the policy.

We welcome the fact that some local authority areas are paying the living wage to their staff. However, we recognise that local authorities are autonomous bodies that have responsibility for setting the terms and conditions of employment of their own staff and deciding their own tendering and procurement processes.

Kezia Dugdale: I have in my hand a response to a freedom of information request that shows that 16,000 people who work directly for local authorities throughout Scotland still earn less than £7.20 an hour. Is the cabinet secretary aware of the power of local authorities to help the working poor to work their way out of poverty? How will he ensure that those people have a better chance of earning a decent living wage?

John Swinney: The issue comes back to the points that I made in response to Kezia Dugdale's first question. Although the Government can set an example, we have to accept that local authorities are statutorily autonomous bodies. They are responsible for setting the terms and conditions of employment of their own staff. It is entirely up to local authorities to determine the stance that they take.

The Government believes firmly in the importance of adopting the living wage and of tackling low pay issues. In the areas for which we have responsibility—those that are directly under the control of ministers—we are taking such action.

Clare Adamson (Central Scotland) (SNP): In those local authorities that have adopted the living wage, has that been passed on to and adopted by arm's-length organisations and trusts within their remit?

John Swinney: That would again be a matter for the local authorities involved. Clearly, the logical extension of a decision on the part of a local authority to take a stance that is designed to tackle the issue of low pay and provide a living wage for individuals would be to incorporate the bodies that act on its behalf. As Clare Adamson will know, the Government has encouraged public authorities to support the living wage campaign and we will continue to do so.

Neil Findlay (Lothian) (Lab): Will the minister meet Kezia Dugdale and me to discuss the plight of contracted staff in this very building, a number of whom are being paid below the living wage and whose terms and conditions leave a lot to be desired?

The Presiding Officer (Tricia Marwick): That is a matter for the Scottish Parliamentary Corporate Body. Mr Findlay may wish to meet me and others on the matter, but I do not think that it comes within the locus of the cabinet secretary.

John Mason (Glasgow Shettleston) (SNP): Does the cabinet secretary agree that the downside of the living wage is that it does not apply to the private sector, that the real answer must be to look at the low level of the national minimum wage and that power over that should be devolved to Scotland?

John Swinney: I rather like the approach of the Presiding Officer answering questions that are sent in my direction. I hope that that is a trend that will carry on for some time to come.

The Presiding Officer: It is because they are within my remit, Mr Swinney, not yours.

John Swinney: I am aware of that, Presiding Officer. I thought that I would chance it for a second, but I will not do so again. [*Laughter.*]

Mr Mason makes an important point about pay across the private and public sectors. The Government's aspiration is to control the full range of issues that affect the lives of our citizens in Scotland. Clearly, employment and issues around the minimum wage are significant issues affecting the public in Scotland, and we would aspire to have responsibility for them.

Enterprise Zones (Selection Criteria)

2. Bob Doris (Glasgow) (SNP): To ask the Scottish Government whether the selection criteria for enterprise zones will favour areas with long-standing high unemployment and deprivation. (S4O-00145)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is currently developing plans for the introduction of a number of enterprise areas in Scotland so as to maximise

their economic impact. The criteria we will use to identify specific sites will balance a number of considerations. Those include the potential for attracting significant investment in Scotland's key sectors and the scope for impact on areas of Scotland where we need to improve economic performance and address issues of disadvantage and deprivation.

Bob Doris: Although we all welcome the recently published Scottish unemployment figures, which contrast starkly with the United Kingdom figures, unemployment endures in some parts of the country more than in others. Is the cabinet secretary aware that three Glasgow constituencies are in the top five for unemployment claimant count, with Maryhill and Springburn, where I stay, having the highest? Does he agree that there is a strong case for enterprise zone status in those key areas? Does the Government agree that there is a moral duty to use economic interventions to improve opportunity for people in the worst-hit parts of Scotland, not merely to maximise economic growth more generally?

John Swinney: There is a challenge in ensuring that areas of deprivation and disadvantage are appropriately and adequately supported to encourage an improvement in the life chances of the individuals who live there, whose economic prospects depend on the economic activity in those areas. As I said in my initial answer to Mr Doris, areas such as those that he mentioned, including Springburn and Maryhill, will be considered in relation to issues of disadvantage and deprivation. I assure him that the Government is determined—as we set out in the economic strategy that was launched on Monday—to support and deliver increased economic growth in Scotland in a way that reaches every part of Scotland, no matter the scale of the challenge that exists in certain parts of the country.

Duncan McNeil (Greenock and Inverclyde) (Lab): I would expect a place such as Inverclyde to be high on the cabinet secretary's priority list. Can he assure us that the enterprise zone work that the Government is going to carry out will be in addition to, supportive of and complementary to the existing work of the urban regeneration companies in such areas rather than to its detriment?

John Swinney: All the approaches that we have had about enterprise zones will be assessed dispassionately to determine how the maximum economic impact can be achieved. Support is being directed to different parts of the country in different ways. Mr McNeil has asked questions about urban regeneration company issues on a number of occasions in the past. I point out, in passing, that he was unable to support the provisions in the budget that supported the urban

regeneration company in Inverclyde, but that is history. I assure him that the Government's approach will be to look dispassionately at the opportunities to strengthen economic impact in all parts of the country.

Helen Eadie (Cowdenbeath) (Lab): What can the cabinet secretary do to address the concerns of the companies that have approached me with the perception that Government policy simply is not working for them? They are concerned that, although Cowdenbeath has seen the largest increase in unemployment in the whole of Scotland, regional selective assistance is not working for them and they are being driven down to England, where the terms seem to be much better for them.

John Swinney: I am happy to explore any representations that Mrs Eadie wants to make to me about the position of individual companies. The approach that has been taken by Scottish Enterprise has been to set out a mechanism that supports companies in every part of the country to maximise their potential. I do not have to hand the details of the companies in Cowdenbeath that will receive that support, but I am happy to explore the matter for Mrs Eadie. The Government's ambition is to ensure that we properly and effectively support Scotland's company base to expand. We saw some of the fruits of that in the labour market statistics that were published yesterday, which showed a rise in employment and a fall in unemployment in Scotland.

Credit Unions (Devolution)

3. Richard Lyle (Central Scotland) (SNP): To ask the Scottish Executive what its position is on calls by credit unions for regulation of the industry to be devolved to the Scottish Parliament. (S4O-00146)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Government believes that Scotland should have greater responsibility for the decisions that affect our economy and our collective prosperity, including decisions on the work of credit unions.

Richard Lyle: Does the cabinet secretary share my concern that credit unions in Scotland are now being instructed by the Financial Services Authority to furnish a well-known credit reference agency with their individual members' personal details?

John Swinney: I am aware of the issue, which was the subject of representations that Mr Lyle made to me on behalf of the Newarthill credit union. I will work to address the issues raised. I understand the concerns and we will work to identify whether a solution can be delivered to

improve the position and allay the fears of the credit unions.

The Presiding Officer: Question 4 has been withdrawn although I note that Joan McAlpine is in the chamber.

Royal Alexandra Hospital (Children's Ward)

5. Neil Bibby (West Scotland) (Lab): To ask the Scottish Government what recent discussions it has had with NHS Greater Glasgow and Clyde regarding the future of the children's ward at the Royal Alexandra hospital in Paisley. (S4O-00148)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): Scottish Government ministers and officials regularly discuss matters of local importance with the management of national health service boards. I understand that NHS Greater Glasgow and Clyde's consideration of in-patient paediatric services at the RAH are at an early stage. Nonetheless, the board has assured me that any proposals will be based on the need to maintain and improve the quality of the service provided to local children and their families. It will also ensure that that thinking is informed by meaningful engagement with local stakeholders.

Neil Bibby: In the past, ministers have been willing to intervene to stop the reduction of health services. If the health board presses ahead with its proposals, will the cabinet secretary use her influence to retain children's services at the current level at the RAH in Paisley? Will the cabinet secretary come to Paisley to meet staff and parents and hear their concerns at first hand?

Nicola Sturgeon: I appreciate the member pointing out this Government's proud record in keeping care local. Where any proposals from a health board constitute major service change, as Cabinet Secretary for Health, Wellbeing and Cities Strategy I have the ultimate say in whether the change goes ahead. The member will appreciate that, due to my formal part in the process, it is important that I do not pre-empt consideration at this stage. Just as I would expect the health board to consult widely, if the decision comes to me I will take into account all representations and I would be happy to visit the hospital to speak to patients, their families and staff who are concerned by any proposal.

Stagflation

6. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Executive whether there are any indications that United Kingdom Government policies are resulting in stagflation in the Scottish economy. (S4O-00149)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Economic recovery is taking place in Scotland, as shown by the strong labour market performance yesterday. We are concerned however that this progress could be undermined by the coalition's spending cuts, which are front-loaded to this year and are particularly severe for capital spending.

While we recognise the need to restore the public finances to health, that can be achieved only if there is sufficient growth in the economy. We have urged, and continue to urge, the chancellor to respond by implementing a plan B to promote growth and secure the recovery in Scotland and the rest of the United Kingdom.

Colin Beattie: Is the cabinet secretary aware that UK input prices overall rose by 18.5 per cent over the 12 months to July 2011? Significantly, imported food prices rose by 13.8 per cent, imported metals prices rose by 22.1 per cent and oil products prices rose by 45.4 per cent. Does the cabinet secretary agree that, with UK economic activity stagnating and serious inflation at our factory gates, Scotland—more than ever—needs the political and economic power to manage its economy?

John Swinney: I agree with the point made. The current economic circumstances demonstrate that it is possible to take a policy course appropriate to the Scottish economy that delivers results for the people of this country, as evidenced by the labour market statistics announced yesterday, to which I referred. The conclusion we must arrive at is that Scotland would be better placed to exercise judgment on economic issues on its own terms, which is the position of this Government.

Alex Johnstone (North East Scotland) (Con): Will the cabinet secretary take the opportunity to explain the ground rules according to which every positive economic indicator is claimed as a credit to this Government yet every negative economic indicator is blamed on the evil Westminster Government? Will he also take the opportunity to explain how, in an independent Scotland, pigs might fly?

John Swinney: I will persistently remind Mr Johnstone of two things that he has said in the past 24 hours. First, he said that the United Kingdom Government is evil. Secondly, yesterday he showered me with praise for my economic management. I have not yet been to a framing shop to frame the *Official Report* of the debate, but I am sure that one of my colleagues will attend to the challenge.

I simply point out to Mr Johnstone that the Government accepts its responsibilities fully and is

deploying a set of interventions in the economy to promote recovery. I just hope that they are not interrupted by the decisions of the United Kingdom Government.

Infrastructure Investment Plan

7. Lewis Macdonald (North East Scotland) (Lab): To ask the Scottish Executive on what date it expects to publish an updated infrastructure investment plan. (S4O-00150)

The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil): An updated infrastructure investment plan will be published by the Scottish Government in the autumn.

Lewis Macdonald: Of course, the autumn is a wide category, but I look forward to seeing the plan.

When I called for the publication of an updated plan in June, I reminded ministers of the recommendations of Audit Scotland. Will the new plan provide comprehensive information on the whole-life costs of capital projects and their impact on future revenue budgets, as Audit Scotland said that it should?

Alex Neil: I am more than happy to include in the plan as much information as it is possible to provide at the time. The plan takes a very long-term perspective—around 10 years—and will contain less of the precise information that the member described for projects that are planned for towards the end of a 10-year period than it will for projects that are taking place within, say, the next three years. However, I am always happy to share with members information about the excellent suite of projects that we are taking forward.

Policing

8. Margaret Burgess (Cunninghame South) (SNP): To ask the Scottish Government how it plans to maintain front-line policing levels. (S4O-00151)

The Cabinet Secretary for Justice (Kenny MacAskill): The Government will continue to put in place the resources needed to maintain front-line policing. This year, despite the unprecedented cuts to Scotland's budget from Westminster, the deal that we struck with local councils means that our commitment to keeping 1,000 additional officers in Scotland's communities is being maintained.

Looking forward, we will continue to provide the resources needed to maintain front-line policing, helped by police reform that will remove the unnecessary and unsustainable duplication that comes from doing things eight times over and will free up resources to protect and enhance front-line services.

Margaret Burgess: I thank the cabinet secretary for his answer and warmly welcome his proposals to streamline our police service and accountability structures. Currently in North Ayrshire, where my constituency is, only two councillors are involved in policing matters. Will the cabinet secretary indicate how many North Ayrshire councillors might be involved under a single police force, which would make it much easier for people to raise policing issues with their local representatives?

Kenny MacAskill: The member makes a valid point, which is why we are keen to ensure that accountability is not only maintained but enhanced. As the member points out, in North Ayrshire currently two councillors out of 30 sit on a joint police board of 34. In a single service, we anticipate that there would be around six times that number, which would mean that, instead of two councillors each representing 68,000, we would have 12 councillors each representing 11,000 people. That will provide local members with far better opportunities to meet on policing, to put forward their points and to maintain the local accountability that is necessary in Scotland to ensure that the excellent police service that we have is maintained.

The Presiding Officer: Question 9 is from Chic Brodie. I advise Mr Brodie that I will not take a supplementary.

Scotland Food and Drink (Targets)

9. Chic Brodie (South Scotland) (SNP): To ask the Scottish Government whether it considers Scotland Food and Drink's targets of increasing food and drink revenues from £10 billion to £12.5 billion and exports from £4 billion to £5.1 billion between 2009 and 2017 achievable and how the Scottish Government can help the organisation achieve them. (S4O-00152)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Yes, the Scottish Government considers those targets to be achievable. Statistics published last week show that revenues from food and drink reached an all-time high of £11.9 billion in 2009, an increase of more than £700 million on the previous year. We are making phenomenal progress, and we will continue to work with the sector to ensure that it goes from strength to strength.

First Minister's Question Time

Engagements

1. Iain Gray (East Lothian) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00130)

The First Minister (Alex Salmond): Meetings to take forward the Government's programme for Scotland.

Iain Gray: This afternoon, we will debate the First Minister's plans for corporation tax. I have often criticised the First Minister for failing to build a consensus but, this week, he has managed to unite the Scottish Trades Union Congress and the Confederation of British Industry in rejecting his plans for a regressive corporation tax competition within the United Kingdom. Will he listen to the STUC and the CBI and drop his plan?

The First Minister: No.

Iain Gray: I guess the First Minister listens only to those who tell him what he wants to hear. Last week, he was clear that one person he listens to—he called him a voice of economic sanity—is Nouriel Roubini, the economist. The very next day, Professor Roubini was railing against economic nationalism, warning against a race to the bottom on tax and imploring us to leave behind

“the nationalist demons of our past”.

Surely the First Minister will take the advice of a Roubini and slay his own nationalist demons.

The First Minister: I saw the Labour press release last Saturday morning and, in a kindly way, assumed that Iain Gray could have had nothing to do with such nonsense. To translate that quote and say that it refers to Scotland is extraordinary, even by the Labour Party's standards.

Let us have a look at some of the people who back the Scottish National Party's position on corporation tax. They include Sir Tom Hunter, one of Scotland's most successful businesspeople and formerly a major supporter and, if I remember correctly, funder of the Scottish Labour Party—I certainly do not hold that against him, with his substantial business record. They also include Jim McColl, currently Scotland's most successful businessperson. However, the one person whose firm support for the sensible policies that are being pursued by this Government I would quote more than anyone else's is Wendy Alexander, Iain Gray's predecessor. The report of the committee that she convened said that the unanimous view of the committee was that,

“if a scheme to vary corporation tax were to be available in some of the devolved countries of the UK as a tool of the UK Government's regional economic policy, it should be

available as an option for a Scottish Government to use also.”

If only Iain Gray would follow the example of his predecessor, Wendy Alexander.

Iain Gray: Of course, my predecessor, Wendy Alexander, would happily make the point that she does not believe in a corporation tax race to the bottom at all. The point that she made was that, if one part of the UK were given such a scheme—and it would be a mistake to do so—others should have it as well.

Professor Roubini was very clear that the way forward was fiscal integration, not economic nationalism. Yes, he was writing in the context of Europe. Maybe that is why the First Minister thinks that Professor Roubini's views do not matter this week. It might be that the First Minister does not care about Europe any more. Last week, the Minister for Culture and External Affairs said that we might not be in the European Union at all if we were independent. What about the First Minister? Does he still believe in independence in Europe, since his minister apparently does not?

The First Minister: I know only two people who actually believe that—one is Iain Gray and the other is *The Daily Telegraph*. Perhaps Iain Gray now sees *The Daily Telegraph* as the house journal of the Labour Party in Scotland. [Interruption.] I think that *The Daily Telegraph* is friendlier to the Conservatives in Scotland than it is to the Conservatives in London at the moment, as far as I can determine, but I am sure that it could shift allegiance quite easily to the Labour Party in Scotland.

For the second week in a row, I have brought to the chamber a copy of “Your Scotland, Your Voice: A National Conversation”. I will not read the whole of the contents of page 10, although I commend them to Iain Gray, but section 8.12 states:

“An independent Scotland would continue membership of the European Union”.

Iain Gray: The house journal of this chamber is the *Official Report*, in which Mr Salmond's minister said that perhaps an independent Scotland did not need to be part of Europe.

I did not believe that that could be the Scottish Government's position, so we asked the Government for all the work that it has undertaken on the case for independence. I have it here. On business investment there are three pages; on joining the euro, two pages; and on share of the national debt, two and a bit pages. Frankly, kids in modern studies write longer essays—and this is the case that the First Minister is making for Scotland's future.

Is it not the truth about the case for independence that when one scratches the surface, there is nothing there?

The First Minister: “Your Scotland, Your Voice” has 176 pages; it is obviously too long and too detailed for Iain Gray. I will have to send him the management summary.

Iain Gray says hard things about the Government week by week in the chamber, but I do not think that he means them, and I will tell members why. He used to sit next to Andy Kerr, who similarly attacked the Government in vehement terms. However, only a few days ago, Andy Kerr—remember him?—stated in *The Herald*:

“There are people in the SNP I like more than ... in the Labour Party”

and:

“I’d argue Alex Salmond is the foremost politician not just in Scotland, but in the UK”.

He also stated:

“I spent a lot of time with John”

Swinney

“over the years due to my financial brief. I have a great deal of time for him. He’s got a difficult job which he does very well ... he works incredibly hard.”

I know that when Iain Gray has retired, he will be writing just like Andy Kerr.

Prime Minister (Meetings)

2. Annabel Goldie (West Scotland) (Con): Can the First Minister contain himself? It is absolutely extraordinary to watch such self-satisfaction.

To ask the First Minister when he will next meet the Prime Minister. (S4F-00113)

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

Annabel Goldie: Last week, I asked the First Minister twice what would—if he got his way—be his personal preference for our currency: the British pound or the euro. Twice he ducked it, and would not tell us—no doubt too embarrassed to say what his personal preference is. All we got was an endless stream of words on process.

Let me try again. Does he believe, given what is happening at the moment, that an independent Scotland should join the euro zone?

The First Minister: The position is as I set out last week. I am sorry that I have to keep reading it out—I assumed that Annabel Goldie would, over the course of the past seven days, take the opportunity to read the document that Iain Gray did not read. The Scottish Government’s position

this week is exactly the same as the position that I read out last week.

Annabel Goldie: When he talks about himself, you cannot shut him up. [*Laughter.*] When he is asked a serious, substantive question, a quite uncharacteristic coyness overwhelms him.

Everybody who is watching and listening knows that the First Minister is not answering the question because he is squirming with embarrassment. He is too scared to admit his personal preference. It is pathetic, and what a contrast to his colleague, the member of the European Parliament Alyn Smith, who was asked the very same question—whether he believed that an independent Scotland should join the euro—on Radio Scotland this morning. He replied:

“I do. And the euro will emerge stronger from this. The SNP’s position on the euro has been robust and intellectually sound throughout.”

If the First Minister’s MEP colleague can come clean, why can Alex Salmond not come clean? Why does he not just admit that Alex Salmond wants the euro?

The First Minister: I heard the interview this morning, and the MEP concerned said exactly what is in the “Your Scotland, Your Voice” document, which is that

“Scotland would continue to operate within the sterling system until a decision to join the Euro by the people of Scotland in a referendum when the economic conditions were right.”

That is a robust position and it is remarkably similar to another political party’s position. I quote page 67 of last year’s Liberal Democrat manifesto:

“We believe that it is in Britain’s long-term interest to be part of the euro. But Britain should only join when the economic conditions are right, and”

when the decision is

“supported by the people of Britain in a referendum.”

It is extraordinary that, when Annabel Goldie—or at least her party—is in alliance with the Liberal Democrats at Westminster, she should attack a policy that seems extraordinarily similar to that party’s policy. I would have said that the Scottish Government is a model of consistency on the issue in comparison with the Conservative and Liberal parties’ deep divisions on a policy that is part of a single Government’s platform. I do not know whether Annabel Goldie supports her party’s part of the coalition or the Liberal Democrats’ part of the coalition but, until those parties resolve their difficulty, it is difficult to attack the consistency of the SNP’s position.

I note that the Conservative-Liberal Democrat Government proposed legislation on sell-by dates today. I do not think that that was a specific

reference to the Scottish Conservative Party's sell-by date.

The Presiding Officer (Tricia Marwick): Christine Grahame has a constituency supplementary.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Midlothian South, Tweeddale and Lauderdale is part of the south of Scotland. Does the First Minister share my concern that the south of Scotland— notwithstanding the fact that it does not even receive STV—is not on the eligibility list for consideration in Jeremy Hunt's consultation on local TV? Is the Government in communication with the Department for Culture, Media and Sport at Westminster about that omission?

The First Minister: I will ensure that the Government is in touch with Jeremy Hunt. I thank Christine Grahame for her information and I will write to her. She raises a serious issue that I know is deeply felt in her constituency.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00121)

The First Minister (Alex Salmond): At its next meeting, the Cabinet will discuss an extraordinary—even threatening—letter that Mr Swinney has received from Danny Alexander. In response to what I thought was a reasonable request for the United Kingdom Government to consider delaying the onset of increased pension contributions in the public sector until the pay freeze period is over, we received the following reply about the schemes for which we have administrative responsibility:

"If you decide not to take forward these changes, the Treasury will need to make corresponding adjustments to your budget. ... I would have to reduce the Scottish Government's budget by £8.4 million for every month's delay."

That letter can be called many things, but it does not seem liberal or democratic to me.

Willie Rennie: Before the summer, the Scottish Government said that Supreme Court judges were ambulance chasers who visited Scotland only for the Edinburgh festival and that the Supreme Court was a court in another land. Yesterday, the First Minister welcomed his expert group's conclusion that the Supreme Court has a role to play for Scots and is well qualified to do that. Has he dropped his threat to cut the court's money?

The First Minister: I welcome Lord McCluskey's report. As Willie Rennie knows, Lord McCluskey made it clear that he would consider

his report within the current constitutional arrangements. Within those arrangements, he has made two significant proposals—that the Supreme Court should become involved only if the High Court gives leave to appeal, as is the case under English jurisdiction; and that appeals should be on points of human rights law and should not affect the disposal that the court in Scotland makes. In the context of the current constitutional arrangements, those are substantial steps forward.

Willie Rennie will have noted Lord McCluskey's contribution to the recent House of Lords debate and his critique of the amendments to the Scotland Bill that Lord Wallace has proposed. Now that Lord McCluskey and his group have pronounced, I hope that the Parliament sees the importance of retaining the integrity of Scotland's criminal law system.

Willie Rennie: The First Minister's tone is certainly different from the inflammatory tone that he and the Cabinet Secretary for Justice adopted before the recess. However, the First Minister was at it again yesterday in his press release. That is why Lord Steel resigned from the Presiding Officers panel. The review supports the Supreme Court—it wants to widen access and it says that the court is particularly qualified to do the job. In the summer, we saw the First Minister's toxic mix of prejudice and nationalism. Will he agree that that has no place in the future and will he change his ways?

The First Minister: Somebody who talks about a "toxic mix of prejudice" hardly seems in a great position to complain about other people's language, in this chamber or elsewhere. If that description were to be applied to anything, public sector workers who are watching the broadcast today might apply it to the letter from Danny Alexander and find that entire attitude of huge importance, and they would consign his political party to even lower support than it has now, if that were possible.

Oil and Gas (Tax Regime)

4. Kevin Stewart (Aberdeen Central) (SNP): To ask the First Minister what recent discussions the Scottish Government has had with the United Kingdom Government regarding changes to the tax regime for North Sea oil and gas. (S4F-00116)

The First Minister (Alex Salmond): The North Sea makes a huge contribution to the Scottish economy. It supports more than 200,000 jobs and is expected to raise £13.4 billion in tax revenue for the UK Exchequer this year, which in cash terms is the highest total in history. However, the chancellor's decision to increase the supplementary charge has damaged investor confidence and means that a number of marginal

fields are no longer commercially viable. Last week, I wrote to the chancellor to propose the introduction of a statutory consultation period on any future changes to the North Sea fiscal regime, which would help to restore much-needed confidence and ensure that concerns about future reforms could be identified and discussed before being implemented, rather than afterwards.

Kevin Stewart: I thank the First Minister for his wise intervention with the chancellor. I hope that the UK Government will listen.

Does the First Minister agree that the Prime Minister's comments yesterday, in which he branded as "stupid" the 68 per cent of Scots who believe that North Sea oil revenue should be allocated to Scotland, were disgraceful? Would the Prime Minister's disparaging comments not be better reserved to describe his chancellor and the Chief Secretary to the Treasury, whose fag-packet formulation of changes to the North Sea tax regime have caused an immense amount of grief to the industry and those who work in it? *[Interruption.]*

The First Minister: I am not certain why there was that negative reaction to the question from the Labour benches, given that my understanding is that at least the Labour members of Parliament from Aberdeen agreed exactly with Kevin Stewart's point. The Prime Minister's comments yesterday were deeply misguided. They came on the same day as the press launch of "The Official History of North Sea Oil and Gas" by Alex Kemp, who is probably the foremost expert in the world on oil and gas tax and finance. One of the findings in that official history is that the wealth and potential and the benefits and revenues from North Sea oil were consistently downplayed by successive Labour and Conservative regimes.

We can see from that official history that the Prime Minister's arrogance yesterday in describing the 68 per cent of Scots who believe—reasonably, in my view—that, after £300 billion of revenue has flowed from Scotland to London, perhaps it is time for Scotland to get a turn to enjoy the wealth of its natural resources, is part of a consistent pattern of the Conservative and Labour parties trying to mislead the Scottish people about the wealth and strength of their resources.

Lewis Macdonald (North East Scotland) (Lab): If, as the First Minister has said, changes in the tax regime for oil and gas are so important that they require a statutory consultation period, does the same principle apply to other fiscal changes? If so, does the First Minister now regret the hasty abolition of transitional relief on non-domestic rates?

The First Minister: Most reasonable people would say that the offer of non-domestic rates in

Scotland is the best in these islands by far, with 80,000 businesses benefiting from the small business bonus scheme, which is extraordinary. One reason why the Labour Party performed so desperately poorly in the recent election, particularly in the north-east of Scotland, is that people in the small business community looked at Labour candidates and could see no assurance or guarantee that that enormous benefit to business would continue if the misfortune of a Labour Administration came to pass. Fortunately for Scotland, that misfortune was avoided.

European Free Trade Association (Membership)

5. Patricia Ferguson (Glasgow Maryhill and Springburn): To ask the First Minister what the Scottish Government's position is on an independent Scotland joining the European Free Trade Association rather than being a member of the European Union. (S4F-00131)

The First Minister (Alex Salmond): For the second week in a row and for the third time during this First Minister's question time, I refer to "Your Scotland, Your Voice: A National Conversation". Section 8.12 on page 110 of that document states:

"An independent Scotland would continue membership of the European Union".

Patricia Ferguson: Is it not time that the First Minister reflected on the confusion that he and his party are in? In the past week, we have heard three different Scottish National Party policy positions on Europe—from the First Minister, from an MEP and from the Cabinet Secretary for Culture and External Affairs. The SNP's position is so confusing that, last week, SNP back benchers seemed to be debating a motion that Ms Hyslop had chosen not to lodge. The First Minister has been at pains to reassure members that the SNP Government has a coherent policy on Europe, but given the events of the past week, I have to ask: is he sure?

The First Minister: I am sorry; I was somewhere else as that question wended on. The record will show that we went through many alleys and byways. I was trying to work out where the motion was meant to be.

I say two things to Patricia Ferguson. First, she should look back at last week's *Official Report*, which I have with me. Any reasonable person—okay, that excludes members of the Labour Party—would not take that interpretation of Fiona Hyslop's reply to Margo MacDonald. I commend the *Official Report* to Patricia Ferguson, as I know that she is basically a fair-minded person.

The second piece of advice is that which I gave to her current party leader: please do not take *The*

Daily Telegraph as the bible for reporting on parliamentary debates.

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Has the First Minister received from the United Kingdom Government any response to his request that an automatic right to representation in EU negotiations be included in the Scotland Bill?

The First Minister: There has certainly not been a positive response as yet. I think that that right should be included in the Scotland Bill and I will tell members why.

Immediately after the UK general election last year, we were given a commitment—an understanding—by the Prime Minister and the Foreign Secretary that all the mistakes that had been made with excluding the Scottish ministers, and ministers from the other devolved Administrations where appropriate, were in the past, and that under the new respect relationship they would not happen in the future. William Hague even sent a letter—an instruction—around other ministers. In a matter of months, we found that that instruction—that request and reasonable suggestion—from the Foreign Secretary was being blithely ignored by successive UK Government departments. The Prime Minister and the Foreign Secretary cannot persuade UK Government departments, even on issues such as fishing. Some 70 per cent of the quota that remains in UK hands lies in Scottish waters, and Mr Lochhead knows infinitely more about the fishing industry than any UK minister I can think of. Scotland was denied representation even on fishing.

Given the track records of first the Labour Party and now the Conservative-Liberal coalition, I see no alternative way within the current constitutional arrangements to protect Scotland's right of access to where vital decisions are made. Of course, it would be much simpler if Scotland were an independent country within the European Union.

Margo MacDonald (Lothian) (Ind): I agree that the minister was quite correct to say last week that the decision on Europe will be based on the conditions of the day. Will the First Minister say, with reference to contemporary conditions and given the openly expressed determination of Chancellor Merkel, President Sarkozy and the European Commission to form a single economic Government and eliminate the sovereignty of member states, whether EFTA, which retains sovereignty for its members, and the European economic area are better bets for genuine Scottish independence than the Franco-German model of the future EU that appears to be developing?

The First Minister: If I followed the logic of Margo MacDonald's position, that would mean that

Britain could not be an independent country within the European Union and any of the unionist parties here that wanted Britain to be an independent country would have to advocate its leaving the European Union.

Just for the sake of argument—and given the occasional difficulty that Margo MacDonald can offer Government ministers who answer her questions honestly—I can say that the policy of the Scottish National Party Government is that an independent Scotland would continue membership of the European Union.

Whisky Industry

6. Murdo Fraser (Mid Scotland and Fife) (Con): To ask the First Minister how the Scottish Government is helping the expansion of the whisky industry. (S4F-00132)

The First Minister (Alex Salmond): I welcome the fact that during the first half of 2011, whisky exports were up by 22 per cent on the same period in 2010. During 2011, they have contributed £2.36 billion to the economy.

Murdo Fraser will be well aware that last year, after a concerted campaign by this Government and the Scotch Whisky Association, the Chinese Government announced that Scotch whisky was to be given legal protection under geographical indication status. Indeed, Vice-Premier Li raised a glass to that announcement himself when he visited Edinburgh in January of this year. Whisky exports to China are now up 30 per cent in the first half of 2011, compared to the first six months of 2010.

Murdo Fraser: The First Minister should of course have included the United Kingdom Government in the list of those responsible for that deal with China. I associate myself with his comments about the export figures, which have gone up, but is it not ironic that while that is happening, the industry remains concerned that foreign countries to which we export, which might look for excuses to impose trade barriers, will use minimum pricing as an excuse to diminish whisky sales? That is what the industry says.

How will the Scottish Government clear the issue of the legality of minimum pricing policy with Brussels before the bill is introduced, given the European Court of Justice's long-standing rulings against minimum pricing in the past?

The First Minister: A legally proportionate measure could never be used as a justification for illegal discrimination. Of course, I am not the only person in Scotland who believes that—it is believed by the Liberal Democrats now, who support minimum pricing. Indeed, it is believed by not only the Liberal Democrats; I saw a very good

contribution to the *Official Report* by Jackson Carlaw, who said:

“I find myself now reluctantly agreeing with Iain Duncan Smith—

of course, he is a Conservative; I know that Murdo Fraser has doubts—

—“who has publicly backed alcohol minimum pricing. I believe that we should respect the united and clear view of the health community, the police and the wider Scottish public and back the Government’s policy.”—[*Official Report*, 8 September 2011; c 1483-4.]

Now we come to the key issue of the Conservative party’s leadership campaign. Jackson Carlaw backs the Government and Iain Duncan Smith on the issue of minimum pricing and Murdo Fraser opposes that policy. Whatever the resolution of that particular argument might be, I assure Murdo Fraser that this Government has absolutely no intention of rebranding or abolishing Scotch whisky, and we very much think that Scotch whisky is fit for purpose.

Bob Doris (Glasgow) (SNP): Does the First Minister agree that it is hypocritical of Murdo Fraser to try to claim that the Scottish Government intends to penalise the whisky industry with its widely supported minimum pricing policy when his own party at Westminster refuses to do anything about its unfair and discriminatory tax regime, which sees whisky taxed at 185 per cent higher per minimum unit price than cider?

The First Minister: The member perhaps puts his finger on the solution, or the issue that can reconcile Jackson Carlaw, Murdo Fraser and myself—well, perhaps it will not reconcile Jackson Carlaw and Murdo Fraser, but it certainly could unite the three of us—which is to devolve excise duty to Scotland. We could then resolve those arguments, pursue that policy and come to an agreement as a united Parliament.

Helen Eadie (Cowdenbeath) (Lab): On a point of order, Presiding Officer. Can you advise the Parliament what the position is in relation to the First Minister, now that there is not a special panel, with Lord Steel and Sir George Reid having resigned? There is an issue with the First Minister today. Every parliamentarian expects—and should show—honesty and integrity in any answers that are given. Today the First Minister has either wilfully or unintentionally misled the Parliament, because he said that the euro will not be obligatory for Scotland upon membership of the European Union. On independence being declared—

The Presiding Officer: I think that you have made your point, Mrs Eadie.

Helen Eadie: —it would be obligatory for us, as a member of the EU, to join the euro. That is European law.

The Presiding Officer: Mrs Eadie, please sit down.

Let me say two things. I am sure that you did not mean to accuse the First Minister of wilfully misleading the chamber and I ask you to reflect on that. Secondly, the ministerial panel that looks at complaints against ministers has nothing to do with the Parliament or, indeed, the Presiding Officer. It is a matter for the First Minister how those complaints are handled

The First Minister: To help Ms Eadie, I point out that the panel does exist. It consists of two distinguished former Lord Advocates—Elish Angiolini and Lord Peter Fraser. I hope that, given that the panel does exist, the Labour Party will now accept its findings and rulings, which, unfortunately, it was not prepared to do when Lord Steel and his colleague George Reid presided over it in the last session of Parliament.

The Presiding Officer: I thank the First Minister for that clarification—

Helen Eadie rose—

The Presiding Officer: Mrs Eadie, is this a further point of order?

Helen Eadie: I ask for guidance, Presiding Officer. Will you go away and check for the Parliament the European Union law and its integrity? Membership of the euro is obligatory for any new independent state.

The Presiding Officer: Mrs Eadie, please sit down.

I repeat that this is not a matter for the Parliament; it is a matter for ministers. I ask you to reflect on the comments that you made earlier and I hope to hear from you sometime this afternoon, in private.

12:32

Meeting suspended.

14:15

On resuming—

Scottish Executive Question Time

Education and Lifelong Learning

Independent Review of College Governance

1. Roderick Campbell (North East Fife)

(SNP): To ask the Scottish Government on what date it expects to receive a report on the independent review of college governance. (S4O-00154)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I expect to receive the report during December.

Roderick Campbell: Given the fact that some Scottish colleges are already in discussion regarding possible merger, would the cabinet secretary advise that such discussions be delayed to take account of the recommendations of Professor Griggs's review and the pre-legislative paper on post-16 education reform?

Michael Russell: No, I would definitely not give that advice. I would advise the colleges to continue with their discussions and, where possible, to reach conclusions. I spoke to a college principal who is in that position this morning. The review of governance is a wider review than simply a review of the issues of individual colleges; it looks right across the sector. In my statement yesterday, I indicated that I expect a move towards a regional model of commissioning in colleges very soon. The more that colleges are prepared for that, the better.

Ken Macintosh (Eastwood) (Lab): In yesterday's statement on college mergers, the minister said that he might also consider university mergers. In the small print of the accompanying document, it looks as though the minister intends to use legislative powers to require mergers, which is creating some anxiety. How does the minister envisage using those powers?

Michael Russell: To be entirely fair, that is not in small print—it is in print that is exactly the same size as the print everywhere else because it is a proposal that is under discussion and I am keen to have responses to that proposal from the Labour benches and elsewhere. The power in question is a power to ensure that there is a continuing look at the structures that exist over a sustained period. We have tended to have bursts of merger activity, bursts of discussion and long periods in which nothing happens. We need to take a more

strategic view, and the idea of having the powers is to allow a more strategic view to be taken.

The Presiding Officer (Tricia Marwick): I call Mark McDonald.

Mark McDonald (North East Scotland) (SNP): Sorry, no—it is a mistake.

The Presiding Officer: You should not have pressed your button. I call Margaret McCulloch.

Margaret McCulloch (Central Scotland) (Lab): To ask the Scottish Executive how it promotes the teaching of first aid and life support skills in Scottish schools.

The Presiding Officer: I am sorry, Ms McCulloch, but I was calling you for a supplementary to question 1 because you had pressed your button. We will come back to your question. Graeme Dey has pressed his button to ask a supplementary. Do you want to ask a supplementary, Mr Dey?

Graeme Dey (Angus South) (SNP): Yes.

The Presiding Officer: Thank you, Mr Dey. You have your supplementary.

Graeme Dey: A review is also under way into the governance of Scotland's universities. Can the cabinet secretary confirm that the issue of financial accountability will be at the heart of that review?

Michael Russell: Absolutely. Financial accountability is a key issue in governance. Yesterday, I talked about the need for transparency and openness. At the heart of that is financial openness and a clear understanding among members of the public of the large sums of money that are expended on colleges and universities and the way in which the public are rewarded for that expenditure.

The Presiding Officer: Before we move to question 2, it might be helpful if I tell members that if they want to ask a supplementary to a question they should press their button when that question is asked and that if they have a question further down the *Business Bulletin* they should wait until we come to it before they press their button. It will save a wee bit of confusion if we all have the same understanding.

Modern Apprenticeships

2. Gil Paterson (Clydebank and Milngavie)

(SNP): To ask the Scottish Government how it supports local businesses to recruit apprentices as part of its modern apprenticeship programme. (S4O-00155)

The Minister for Learning and Skills (Dr Alasdair Allan): We are committed to offering a range of support, through Skills Development Scotland, to make it easier for smaller local

businesses to hire staff and take on one of the 25,000 apprentice opportunities available this year. The support includes access to £1,000 to support 16 to 19-year-olds who have completed pre-employment training into a job or an apprenticeship; access to £5 million to help employers recruit people aged over 18 who are struggling to find work; and, for businesses with fewer than 50 employees, £2.5 million is also available in the form of a £1,000 rebate for the additional recruitment costs small businesses incur. It may interest the member to know that last year 805 new apprentices started their training across east and west Dunbartonshire.

Gil Paterson: I thank the minister for that full answer. How will the Scottish Government ensure that opportunities for modern apprenticeships will support the recruitment of young people and help to address the high levels of youth unemployment in my constituency?

Dr Allan: I acknowledge that there is a problem with youth unemployment. The Scottish Government will support 25,000 modern apprenticeship opportunities, and the majority will be targeted to help young people between the ages of 16 and 24. I will be happy to ask Skills Development Scotland to consider how it can help small businesses, in particular, to recruit apprentices in Clydebank and across west Dunbartonshire.

John Park (Mid Scotland and Fife) (Lab): It is important that apprenticeship opportunities are available for the people who are furthest away from the labour market. Will Skills Development Scotland or the Scottish Government be prepared to ring fence opportunities for disabled workers to participate in apprenticeship programmes—perhaps supported by employment services such as Remploy?

Dr Allan: We certainly acknowledge that some people are further than others from the employment market, and we acknowledge that higher levels of unemployment are suffered by people who have disabilities. We seek to overcome those unfair aspects of the work market.

Mr Park's first point was about people who are far from the labour market. We carry out work through many schemes in an effort to make people ready for apprenticeships, and I am happy to look specifically at the issue of employees with disabilities.

Linda Fabiani (East Kilbride) (SNP): Although I welcome all the initiatives that are under way, I have a particular concern based on queries from people in my constituency. It concerns people from the age of 20 or 21 right up to the early 30s who feel that they have no paths at all into the labour market. What consideration has been given

to that age group to ensure that good working careers can be supplied for them?

Dr Allan: I thank the member for raising that issue. The primary focus of our modern apprenticeship programme is, rightly, on people in younger age groups who are seeking to move into jobs, so young people account for the majority of places. However, the Government appreciates that specific problems arise for people in older age groups. We know that the programme is a good route for unemployed adults to get into jobs with training. For the first time, we have targeted a proportion of places to support unemployed people in the 20 to 24 age group. The modern apprenticeship programme is also an important tool in developing our workforce more generally, in all age groups. That is why the Government offers the programme such strong support.

Schools (Anti-sectarianism)

3. Claudia Beamish (South Scotland) (Lab): To ask the Scottish Executive what support and funding it has provided for anti-sectarianism programmes in primary and secondary schools since 2007. (S4O-00156)

The Minister for Children and Young People (Angela Constance): The Scottish Government has provided funding over the period in question to a wide range of organisations. Those organisations have delivered projects to tackle sectarianism and all forms of religious intolerance across all aspects of Scottish society, including in schools. The total funding provided for the years 2007 to 2011 is £1,481,650. However, the specific amount of work in schools cannot be identified as the work of those organisations cuts across many areas.

Claudia Beamish: Does the minister agree that moves to toughen sentencing on sectarianism must go hand in hand with preventive work and measures, including targeted education in our schools? What opportunities are teachers offered to receive training on anti-sectarianism issues—through teacher training and continuing professional development?

Angela Constance: I appreciate Ms Beamish's interest in the area; I am aware that she is a former schoolteacher. I reassure her that I have begun conversations with the Minister for Community Safety and Legal Affairs, Roseanna Cunningham, on a number of fronts. I do not want to leave the member under any illusion: our children, particularly our young children, are indeed a catalyst for change. There are huge opportunities, which are rooted in the curriculum for excellence and our approach to early years work. I will continue the dialogue with Ms Cunningham and I will be glad to keep Ms Beamish well informed.

Careers Guidance

4. John Park (Mid Scotland and Fife) (Lab):

To ask the Scottish Executive what plans it has to develop careers guidance. (S4O-00157)

The Minister for Learning and Skills (Dr Alasdair Allan): Careers guidance services make an important contribution to sustainable economic growth. In March we published Scotland's first strategy on careers services, which set out clearly our commitment to an all-ages, universal service that responds to the needs of today's society and to people's demands and expectations.

Two weeks ago, I attended the launch of the new careers web service—my world of work. That is something that we should be excited about, because for the first time people throughout Scotland have a wealth of material—literally at their fingertips—to help them to plan their careers, whether they are starting out on their working lives or are already on that journey.

There is much more to our approach than just a website. The website is part of a much more integrated approach to careers services, to offer a greater mix and balance, which includes face-to-face and online approaches and the Skills Development Scotland contact centre and partnership working.

John Park: Is the minister aware of the survey that Unison conducted among employees in Skills Development Scotland, who are concerned about an overreliance on web-based services? I have had experience of trying to help people in such circumstances and I know that a web-based approach is not always ideal. Does the minister agree that it would be useful if the Scottish Government considered Unison's findings from the survey and ensured that Skills Development Scotland staff have bought into the approach? Perhaps he will discuss the matter with the union, if he has an opportunity to do so.

Dr Allan: The member might be aware that many of the concerns that emerged from the feedback were expressed at an early stage, before the engagement exercise with all concerned had been completed. The engagement was constructive. Most of the concerns that were expressed at an early stage were about technical aspects of the programme.

We will not turn the clock back. There is huge demand out there for services such as the one that has been launched. I hope that I can reassure the member that I do not regard the my world of work site as a replacement for human beings. Far from that, I regard it as a much more efficient way to use the talents of careers service personnel and ensure that they are fully brought into the whole exercise.

Schools (Secondary 5 and 6 Returns)

5. Margaret McDougall (West Scotland) (Lab): To ask the Scottish Executive what action it will take to address the impact on schools with higher than average returns of S5 and S6 pupils. (S4O-00158)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Local authorities are responsible for providing the complement of teachers and subjects that best suits the circumstances of each school and its pupils, in light of the resources available. Through curriculum for excellence, we have given schools, local authorities and their partners the flexibility to plan and deliver a senior phase that meets the needs and aspirations of all their learners within their local circumstances.

Margaret McDougall: Yesterday the Scottish Government committed to providing a minimum income of £7,000 to lowest-income students. Will the Government clarify whether that replaces or is additional to the £6,200 that the Student Awards Agency for Scotland provides? What incentives will such a payment provide for students to stay on at school, if they would be financially better off going to college?

Michael Russell: That was a rather tangential extension of the question, but I will do my best to follow the logic of it. The education maintenance allowance is available for young people who stay on at school. I am sure that the member wants to pay tribute to the Government for maintaining the education maintenance allowance, which has been abolished south of the border.

The question, thereafter, is what choices are available to young people—it is not only an issue of the income that is available. The guarantee that we have given of a place in training or education will be part of that. With regard to the way in which we can support and encourage students, within the confines of the public finance, this Government offered the £7,000 minimum income guarantee in its manifesto, and we will take that forward. Other opportunities will arise. For example, the paper that we issued yesterday—I am sure that the member has read it—talks about ways in which we could support part-time study, which is something that we do not do as well as we should.

With regard to the specific question about the higher than average returns of S5 and S6 pupils, I would encourage every young person, no matter who they are or where they are, to ensure that they get the most out of education that they can. That means ensuring that they have the opportunity to study at school, at college, at university or through modern apprenticeships. I am glad to say that opportunities in that regard are

growing as a result of the actions of this Government.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Given that schools with higher numbers of senior pupils are able to offer a wider range of courses for pupils to choose from, does the cabinet secretary believe that giving more pupils access to a wider range of courses is an important policy? Does he believe that the hub model that is used in Aberdeen could be applied elsewhere in Scotland?

Michael Russell: That is a good point, and I am grateful to the member for making it. There are resource pressures on individual schools, and there is also an issue that some schools might not have large enough fifth and sixth years to enable them to offer all options. The ways in which schools can work together and authorities can manage that are crucial. The hub approach is one way; other areas have extensive online learning, which is also a possibility; and some pupils go to different schools to learn different subjects. In all those circumstances, making efforts to give those pupils the maximum opportunity to study the widest possible range of subjects is the right way forward, and I commend every local authority that is doing that.

Affordable Childcare

6. Jackie Baillie (Dumbarton) (Lab): To ask the Scottish Executive what action it is taking to increase the availability of affordable childcare for the poorest families, in light of the Save the Children report, "Making Work Pay". (S4O-00159)

The Minister for Children and Young People (Angela Constance): High-quality, affordable and accessible early learning and childcare are crucial both for children's development and for enabling parents to balance work and family life. That is why the Scottish Government is committed to the continued expansion of early learning and childcare provision, focusing our initial efforts on those from the most deprived backgrounds.

Jackie Baillie: I think that we all know that the lack of affordable childcare is a barrier to employment, particularly for low-income households. One of the specific calls that is being made by Save the Children is for the entitlement to nursery care to be extended to two-year-olds from the most disadvantaged households. Does the minister agree with that? If so, what action will she take?

Angela Constance: I am interested in the Save the Children report. I met representatives of the organisation yesterday, and I know that there will be a members' business debate on the report next week, to which I look forward to responding.

My colleagues on the front bench will testify that I lecture them at any opportunity about the prohibitive costs of childcare and how that is a barrier to work. I am also particularly interested in vulnerable two-year-olds. The Government will consider ways in which we can extend childcare or early learning experiences. Over the summer, I had the opportunity to visit many family centres in Glasgow and the north of Scotland that are also doing some interesting things to reach out to families with two-year-olds, in an attempt to give them the best start in life.

Finally, I must say that, if the Government and the country are serious about changing the lives of our children, we need to be serious about changing the constitution of the country and securing the proper levers of power to address issues of childcare and child poverty.

Liam McArthur (Orkney Islands) (LD): I was going to welcome everything that the minister said, but she fell at the last, as it were. I welcome much of what she said, and the exploration of ways in which we can open up early learning opportunities is welcome.

As part of that process, will the minister consider ways in which we might extend the hours during which parents may be able to claim free nursery provision? I understand that, at the moment, the hours are between 8 am and 6 pm. However, Save the Children believes that extending that even from 7 am to 7 pm could make a difference for many families in the poorest bracket.

Angela Constance: Liam McArthur will be aware that local authorities are the main drivers on that issue. However, if it would be constructive for us to discuss anything with our local authority partners, I am happy to do so.

As well as lobbying this Government, Mr McArthur may—as I am sure he is aware—wish to lobby his colleagues in Westminster, as there are some significant changes to universal credit and pay-in for childcare costs that will have a detrimental impact.

If the Scottish Government can show that it is willing to work with its partners to find flexibility—which parents need—wherever possible, I would hope that Mr McArthur can, in that spirit, speak to his Westminster colleagues about the flexibility that we need on welfare reform.

Universities (Overseas Promotion)

7. Hanzala Malik (Glasgow) (Lab): To ask the Scottish Government how it promotes Scottish universities to overseas students. (S4O-00160)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): We fund a range of activities to promote Scottish universities

overseas, including supporting recruitment fairs, scholarships, international university partnerships and international exchanges for Scottish students. As outlined in our pre-legislative paper, which was published yesterday, we are committed to presenting our universities as a

“destination of learning choice for international students.”

Hanzala Malik: Over the past decade, successive Administrations have done a great deal of work to increase the number of students who come to Scottish universities. We punch way above our weight, as 19 per cent of students at Scottish universities are overseas students, in comparison with 16 per cent at United Kingdom universities.

However, in my area, the cuts in courses are valued at around £20 million at the University of Glasgow and £12 million at the University of Strathclyde. How will the Executive ensure that such institutions continue to attract overseas students and provide a broad base of education for home students?

Michael Russell: There is, as far as I am aware, no evidence at all that the recruitment of overseas students has been affected by any decisions that the universities themselves have made.

I stress to Hanzala Malik that it is for each university to decide which courses to offer and how to present those in its prospectus. Of course, universities must be aware that to attract overseas students they must provide attractive, high-quality courses, but the thing that most attracts overseas students to Scotland is the quality of the university education. That is not being diminished—indeed, we know that it is being improved.

This morning I had a breakfast meeting with the Chief Executive of Hong Kong, Donald Tsang, in which we discussed with university principals and others the way in which university students could be attracted from Hong Kong, and Scottish students could go to study there. That living exchange is very important in taking the quality of our university sector ever higher.

The Presiding Officer: I call Margaret McCulloch to ask question 8.

Schools (First Aid Teaching)

8. Margaret McCulloch (Central Scotland) (Lab): Thank you, Presiding Officer—second time lucky.

To ask the Scottish Executive how it promotes the teaching of first aid and life support skills in schools. (S4O-00161)

The Minister for Learning and Skills (Dr Alasdair Allan): We recognise the important role

that the national health service and charitable organisations can play in visiting schools to help to give children and young people skills that could potentially save a life.

The experiences and outcomes under curriculum for excellence contain a section on physical wellbeing, which includes the words:

“I know and can demonstrate how to keep myself and others safe and how to respond in a range of emergency situations.”

It is for schools and local authorities to decide what resources to put in place to take that learning forward.

To support Scottish schools and local authorities, officials from the Scottish Government, Education Scotland and relevant charities are working in partnership to develop a case study resource on the teaching of emergency life support skills in schools.

Margaret McCulloch: I thank the minister for his response and for his letter to my office on the subject. I welcome assurances that the Scottish Government will work with the British Red Cross, the British Heart Foundation and others to take forward the teaching of emergency life-saving skills.

I impress on the minister the importance of emergency life-saving skills, and ask that he joins me and other members in calling for a nationwide roll-out of emergency life-saving skills in every school in every part of Scotland. Will he take it upon himself to monitor that roll-out?

Dr Allan: I very much welcome the sentiments that have been expressed. I monitor the activities of local authorities and schools on the issue and I certainly welcome what they do.

Margaret McCulloch mentioned the British Heart Foundation. I commend its work through its heartstart programme. I intend to keep in touch with charities and local authorities on the issue.

The Presiding Officer: Fiona McLeod has withdrawn question 9 because she is dealing with a family illness.

Students (Council Tax Exemption)

10. Humza Yousaf (Glasgow) (SNP): To ask the Scottish Government what progress the Cabinet Secretary for Education and Lifelong Learning has made to exempt students on two plus two degrees and those moving from undergraduate to postgraduate degrees from paying council tax. (S4O-00163)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I confirm that the Scottish Government is committed to taking forward proposals to extend the council tax

exemption to articulating students, so that those who are on two plus two degrees or other articulating courses and students who move directly from an undergraduate course to a postgraduate course will not pay council tax in the short period between courses. We are considering how best to implement those proposals.

Humza Yousaf: The issue relates to reducing the financial burden on students, which I think that we all agree will widen access and which is an imperative priority for all of us.

The National Union of Students Scotland is extremely supportive of the Government's decision to consider the provision of a £7,000 minimum income for students. Will the cabinet secretary give more detail on who else might be included in the working group on that, to ensure that as many voices as possible are heard? When might provisional findings of the working group be published?

Michael Russell: I am grateful for the positive support from the National Union of Students, with which we have tried to maintain a close relationship in the past two years as we have discussed student finance. At the heart of that relationship is our commitment that Scotland-domiciled students should not pay university fees.

I am committed to the minimum income. To deliver it, we must not only secure the funds—we are in the process of doing so through the spending review—but be absolutely certain that we have the administrative arrangements so to do. As the First Minister said last week, one downside of the scaremongering about university fees in which some parties in the chamber have indulged has been an extraordinary upsurge in pressure on phone lines at the Student Awards Agency for Scotland. We must ensure that that agency can continue to deliver to Scottish students and that its technology is developed so that it can deliver different support, such as the minimum student income. I hope that those systems can be developed in the next year to 18 months.

The Presiding Officer: I say to members and ministers that we have a lot of business to go through, so I would appreciate short supplementaries and short answers.

Universities (Computer Science)

11. Willie Coffey (Kilmarnock and Irvine Valley) (SNP): To ask the Scottish Government what change there has been in the number of students taking computer science as their main subject at university over the last four years. (S4O-00164)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): The number of students who take computer science as

their main subject at university has fallen by 1,245 in the past four years, but the number increased by 560 on the previous year to 9,470 in 2010.

Willie Coffey: The cabinet secretary is well aware of the impact that computer science and software have on modern society. Is he concerned that student numbers for the subject appear to have dropped off? Will he consider measures to further promote interest among our school pupils—and particularly female school pupils—in computer science and software engineering?

Michael Russell: We always remain aware of the need to encourage all science, technology, engineering and mathematics subjects. We promote STEM subjects in schools. I launched “Science & Engineering 21—Action Plan for education for the 21st Century” in March. I also work closely with the chief scientific adviser on gender participation in science. We keep such subjects under review, but the general trend in STEM subjects is—fortunately—upwards.

Universities (Degree Costs)

12. Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): To ask the Scottish Government what its position is on some students from England having to pay £36,000 for an honours degree course at certain Scottish universities. (S4O-00165)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Under our proposals, it will be up to individual universities to manage and set their fee levels for students from the rest of the United Kingdom. However, as the First Minister said yesterday, we would have preferred “a more moderate” approach from some Scottish universities when setting their tuition fees.

I counsel the Parliament that we need to wait and see what the average fee level across Scottish institutions is, whether that corresponds to what the working group, which included universities, suggested it would be and what the overall fee levels are across English institutions.

Malcolm Chisholm: In view of the cabinet secretary's obvious unease on the issue, will he ensure that no students from England pay more for a degree in a Scottish university than they would in England by introducing a cap at £27,000? More generally, will he ensure—whether by using the Scottish Further and Higher Education Funding Council mechanism that I suggested in a debate last week or some other method—that no university has a financial incentive to recruit more English students and fewer Scottish ones?

Michael Russell: To answer the second point first, such a mechanism is in place. Universities will not—I repeat: they will not—recruit fee-paying students from England at the expense of Scottish

students. That mechanism exists and I have indicated that I am willing to consider a double lock to ensure that that situation does not happen. I have the assurance of the universities that it will not happen and there is the mechanism through the funding council to prevent it.

On the other point, we must wait and see what the figures are, and I will do so. I am sure that universities are considering the decisions that have been made by one or two others and thinking about what they should do. At the end of the process, when all the Scottish universities have made a decision, I am happy to have a discussion on how we go forward and to listen to members' views on that.

Further Education (Course Choices)

13. Derek Mackay (Renfrewshire North and West) (SNP): To ask the Scottish Government how it encourages further education establishments to collaborate on course choices across the country. (S4O-00166)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): The courses that are offered by a college are ultimately a decision for its governing body, but colleges must take into account the Government's strategic priorities and the guidance that is issued to colleges by the Scottish Further and Higher Education Funding Council, both of which have highlighted the need to secure best value from resources, including through collaboration between institutions. As I made clear yesterday in my statement on post-16 education reform, we continue to seek a much more efficient and effective delivery landscape.

Derek Mackay: Does the cabinet secretary agree that it is time for colleges to collaborate more and compete with one another less to ensure that student places are protected and that the quality of courses and institutions is enhanced?

Michael Russell: I certainly agree that there is a place for a reduction in wasteful duplication. As I said yesterday, the history of colleges in Scotland shows that the current system arose out of a series of reforms that had benefits at the early stage but which, in latter stages, and particularly in recent years, have encouraged a lack of accountability and a certain competition, which has led to wasteful use of resources. Given the enormous pressure that we are under because of the actions of Labour when in government and now the Liberals and Conservatives, we must ensure that every penny goes into the front line, and that is what we will try to do.

College Bursaries

14. Ruth Davidson (Glasgow) (Con): To ask the Scottish Executive what provision has been made for college bursaries for 2011-12. (S4O-00167)

The Minister for Learning and Skills (Dr Alasdair Allan): Following what was already a record level of funding in 2010-11, the Scottish budget in February boosted support to college students in the current year to £95.5 million, which is a real-terms increase of no less than 9.4 per cent. Of that amount, £79 million will support bursaries, with the remainder helping with childcare and cases of hardship. That is providing significant financial protection to college students at a time when many other budgets are having to be cut as a result of the £1.3 billion reduction in Scotland's block grant by the United Kingdom Government.

Ruth Davidson: The minister will be aware of college students' long-held frustration with the current college bursary system and its first-come, first-served postcode-lottery nature. I was happy to hear in the cabinet secretary's statement yesterday that the Scottish Government is considering exploring entitlement-based support for non-advanced study, which would give potential students, including those in my region, the security and certainty that they need when deciding on going to college. Will the minister confirm the timescale of his changes to further education student support?

Dr Allan: I welcome that contribution to the debate—and I would welcome further contributions to it by the end of the year. As emerged in the cabinet secretary's comments yesterday, it has become clear that there is a balancing act between the autonomy of colleges and their accountability. One element of their accountability that we must explore is the system of discretionary support to students—we must consider whether it should continue in its present form. I would welcome the member's further contribution to that debate.

Madras College

15. Claire Baker (Mid Scotland and Fife) (Lab): To ask the Scottish Executive what recent discussions it has had with the University of St Andrews and Fife Council about plans to replace Madras College with a single-site secondary school. (S4O-00168)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I had meetings with representatives from the University of St Andrews and Fife Council in June about the plans for Madras College. In addition, my officials

had several discussions with both parties throughout the summer.

Claire Baker: The cabinet secretary will be aware of the level of concern about the failure of Fife Council and the University of St Andrews to reach a partnership agreement, which would have meant the building of a single-site secondary school in St Andrews. Indeed, talks between the two parties broke down despite Scottish Government officials stepping in to oversee negotiations. Given that the current school building is D rated, the circumstances are very disappointing, particularly as the St Andrews partnership proposal was forward thinking. Will the Scottish Government make representations to Fife Council to impress on it the need to ensure that a solution can be found as soon as possible?

Michael Russell: I will certainly impress that on Fife Council—indeed, I have done that, and it has impressed on me its great desire to ensure that there is a new school. I think that it will decide the way forward on 22 September, and that the replacement of Madras College remains on its agenda.

I am very disappointed about what has happened, as I was an enthusiastic backer of a very good and positive scheme. I have spoken to the University of St Andrews about its future intentions, and it has given me a commitment on its wanting to see a collaboration between it—particularly those involved in its science course—and the new school. However, what has happened is disappointing, which is why I have lent my personal support to seeing whether we can get a solution at the last moment.

Her Majesty's Inspectorate of Education (New Inspection Framework)

16. Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): To ask the Scottish Government what consideration it has given to the findings arising from the first HMIE inspections under the newly introduced inspection framework. (S4O-00169)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): The first inspections by Education Scotland, which is the new agency that has been created by bringing together the functions of Her Majesty's Inspectorate of Education and Learning and Teaching Scotland, began in September. Education Scotland has evaluation processes in place for reviewing the findings of its inspections and reporting relevant findings to the Scottish ministers.

Jamie Hepburn: Will the cabinet secretary join me in congratulating the schools in Cumbernauld and Kilsyth on the excellent number of HMIE

reports that they have received? In particular, will he join me in congratulating Whitelees primary school, which was, I understand, the first to get five “excellent” awards under the new inspection regime? Will he also agree to visit that school at some point in the future with me?

Michael Russell: I am always happy to visit the member's constituency and to visit good schools. There are many good schools in Scotland.

I want to record the success of the new rural primary and small primary inspection regime, which seems to be doing well, and that Luing primary school, which is in my constituency, received an “outstanding” report.

Free University Education

17. Mark McDonald (North East Scotland) (SNP): To ask the Scottish Government how much it will cost to provide non-domiciled United Kingdom students with free university education. (S4O-00170)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): If we were to meet the cost of the tuition fees for students from other parts of the United Kingdom on the basis of the current fees—that is, £1,820—it would cost the Scottish Government more than £36 million.

Mark McDonald: Does the cabinet secretary agree that the Scottish Government has had to react to the UK Government's inexplicable decision to increase tuition fees throughout England and Wales and that those who suggest that either no fees or minimal fees should be applied need to explain how they would provide funding and what the impact would be on places for Scottish students?

Michael Russell: I certainly agree with the member, and I find it most regrettable that we are in the position that we are in. We are in that position because of decisions that were made in a review that the Labour Party commissioned and which the Tories and Liberal Democrats implemented. That said, my duty and primary responsibility is to be absolutely certain that we can provide the free education that the Scottish Government has offered to Scotland-domiciled students, and that is exactly what we will do.

Additional Support for Learning (Glasgow)

18. James Dornan (Glasgow Cathcart) (SNP): To ask the Scottish Executive what recent discussions it has had with Glasgow City Council about the provision of additional support for learning in schools. (S4O-00171)

The Minister for Children and Young People (Angela Constance): Although there have been

no meetings specifically on the subject of the provision of additional support for learning in schools, Scottish Government officials regularly meet Glasgow City Council representatives to discuss a wide range of issues. In addition to those meetings, a representative of the Association of Directors of Education in Scotland is a member of the Scottish Government additional support for learning implementation group.

James Dornan: Does the minister agree that the welfare of the child should be paramount and that every play area in an ASL school should have adequate space to assist the child's development? If so, will she endeavour to write to Glasgow City Council to urge it to look at the play areas in all its ASL schools and to enlarge them if that is required?

Angela Constance: I certainly agree that the welfare of the child is paramount. Play is a crucial part of a child's development, and that is all the more true for children with additional support needs.

The member may be interested to know that there are no specific regulations for playgrounds other than that if there are more than 50 children, supervision is needed.

I must stress that the issue is entirely for Glasgow City Council. However, if the member would find it helpful, I would happily make inquiries of that council, as I am always very interested in how we are meeting the needs, including the play needs, of children with additional support needs.

Care Homes

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Nicola Sturgeon on care homes. The Cabinet Secretary for Health, Wellbeing and Cities Strategy will take questions at the end of her statement and there should be no interruptions.

14:55

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): My first speech as health secretary following last May's election was to the Alzheimer Scotland/Action on Dementia conference on 6 June. In that speech, I directly addressed concerns about the quality of care that is being offered to older people in Scotland in the context of tragic care failures at the Elsie Inglis care home, the Mental Welfare Commission for Scotland's report on Mrs V, and the collapse of Southern Cross Healthcare. In that speech I set out, for the record, my personal commitment to improving care for older people, whether that means integrating health and social care, ensuring the implementation of the dementia standards, making sure that older people are treated with care and compassion wherever they are and whatever their diagnosis, or ensuring that there is robust regulation of care services. Today in this Parliament I reaffirm that commitment.

I also made clear in that speech my belief that, in general, care services in Scotland are of good quality and respond well to the needs of older people and of the people who care for them. I reiterate that point today.

I turn to the regulation of care, specifically. I believe that the arrangements for the regulation and inspection of care homes and care-at-home services are fundamentally robust. However, when we debated the issue on 9 June, I said that I would listen carefully to all the concerns that were expressed, and that I would consider whether, in the light of recent experiences, there were any aspects of the new regulatory regime that should be strengthened. Indeed, I think it is right that we always keep matters as important as these under close review. I have now given them that further consideration and I believe that the changes that I am announcing today will strengthen an already strong system.

We continue to hold to the Crerar model: scrutiny should have a public focus and be independent, proportionate, transparent and accountable and the burden should be proportionate to the risk. However, I understand the concern about the proposed move from mandatory twice-yearly inspections to inspections

at least once every two years, and I am mindful of the potential impact on public confidence at a time when we have made improving the quality of care such a priority.

For that reason, I intend to make the following changes. First, I have decided that all care homes and personal care and support services will be inspected at least once every year, rather than once every two years. Over and above those mandatory inspections, there will continue to be additional risk-based inspections. Those additional inspections are intended to address the risk that services that have previously been regarded as being of good quality might deteriorate quickly and dramatically in quality between inspections.

Secondly, the new inspection regime will be placed on a statutory basis. I will introduce regulations shortly to specify the regularity of inspection. I will also use those regulations to place in law the requirement that, in the future, all inspections of care homes will be unannounced.

Thirdly, I will continue to ensure that appropriate resources are in place to support that additional activity. As members will appreciate, announcements on spending will be made in due course. As with all budgets—and given that the new care inspectorate has replaced three pre-existing organisations—we will, of course, expect efficiencies to be made. However, let me be clear that the budget that will be set for the care inspectorate will enable the organisation to deliver the more frequent inspections that I announced, maintain its current overall staffing capacity and ensure that it has the right mix of staff to take forward the wide range of functions that have been allocated to it.

I want to take the opportunity today to say something about the formal name of the new organisation, which is Social Care and Social Work Improvement Scotland, or SCSWIS. The meetings that I have had with people working in social care and with members of the public who use services or who have relatives who use services have demonstrated to me that there is a need for better understanding and information about the role and work of the care inspectorate. A key issue that has been presented to me again and again is the name of the organisation. Although there are good reasons for the legal title of the organisation, it is not an easily useable name. On that basis, I have agreed with the chair of SCSWIS that for day-to-day business we will now call the organisation the care inspectorate. Of course, the reference to inspection does not reflect all that the organisation is responsible for—I am thinking, in particular, of its important improvement remit—but I believe that it addresses a primary concern of the public. The new informal name in no way changes the focus or functions of the

organisation but is, I believe, a necessary step to ensure that the public understand the protections that the organisation provides.

I have agreed with the chair of the care inspectorate that I will support him and his team in work over the next few months to promote and raise the profile of the very important complaints process that people can use if they believe that services are not what they should be. The complaints process is a key element of the regulatory regime in Scotland and a significant protection for all service users, but it can work only if it is used, so it is our intention to ensure that people understand it and are encouraged to make appropriate use of it.

I want to give Parliament an update on progress on the restructuring of Southern Cross. As members will appreciate, the difficulties that were caused by Southern Cross's financial problems were not of our making, but the Scottish Government has been working with the Convention of Scottish Local Authorities and other partners in the national contingency planning group to ensure continuity of care for all Scottish residents. In parallel, the care inspectorate has devoted additional time to ensuring that quality standards are maintained in Southern Cross homes and has taken action when that has not been the case.

On 7 June, Southern Cross announced that it was moving to a structured break-up of the business and that it would seek new operators for all its homes over the summer. At that time, both Southern Cross and NHP plc, the largest landlord, gave guarantees about continuity of care and promised that no homes would close as a consequence of the break-up.

Work to seek new operators is now largely complete. All homes have an identified new operator, with the exception of two for which Southern Cross is both landlord and operator. Separate arrangements are being made for those homes and they will transfer at a later date.

The process to register new operators of services has begun and the care inspectorate is liaising with regulators in the other United Kingdom jurisdictions to share knowledge and information on providers. That work will be taken forward efficiently to enable transfers of operation to be completed, but I assure Parliament that there will be no cutting of corners or reducing of standards; we must all be confident in the quality of future provision.

I recognise that until this business is complete, there will continue to be anxiety and concern, but we will continue to work with Southern Cross and the landlords, as well as with COSLA and the care inspectorate, to ensure that we get the best result

for Scotland. COSLA recently launched a website that offers all interested parties up-to-date briefings on the Southern Cross situation on a home-by-home basis.

I think that all members would recognise that the experience of Southern Cross raises a wider issue—the risk to the security of provision of care services when a private operator runs into financial trouble. Although the circumstances of Southern Cross are quite particular, we must act—we have a duty to do so—to minimise the risk of care homes or other care services failing because of private providers' financial difficulties.

Our approach to that work must reflect the diversity of the market, which includes very small local services as well as large national and UK-wide services that might involve private equity or that might, indeed, be subject to financial regulation as a consequence of listing on the stock exchange. The interaction of reserved and devolved matters means that the UK Government has an important role to play, and I will expect it to discharge that role effectively to provide protection for services that are provided to vulnerable older people.

In parallel, I have tasked officials to work with the care inspectorate, COSLA and other interested parties to bring forward recommendations on how we can provide—and be assured of—greater financial robustness in the sector. I am aware that the Health and Sport Committee is looking at the issue, and I will be interested in its recommendations, which I look forward to seeing in due course.

I hope that members will welcome the changes that I have announced. However, that is not the end of our work to improve care for older people. Over the next months, I will set out plans for the integration of health and social care for older people, for work on self-directed support and for further work on quality and standards of care. I also intend to write to all members, following next week's spending review announcement, with further information about some of the matters that my statement has covered.

In the meantime, I will be happy to answer members' questions.

The Presiding Officer: The cabinet secretary will take questions on the issues that were raised in her statement. I intend to allow 20 minutes for questions, after which we will move on to the next item of business. It would be helpful if members who wish to ask a question were to press their request-to-speak buttons now.

Jackie Baillie (Dumbarton) (Lab): The cabinet secretary and I are in complete agreement that improving the care of our older people must be a top priority. I welcome the improvements in

regulation. We called for increased frequency of inspections, unannounced visits, statutory underpinning, a more user-friendly name for SCSWIS, financial monitoring of care home providers and the reinstatement of resources to the care inspectorate, so I very much welcome the cabinet secretary's commitments.

I am sure that the cabinet secretary would acknowledge that robust inspection cannot be carried out without adequate resources. Peter Ritchie from the care inspectorate's Unison branch gave evidence the other day to the Health and Sport Committee that the reduction in the care inspectorate's funding over four years amounts to 25 per cent. The Government has tried to deny that, but the number of inspectors has been cut by 60 so far through early retirement and voluntary redundancy, and a further cut in numbers is expected by the end of the financial year, taking the figure to almost 100 fewer inspectors. Will the cabinet secretary commit to fully restoring the resources and staffing that the care inspectorate requires in order to ensure the best-quality care that we can provide for our older people?

Nicola Sturgeon: I thank Jackie Baillie for her question. I am not sure that the words "complete agreement" will always feature in a Jackie Baillie question to me, so I should welcome that while I can.

There will be many matters that divide us in the Parliament and, even on this issue, there will be many areas for appropriate and rigorous scrutiny—that is what Opposition parties are meant to do to Governments. However, I hope that, on this important issue, we can also find common ground. I said to Malcolm Chisholm, when he made an excellent speech in the debate on 9 June, that I would listen carefully to the points that he made and I hope that I demonstrated today that I have done that.

I know that Jackie Baillie listened carefully to what I said about resources in my statement. I cannot go into detail because the spending review rightly comes to Parliament next week.

The care inspectorate's budget for this year is 1 per cent down on last year's budget. Some of that involves non-recurring funding. Future funding projections for any organisation are not confirmed until a budget is set and a spending review is outlined. The projections on which the care inspectorate was working were based on a frequency of inspection that I have changed today. I said in my statement that the funding would change to reflect that.

I also said in my statement that, when we merge three organisations into one, it would be preposterous not to expect some efficiency. The guarantee and commitment that I made to

Parliament, which members will be able to scrutinise when the budget comes to the Parliament, are that the changes that I announced for a robust inspection system will be fully resourced.

Murdo Fraser (Mid Scotland and Fife) (Con): I, too, welcome the cabinet secretary's statement and thank her for advance sight of it.

I welcome the U-turn on inspection timetables. I am encouraged that the Scottish Government has rethought that in the light of experience.

On SCSWIS, it seems that changes of name are fashionable at the moment. It will make life easier for us all for that body to be referred to as the care inspectorate.

I welcome the progress on seeking new operators for the Southern Cross homes and ensuring continuity of care for residents. I declare my connection with Robert Kilgour, who is involved in that and is a supporter of my campaign. In the light of the cabinet secretary's comments on that, will she state for the record that the Scottish Government supports the current mix of provision of care places from public, voluntary and private sector providers?

Nicola Sturgeon: I did not mean to cause Murdo Fraser any discomfort by my statement, but I realise that I might inadvertently have done so. For the record, the change of name from SCSWIS to the care inspectorate will not be a full-scale rebranding. The organisation is fit for purpose and—unlike Murdo Fraser with the Conservative Party—I have never been embarrassed by it. I hope that that provides enough distinction between the changes that I have announced today and anything that might happen in the future to Murdo Fraser's political party.

On his point about the mix of provision in care homes, we are where we are, and I do not expect that to change fundamentally during the next period. However, I want to make sure that we reflect on some of the consequences of part of that mix of provision that we have seen all too painfully with Southern Cross, and seek to learn from them so that we build financial robustness into the system and give the care inspectorate and Parliament the assurance of that robustness. That is important work. The Health and Sport Committee will make an important contribution to it and I look forward to bringing further thoughts and recommendations to Parliament in due course.

Stuart McMillan (West Scotland) (SNP): I also welcome the cabinet secretary's statement. I draw her attention to the Royal Pharmaceutical Society's pharmaceutical care and care homes working group, which is examining a number of issues around prescribing of drugs for care home residents. Given the recent media stories alleging

excessive use of drugs in care homes, will the cabinet secretary undertake to consider the working group's recommendations when it publishes its report later in the year?

Nicola Sturgeon: That is an important question, and obviously I am aware of the recent press coverage of the issue. I will pay very close attention to recommendations that are made by organisations such as the Royal Pharmaceutical Society.

It is important to point out for the record that the standards of care for dementia state that national health service boards must ensure that:

"Systems are in place to ensure that capacity to consent to treatment"—

including the prescribing of psychoactive medication—

"is considered and appropriate documentation in place",

in line with part 5 of the Adults with Incapacity (Scotland) Act 2000. This is an important area. The standards of care for dementia will help to ensure that people are properly treated and, of course, we will continue to listen to any expert recommendations and respond appropriately.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): The cabinet secretary stated that two homes that are owned and operated by Southern Cross are unlikely to have new arrangements in place by the stated date. Which two homes are they? What are the separate arrangements for them to which the cabinet secretary referred? Can she now give an undertaking to all the residents in all the homes that continuity is going to mean that they will not have to move because of the changes that are being made?

Nicola Sturgeon: Details on each of the homes are on the COSLA website that I mentioned earlier. I will be happy to send Richard Simpson the link so that he can see the state of play of each particular home. I spoke to the chief executive of Southern Cross yesterday and he told me that contingency arrangements would be in place for any home, particularly the two that might not transfer by the date by which the rest will have transferred.

On the second part of Richard Simpson's question, I have given that guarantee all along: continuity and quality of care are the two things that the Government has guaranteed. The First Minister standing here at First Minister's questions and I have given that guarantee. I hope that the update that I have given today will reassure people that continuity of care will be achieved by an orderly transfer to new providers. We will, however, continue to work with COSLA to ensure that the Government, working in partnership with local government, stands ready to ensure that

older people who rely on the services are adequately looked after and catered for.

Graeme Dey (Angus South) (SNP): Does the cabinet secretary feel that, in addition to the welcome measures that she has announced today, there might also be a specific need in the future to regulate charges that are being levied by private care homes?

Nicola Sturgeon: That is an important question, and I know that Graeme Dey has a particular constituency interest. As he will be aware, the charges that are applied to individual self-funding residents are private contracts between individuals and care providers. However, I want more transparency on the level of charges in order to ensure that fees are proportionate and do not penalise individuals who have higher levels of income or assets. I hope that that answer is helpful to Graeme Dey. I would be happy to discuss the matter further with him in the weeks and months to come.

Mary Scanlon (Highlands and Islands) (Con): The health secretary rightly highlights the need to focus on quality, but for care workers, training to Scottish vocational qualification of level 2 is essential for registration with the Scottish Social Services Council, yet only 50 per cent of staff are currently trained or in training. Will the health secretary review the time period for registration so that it is sooner than 2015 for care home staff and 2019 for care-at-home workers?

Nicola Sturgeon: Mary Scanlon has raised this issue before and, of course, I am always happy to keep those things under review. She will be aware that it is a requirement of registration with the regulatory body that a care worker has the relevant and appropriate qualification.

She has talked before about timescales—I can understand why she raises that issue. I am sure that she will appreciate that Scotland is unique in the UK in having decided to require registration of the entire social care workforce and not just the social work element of that workforce. It is a large and complex workforce, and it takes time for those workers to gain the qualifications that will allow them to be registered. That is why the timescales are as they are. However, we take the issue seriously and that is related to our aim to improve the quality of care, so I am more than happy to continue to discuss directly with Mary Scanlon any concerns that she has in that regard.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I thank the cabinet secretary for the changes that she has brought about, particularly in relation to the frequency of inspections and the requirement that they be unannounced for care homes. However, although the care inspectorate has generally done excellent and reliable work

over the past 10 years, will she continue to look at the scope and nature of inspections and, indeed, the content of the care standards? In particular, will she see what more can be done to ensure that the views, feelings and experience of users of services are taken fully into account?

Nicola Sturgeon: Yes is the short answer. I said in my statement that I think that the changes that I have announced today will strengthen an already strong system, but we should always keep matters under review. The frequency and unannounced nature of inspections are incredibly important, but the quality and intensity of inspection matter, too. One of the other issues that Malcolm Chisholm raised in a speech in June was about the care inspectorate talking to service users and taking into account their views. That is an important part of the process. We will therefore continue to ensure that the care inspectorate has an approach to regulation and inspection that can genuinely ensure quality.

Just to return to Richard Simpson's question, I am told that the details of the two Southern Cross homes that I mentioned in my speech are not yet on the COSLA website. However, the homes are Belhaven in Troon and Forth View in Leven. That information will be on the COSLA website in due course.

Bob Doris (Glasgow) (SNP): I welcome the cabinet secretary's statement and her eventual consideration of the Health and Sport Committee's inquiry into the regulation of care for older people. Will she consider giving a greater role to general practitioners, pharmacists, physiotherapists and allied health professionals in informing SCSWIS—or the care inspectorate, as it shall now forever be known—so that they have more formal input when there are inspections, and other methods of input when there are not inspections, should they have concerns about care home performance?

Nicola Sturgeon: When I referred in my statement to the minimum frequency of inspections, I pointed to the very important additional risk-based inspections that the care inspectorate will undertake. One of the important triggers for additional inspections would be complaints, which is why it is important to raise the profile of the complaints system. However, the health professionals to whom Bob Doris referred—GPs, pharmacists and others—can also raise concerns. They have an important role to play in ensuring that they draw any concerns that they have—for example, through visiting a patient in a care home—to the attention of the care inspectorate. Bob Doris has made an important point, and I assure him that it is taken very seriously.

The Deputy Presiding Officer (Elaine Smith): I am afraid that I now need short questions and answers.

Alison McInnes (North East Scotland) (LD): Liberal Democrats, too, welcome the changes that the cabinet secretary has announced this afternoon. Does she agree that it is not a matter of merely maintaining standards in care homes and that there should be a relentless focus on improvement, and that the care that is offered to our vulnerable older people should encompass the highest quality of dignity and respect as well as good physical care? Will the cabinet secretary confirm that the care inspectorate will not be deflected from driving up standards?

Nicola Sturgeon: The very short answer is yes. However, to expand on that briefly, I said in my statement that although the change of name to the care inspectorate is important, it does not deflect from the organisation's improvement function. I know that my colleague Angela Constance will be particularly keen to stress that in relation to early years and childcare facilities. Improvement is a critical and central function of the organisation and that will not change.

Margaret McCulloch (Central Scotland) (Lab): In a conference call, Southern Cross senior management assured me that all care home staff will be transferred to the new operators under the Transfer of Undertakings (Protection of Employment) Regulations. Indeed, I understand that negotiations with staff and trade unions are under way. If those talks are unsuccessful, will the cabinet secretary intervene, and what support will she make available to the care home staff?

Nicola Sturgeon: I understand why Margaret McCulloch has asked that question. After all, we talk about the anxiety and concern caused to users of the services, but I am also very aware of the great anxiety and concern that is being felt by those who work in Southern Cross homes. That said, the member will appreciate that the relationship between employer and employee is just that. That is as it has to be. Southern Cross has given assurances about TUPE transfer and I see nothing to suggest that it will not honour them. However, as with the care aspects of this matter, we will continue to discuss with Southern Cross and other interested parties the interests of the staff who work there.

Dennis Robertson (Aberdeenshire West) (SNP): Will the cabinet secretary confirm that the minimum qualification for care workers and residential staff will be Scottish vocational qualification level 2 and consider whether those in supervisory roles should have SVQ level 3 and those in management positions an appropriate management qualification?

Nicola Sturgeon: We should always consider whether we have an appropriately trained and skilled workforce. With regard to the differences that Dennis Robertson has drawn between the different categories of worker—and to go back to Mary Scanlon's question—I point out that that is all reflected in the timescales for registration. In fact, the management staff of care homes are already registered. Nevertheless, although we must ensure that we make progress towards completing registration, we should always be examining how we ensure that staff in care homes and other care services have appropriate skills and we will always look at how we can improve.

Scotland Bill (Corporation Tax)

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a debate on motion S4M-00856, in the name of Fergus Ewing, on the Scotland Bill and corporation tax.

15:23

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I welcome this opportunity to debate a key policy lever that should be at the heart of our strategy for sustainable economic growth in Scotland: corporation tax. Our approach to the economy is well established and clearly the people of Scotland have given strong backing to it. Our commitment to enhancing sustainable economic growth was affirmed by the publication on Monday of our new economic strategy, an important part of which is our commitment to creating an environment in which businesses have an opportunity to flourish, underpinned by a fair and efficient tax system.

In our last term and in the first 100 days of this Administration, we took—and have taken—forward a range of initiatives to make Scotland the most competitive location in the United Kingdom in which to do business. For example, we have delivered the UK's most competitive business rates package, including the small business bonus scheme, which has either eliminated or reduced the business rates burden for tens of thousands of properties across the nation. However, under the current constitutional arrangements, many of the key job-creating powers, particularly in relation to taxation, are held back from Scotland. Indeed, more than 90 per cent of Scotland's tax revenues are controlled by Westminster. Under the current Scotland Bill, that figure would fall to around 85 per cent.

As a result, key decisions over vital economic levers, such as corporation tax, fuel duties, national insurance and oil and gas revenues, are taken without consideration of the unique circumstances or opportunities in Scotland.

I firmly believe that Scotland's best interests are served by taking full responsibility for the key policy decisions that affect the Scottish economy. That is why we are committed to holding a referendum on independence. However, our immediate constitutional priority is to improve the Scotland Bill. While we have offered detailed proposals for truly enhancing our decision-making powers, the UK Government continues to engage in a negative campaign of scaremongering over any attempt to improve the Scotland Bill—scaremongering for which, I noticed with some approval, Lord McConnell recently criticised the former Prime Minister.

Are we really to believe the claims from the UK Government that reducing corporation tax to 12.5 per cent in Scotland would reduce our budget by £2.6 billion? Does it not realise that that figure is actually the total amount of corporation tax raised in Scotland? I hope that today we can have a proper debate on the potential opportunities to add economic powers to the Scotland Bill.

The financial framework for the Scottish Parliament needs reform, with a greater focus on accountability and fiscal responsibility. It surely cannot be the summit of our collective ambitions—for any member in this chamber, from any party—simply to rely on a handout from the London Treasury.

Gavin Brown (Lothian) (Con): I agree entirely that we ought to have a detailed and mature discussion, but why has the Scottish Government not published the modelling that it claims to have done?

Fergus Ewing: We do not agree with that proposition. We believe that we have published proper detail on the principle of our proposals, and I will come on to address some of the matters that I suspect may be in Mr Brown's mind.

Any reform must be more than simply an accounting exercise. It must offer a genuine advance and real economic teeth that can boost Scotland's growth, create jobs and deliver a better nation. The Scotland Bill fails to deliver that. The income tax proposals are flawed and need to be revised. Indeed, the Secretary of State for Scotland admitted at last week's Scotland Bill Committee that he does not even know the impact of his own bill on Scotland's budget. That is surely not good enough; the Scottish people must deserve better.

James Kelly (Rutherglen) (Lab): What would the impact of the minister's corporation tax proposals be on the Scottish budget?

Fergus Ewing: I am coming on to that. We believe that the impact will be positive for Scotland, which is why we propose it, as opposed to the impact of the Westminster Government's income tax proposals. The Scottish Government estimates that those proposals would have cut nearly £8 billion from the budget from 1999 to 2011, while the Scotland Office figures suggest a reduction of £691 million. What on earth is the position?

David McLetchie (Lothian) (Con): Will the minister give way?

Fergus Ewing: Not just at the moment; I want to cover the matters that I know will be of interest to all members.

It is the lack of economic levers that is important to our debate today. Yes, Her Majesty's Treasury

will give us some borrowing powers, but it will determine how much we can borrow, when we can borrow, the interest rate at which we repay the borrowing, when we repay, and from whom we can borrow. How does that represent a significant transfer of powers to this place? Aside from borrowing, that is it: no corporation tax, no capital gains tax, no fuel duty, no oil revenues and no welfare. I am convinced that we could do much more if we had greater access to the key levers of economic growth.

The debate will focus on corporation tax, which is one of the six areas on which we are currently pressing the UK Government for additional powers. As we outlined in our discussion paper, corporation tax is one of the main levers open to Government to promote growth, investment and jobs. It is broadly accepted that there are three principal channels through which corporation tax can influence economic growth. First, it can boost incentives to invest in physical and human capital and in research and development; secondly, it can increase firms' profitability and their ability to compete in both domestic and overseas markets; and, thirdly, it can make Scotland an even more attractive location for enterprise and investment.

I believe that the weight of evidence highlights strong links between corporation tax and economic growth, and the UK Government is of the same view. The UK Government has placed reducing the headline corporation tax at the heart of its growth strategy; however, a unified UK rate of corporation tax is neither desirable nor economically efficient.

Gavin Brown: Will the minister give way?

Fergus Ewing: I will move on. There are other matters that Mr Brown would expect me to cover, and I wish to do so within the time that I have available.

Clearly, parts of the UK such as London and the south-east already have an in-built competitive advantage. A more tailored, more competitive and better designed corporation tax system could address many of the economic challenges that Scotland faces.

I do not seem to be alone in recognising the benefits that such an approach could deliver. The UK Government itself has recognised the important role that different rates of corporation tax can have in boosting the performance of different parts of the UK economy.

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

Fergus Ewing: Not just yet. I am in the middle of this point, but I will give way to Mr Harvie later on.

HM Treasury has stated that, in Northern Ireland,

"A lower corporation tax rate would, on its own, be likely to have a positive effect on local private sector investment and foreign direct investment".

Why does the London Government think that that would be good for Northern Ireland but not good for Scotland?

Patrick Harvie: What safeguards does the minister think ought to be in place, if corporation tax were devolved, to prevent the already scandalous problem of corporation tax avoidance from getting worse through the creation of new loopholes? Or are we to assume—given the glee with which the First Minister cites the support of a notorious tax exile for the policy—that the Scottish Government would be comfortable with increased corporation tax avoidance?

Fergus Ewing: No, we would not. I accept that there is a serious problem with the avoidance of corporation tax as it is administered by the London Treasury. The problem has persisted for Administration after Administration. It has been reported on, it has been documented, it has been considered by accountants and it has been the subject of innumerable comments by the well-informed members of the accountancy profession, but no effective action has been taken. That is entirely the responsibility of successive Administrations in the Westminster Parliament.

Last week, we had the publication for the first time of analysis to quantify the potential impacts on Scotland's economy. The initial modelling work that the Scottish Government undertook examined the implications of an equivalent fall in the headline corporation tax from 23 to 20 per cent. Even that modest reduction in the corporation tax rate would have potentially huge benefits for the Scottish economy, including boosting employment in Scotland by some 27,000 jobs, raising investment levels and supporting a rebalancing of the economy through higher levels of exports.

Gavin Brown: Will the minister give way?

Fergus Ewing: I must make progress to cover the important matters that Mr Brown and others are interested in.

I am confident that there would be far greater benefits to Scotland from our having control over this key lever. In my short period of tenure as a minister, I have seen how Scots around the world, across all sectors—especially oil and gas, renewables, the life sciences and financial services—play a key role in global investment decisions.

Our globalscot network helps to broker deals, leverage finance and attract new business to Scotland. With the ability to control the corporation

tax rate, we can set a competitive rate to ensure that Scotland becomes one of the most attractive places in the world to do business. That message will be communicated in boardrooms around the world by our network of leading Scottish businessmen and women. Who on earth, in this chamber, can object to that proposition?

We would be able to create a system that provides certainty for businesses to invest, not like the UK Government, whose last-minute raid on the North Sea oil and gas sector increased the tax rate on some fields to 81 per cent and led to the cancellation of investment in the North Sea.

Our proposition is clear: the Scotland Bill should be amended to provide us with the powers and leverage we need. I regret that I have insufficient time to canvass some of the material that I have prepared because I have been reasonably generous with interventions.

As the global economy continues to recover, as we hope it will, and we look to capitalise on the new opportunities that emerge, it is vital that Scotland has the levers of a normal nation to grow our economy and see future generations of Scots benefit hugely as a consequence.

I move,

That the Parliament recognises the important role that corporation tax can play in an economy's growth strategy; notes the importance and implications for Scotland of devolution of corporation tax to Northern Ireland; supports the devolution of corporation tax to Scotland, and agrees that this economic lever, if used wisely, could support thousands of new jobs in the Scottish economy.

15:36

Richard Baker (North East Scotland) (Lab): When the First Minister announced the Scottish Government's calls for the Scotland Bill to be extended to give new powers to his ministers, we made it clear that we would not simply reject all the proposals but would judge them on the evidence that was brought forward on how they would benefit the Scottish economy. That is the test: not new powers for their own sake, but whether they will boost our economy, particularly at this time of low growth and cuts in public spending.

On borrowing powers, we have made common cause with the Scottish Government and—I hope—with other parties in the chamber, particularly given the comments by Nick Clegg yesterday on infrastructure. We support the calls for the Scottish Government's borrowing powers to be increased and accelerated beyond the current provisions in the Scotland Bill so that we can invest in new infrastructure and, through that, boost our economy. We are still scrutinising the other calls for new powers. For example, we have

yet to hear from the Scottish Government the detail of the case for devolution of excise duty.

On corporation tax, the Scottish Government has failed to make its case. It has pointed to some prominent individuals who support devolution and the cutting of corporation tax, which we heard again today. However, for every supporter of the cause, a cast of others are unconvinced or downright opposed. As Iain Gray said earlier, the Government managed to build a consensus against the proposal between the Confederation of British Industry Scotland and the Scottish Trades Union Congress, which is no mean feat.

Why does the Scottish Government's case break down? It is because, not for the first time, the sums do not add up. Cutting corporation tax is not a panacea for our economic tribulations. The Scottish Government's case must be examined and it often rests on the example of the Republic of Ireland.

John Mason (Glasgow Shettleston) (SNP): Does the member agree that the debate goes much wider than the headline rate? There is also the opportunity to target particular industries or small businesses. That might not cost a lot of money but would be quite effective.

Richard Baker: I do not agree with the analysis put forward: there appears to be scant evidence that taking that step will achieve the additional economic activity in areas that has been argued. There are other things that the Scottish Government can do.

Kevin Stewart (Aberdeen Central) (SNP): Can Mr Baker provide one international example of a country that cut its corporation tax rate and did not generate an overall increase in corporation tax revenue? I will give him a clue: the answer is none.

Richard Baker: The Institute of Chartered Accountants of Scotland tells us that there is very little evidence indeed to suggest that corporation tax cuts in this country have resulted in more revenue from corporation tax and more economic activity, so I very much doubt the figure that Mr Stewart has given.

The Scottish Government often rests on the case of the Republic of Ireland. The minister will no doubt be aware of the report by PricewaterhouseCoopers, "Corporation tax: Game changer or game over?" The report found that there was no evidence that the Republic of Ireland's corporation tax rate had been the prime driver of overseas investment. In fact, PWC said that 30 years of low corporation tax had delivered "comparatively little" direct foreign investment. In a separate study, PWC concluded:

"Low Corporation Tax is not a key driver of investment for foreign businesses locating in the UK, ranking 17th in a list that prioritised: language; culture and values; infrastructure; skills; and proximity to market".

Those are the issues that should be the focus of the Government's activity, with the powers that it has.

Let us consider the international evidence on whether lowering corporation tax benefits the economy. Countries that have a lower rate of corporation tax than the UK include Portugal, Greece, Ireland, Iceland and Spain. Those countries do not appear to feature on the Scottish Government's current list of members of the arc of prosperity—if it still manages to find an arc of prosperity.

Let us also consider the evidence from the Scottish Government that lowering corporation tax would create growth. The Government published estimates that a reduction in corporation tax from 23 to 20 per cent would increase gross domestic product by 1.4 per cent and increase employment by 1.1 per cent after 20 years. We must wait 20 years in the hope that the estimates will be realised. At the Scotland Bill Committee meeting this week, the economist Professor Chris Heady described the estimates as "brave", in the finest tradition of Sir Humphrey.

The prediction is brave, indeed. It does not take account of, for example, what happens if other devolved nations cut their corporation tax rates. If we follow the Scottish Government's logic, why would businesses choose to pay corporation tax at 20 per cent in Scotland if Northern Ireland has cut its rate to 12.5 per cent to compete with the Republic? Where will the Scottish Government's forecasts be if all that happens is that the devolved nations of the UK embark on a race to the bottom on corporation tax?

The Government's proposal to cut corporation tax is risky and the establishment of different rates across the UK would be very risky, at the least. The STUC has made a strong point that such tax competition is harmful to sustainable long-term growth and to the fair distribution of the proceeds of growth. The approach might well encourage businesses to ensure that their taxable profits arise in Scotland, but that does not mean that businesses will transfer economic activity here.

Patrick Harvie: I do not argue that safeguards against avoidance behaviour are impossible to achieve; I am concerned that the Government does not seem to place a high priority on telling us what they are. Would linking rates of corporation tax with, for example, wage ratios or the provision of a living wage, which has been suggested, give us a chance to incentivise companies to change not their location but their practices?

Richard Baker: Such ambitions could be achieved if the Scottish Government used the powers that it has on, for example, business rates. It could be counterproductive to change the headline rate of corporation tax, thereby opening up avenues to the risks that Patrick Harvie talked about. I ask for a different approach, although I acknowledge the issues that he rightly raised. There is a real danger of companies engaging in a brass-plating exercise and simply robbing other parts of the UK of corporation tax income without attracting jobs or creating extra growth in Scotland.

The evidence to support the Scottish Government's contention that the measure would boost growth is, at best, hotly contested and weak—and that is before we consider the important issue of how the measure would be paid for. The Scottish Government contests the HM Revenue and Customs figure of £2.6 billion. That is a dispute for the Government to have with HMRC, but whether we are talking about half that figure or just hundreds of millions of pounds, the question is how the money will be found in the Scottish Government's budget, particularly given all the Government's commitments in a range of areas, including its commitments on higher education funding and freezing council tax for five years. If cutting public expenditure to provide for a corporation tax cut means losing thousands more public sector jobs in a gamble to create more private sector jobs, on the basis of flimsy evidence, then we should not take it.

The motion refers to Northern Ireland. The issue is hotly contested there, where it has been estimated that the proposal will cost £400 million. Trade unionists there do not support the move.

Over the summer, John Swinney presented a cut in corporation tax as a cure for our economic ills, but today he has left Mr Ewing to make the case for the Scottish Government. I am sure that Mr Ewing will make the case for tax cuts unfettered by the constraints of a social-democratic analysis with gusto on this occasion.

Today, the SNP has managed to put itself to the right even of the Scottish Conservatives in arguing for business tax cuts and cuts in public spending. I do not imagine that that will cause Mr Ewing much discomfort, but I cannot believe that all SNP members will be quite so comfortable with that, because the plans are not a magic bullet—in fact, they represent voodoo economics. It is impossible to sustain Scandinavian levels of social investment with a Reaganomic approach to taxation. The SNP would have us believe of this proposal and of its plans for independence that it is possible, but its sums do not add up. That is why we will oppose the Government motion today.

I move amendment S4M-00856.4, to leave out from “recognises” to end and insert:

“believes that proposals by the Scottish Government for new powers to be included in the Scotland Bill must be backed by evidence that their devolution will benefit the Scottish economy; believes that, in its case for corporation tax, the Scottish Government has failed to provide the required evidence that such a move will be affordable or beneficial to the economy; notes that neither CBI Scotland nor the STUC support this proposal, and recognises that the broader issues of tax competition within the UK are complex and challenging and that no decision has yet been made on the devolution of corporation tax to Northern Ireland.”

15:46

David McLetchie (Lothian) (Con): The purpose of the Scotland Bill is, first and foremost, to improve the financial accountability and responsibility of the Scottish Parliament by extending its tax-raising powers in the areas of income tax, stamp duty and landfill tax, with the potential for further or new taxes to be devolved at a later date. Moreover, its proposals have been formulated in the context of the economic, monetary, political and social union that is the United Kingdom, and also in the context of whether the devolution of further tax-raising powers to this Parliament can work effectively within that framework without having adverse consequences for the country.

The issue of whether corporation tax was suitable for devolution in whole or in part was carefully considered by the Calman commission and by the Scotland Bill Committee in the previous session of this Parliament, which considered whether an ability to vary the rate of corporation tax in Scotland and other parts of the UK was desirable as part of a regional development strategy, and it was in that UK-wide context—and that context only—that the committee recommended that it should be available as an option for the Scottish Government to use, if it were available elsewhere. It is to misrepresent the committee’s position to suggest that it was in favour of the devolution of wholesale responsibility for the levying of corporation tax.

Fergus Ewing: In that case, can Mr McLetchie explain why the UK Government recognises why it would be advantageous for Northern Ireland to have the power to reduce its corporation tax rate? Why is it right to do so in Northern Ireland but not in Scotland?

David McLetchie: If Mr Ewing followed the subject more carefully, he would know that the UK Government has just completed the consultation on the matter and has not yet taken the decision about whether Northern Ireland should have the power to vary corporation tax. There is no UK Government decision on that at all.

Despite the length of time that it has had, the Scottish Government’s proposals on corporation tax are nowhere near the finished article. Given the complexities of the subject, it is totally unrealistic to press for their inclusion in the present Scotland Bill if that bill is to complete its parliamentary passage early in the new year. That is particularly so given the concerns that have been expressed by the business organisations, trade unions and professional bodies in Scotland and the difficulties that even the Scottish Government acknowledges have to be overcome. We have to avoid a situation in which we get into a dangerous game of beggar my neighbour and reduce overall tax revenues without any commensurate increase in real economic activity that is of benefit to Scotland or anywhere else in the UK.

John Mason: Will the member give way?

David McLetchie: No, I will not; I would like to move on to my next point.

The central proposition behind the Government’s proposal—which is that the lowering of the rate of corporation tax would boost economic growth in Scotland—is highly debatable. The Republic of Ireland is regularly cited by the SNP and others as proof positive of that proposition, but it is not as simple as that.

Corporation tax was introduced in Ireland in 1976. The standard rate started at 50 per cent, then went to 40 per cent; by 2000 it had reached 24 per cent, and in 2003 it came down to the present 12.5 per cent. Ignoring the fact that the Irish economy is a total basket case at present, I suggest that, if the simple equation between lower corporation tax rates and growth had held true, one would have expected growth rates in the Irish economy to have risen as corporation tax rates had fallen. However, that is not the case. The highest rate of growth in Ireland in recent times was achieved between 1996 and 2000, when it averaged 9.6 per cent per annum. In that period, the corporation tax rate in Ireland was never less than 24 per cent. Indeed, in the subsequent five-year period in which corporation tax rates fell, growth rates fell too.

We have heard a great deal about the proposition that, according to the Scottish Government’s model, a 3 percentage point reduction in corporation tax would create 27,000 jobs after 20 years. The price for that is a reduction in corporation tax revenues of between £200 million and £250 million a year. Let us keep those figures in mind: for £250 million per year, we get 27,000 jobs after 20 years.

Let us now look at an alternative approach to stimulating economic activity, of which we have a recent example in the form of the small business

bonus scheme. To find out the impact of that measure on jobs, I turned to that authoritative source, the Scottish National Party website. On 28 February this year, it told us that in only four years, at a cost per annum of barely £110 million, it had created 40,000 new employees.

There we have the contrast, based on the SNP's own figures. A small business rates reduction creates 40,000 real jobs after four years, but a corporation tax reduction, which is twice as expensive, creates fewer jobs and takes five times as long. That is why our amendment calls on the Scottish Government to model the impact of a reduction in business rates that is equivalent, in money terms, to its proposal for corporation tax, so that we can compare outcomes.

What could be the lesson for the SNP Government from that exercise? It is quite simple: we should use the tax powers that we have, rather than moan about those that we do not have. If we did that, we might get a pleasant surprise, and Scotland would be much better off.

I move amendment S4M-00856.2, to leave out from "the important role" to end and insert:

"that there is no simple relationship between rates of corporation tax and economic growth, which is dependent on a multitude of factors, and calls on the Scottish Government to model the economic impact of an equivalent cut in business rates as a comparator to its corporation tax model and a policy option that is currently available to it."

15:52

Willie Rennie (Mid Scotland and Fife) (LD): I apologise to the Presiding Officer and members in the chamber for arriving marginally late; I need a better alarm clock in order to arrive on time.

Legislation is one of our primary duties in this place and at Westminster, and we must ensure that there is proper debate, consultation, scrutiny, deliberation and reflection before a conclusion is reached. That is especially the case with regard to constitutional changes, which require special consideration because they are supposed to be lasting and fundamental in nature.

The SNP, however, seems to have departed massively from that well-established best practice and neglected all those key elements in their demands for corporation tax to be devolved. The Calman commission was set up around four years ago, at which time the SNP refused to take part. The Scotland Bill was subsequently published and is progressing well through the House of Commons—in fact, it has been through the House of Commons, and has achieved its second reading in the House of Lords. We are making significant progress. Just last week, however, the SNP demanded—at this stage in the process and in

probably its most substantial paper to date—that corporation tax be devolved.

John Mason: I accept the historical account that Willie Rennie has given us, but does he accept that the election in May this year somewhat changed the political landscape in Scotland?

Willie Rennie: The mandate that the UK Government achieved in 2010 was also significant. We introduced, with Conservative support, a Scotland Bill that would never have seen the light of day if other Governments had been in charge on their own. We have already made significant progress, but we have done it in an orderly and substantial fashion, not in the reckless manner of those who demand changes at the last minute based on flimsy evidence that does not stand up and which has been criticised by many people across the business sector and beyond in Scotland.

Kevin Stewart: Will the member give way?

Willie Rennie: No—I have only six minutes for my speech.

The SNP has claimed that, through corporation tax cuts similar to those in Ireland, we can achieve economic growth rates similar to those in Ireland. In 2007, Alex Salmond claimed:

"we have everything it takes for a Celtic Lion economy to take off in Scotland."

However, Mr McLetchie set out the case on that extremely well. As he pointed out, Ireland started in a very different place from Scotland and it had the benefit of being first off the mark in achieving the advantage from businesses that were looking to relocate there. Scotland would have to reduce its rates significantly to compete with Ireland on that level.

In recent days, the SNP has pulled back a bit—now it proposes a corporation tax rate of only 20 per cent rather than the implied 12.5 per cent—so we no longer even seek to compete with the Irish levels, but the rhetoric that we could achieve what Ireland did has not diminished in any way whatever.

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

Willie Rennie: No—I have only a limited time.

Our main concern is about the effect on the public finances. Many members have criticised the UK Government for the public spending cuts that have been made, but we believe that making those cuts is absolutely necessary to get the public finances back in order. The SNP has failed to spell out the price of its claim—the cost to the public purse at an already challenging time. I have described how Scotland would not have the

economic benefits that Ireland had, because tax would not even go down to Irish levels.

Kevin Stewart: Will the member give way?

Willie Rennie: No—I do not have enough time.

The crucial element that we require to progress in the debate is that the SNP comes clean and spells out the price. The UK Government has said that the cost would be £2.6 billion. The brains in the Treasury are better than mine and I am sure that they can justify the case for the £2.6 billion. *[Interruption.]* The minister protests, but the SNP has not provided its own figures. We have had no calculation whatever.

Fergus Ewing: The corporation tax yield in Scotland is £2.6 billion. If we in Scotland decided to cut that tax rate to 20 per cent or even 12.5 per cent, will Mr Rennie explain how on earth that would cost £2.6 billion, which is the whole—100 per cent—of the yield? That is arithmetically illiterate.

Willie Rennie: The minister knows perfectly well that the information is not arithmetically illiterate. The Treasury has set out the case and the projections for 2015. Considering all the other implications, it estimates a cost of £2.6 billion.

The minister protests, but the crucial point is that he has not provided his own figures, because he knows that the impact on public spending in an already tight period would be dramatic and that the economic growth claims are not substantiated in any way whatever.

Fergus Ewing *indicated disagreement.*

Willie Rennie: The minister shakes his head, but he has no answers. That is why the careering towards devolving corporation tax, which has involved not following the proper process, not spelling out the figures and not substantiating the economic growth claims, shows that the SNP is tremendously reckless with the proposal.

The Government's response to serious business opinion in Scotland has had a touch of bullying about it. When the CBI made a reasonable interjection in the debate two weeks ago, the response was to accuse it of blundering into the constitutional debate and to say that it was no surprise that the CBI's membership numbers were reducing.

The Deputy Presiding Officer: Mr Rennie, you must conclude.

Willie Rennie: Certainly. What I described is no way to treat serious business opinion. The SNP needs to treat people with a bit more respect if it is to get more powers.

I move amendment S4M-00856.3, to leave out from "strategy" to end and insert:

"and in providing resources to pay for public services; notes that the Scottish Government's own discussion paper on options for reform states that cutting corporation tax could 'lead to an immediate reduction in revenues collected in Scotland' and that, if such a position was adopted, 'decisions regarding budgetary priorities would be needed', and calls on the Scottish Government to identify now which budget lines would be reduced as a result of implementing a policy to substantially reduce corporation tax levels in Scotland."

The Deputy Presiding Officer: I am afraid that the open debate is oversubscribed. To have any possibility of fitting in all the members, we must have speeches of six minutes, but members should please feel free to take less time if they wish.

15:59

Bob Doris (Glasgow) (SNP): Scotland is changing and is moving forward. Significantly more powers will be delivered to benefit our nation. I firmly believe that every member in the Parliament works to benefit Scotland, but I accept that we will have disagreements along the way about how best to do that. As Scotland moves forward, the debate will be about whether the end point of additional power is Scottish independence.

The people of Scotland will of course decide that in a referendum. However, I believe that, short of the independence issue, there is more agreement between us than we sometimes care to admit, and perhaps more than the amendments or some of the speakers in the debate have been willing to admit. If truth be told, I suspect that the issue of devolving corporation tax powers to the Parliament is one on which we can finally reach agreement. Agreement is not that far away, despite some of the speeches that we have heard, such as that from Mr Rennie. As a signpost for him, I point to the Steel commission.

I commend the Scotland Bill Committee in the previous session of Parliament for agreeing that, if corporation tax powers were extended to Northern Ireland, they should be extended to Scotland. That is a clear admission that if one component part of the UK varied its corporation tax, it would potentially gain a significant competitive advantage over the other parts. Therefore, the issue is simple: Scotland's Parliament should ensure that Scotland has a comparative advantage over other parts of the UK to boost our economy and drive job creation. The question that is before us is whether we should be reactive to UK economic developments, rather than proactive. Do we wish Scotland to be ahead of the curve or playing catch-up?

Neil Findlay: Will the member give way?

Bob Doris: Given the time constraints, I am afraid that I will not be giving way.

It could reasonably be argued that London and the south-east of England have an inbuilt structural advantage over other parts of the UK. London is a powerful global city and an international hub with exceptional links to the worldwide market. Its competitive advantage has developed through many years of UK economic policy. I make no bones about that, other than to say that I do not believe that it serves Scotland as well as it could. The clear UK economic policy of bolstering the city of London and the south-east economy was not designed to damage Scotland, but it certainly does not help Scotland.

The barriers in Glasgow to encouraging business growth and relocation are very different from those in London, and completely different from those in places such as Lerwick. Britain is a varied place and our economic policies should respect that. It is reasonable to suggest a different set of economic policies in Scotland, because we have a different set of economic conditions. Those who believe in the retention of the UK and who want to make a positive case for it should embrace the ability of a Scottish Government to take macroeconomic decisions for the benefit of our country.

In considering corporation tax, I think that it is important that we have a factual base. When UK Government modelling work suggested that reducing corporation tax in Scotland to 12.5 per cent would cost £2.6 billion, many people simply did not believe the statistics, which, as we have heard, were greeted with a gasp of disbelief. After all, £2.6 billion is the total corporation tax take, so the figures suggest that a 12.5 per cent corporation tax rate in Scotland would not raise one penny. That is simply mockable—it is laughable. There is no credibility for those who would cook the books to preserve a no-change agenda.

Patrick Harvie: Will the member give way?

Bob Doris: I do not have time.

Perhaps unsurprisingly, the UK Government has very different projections for the on-going cut in corporation tax across the UK to 24 per cent by 2014. Its Office for Budget Responsibility has estimated higher corporation tax revenues by 2013-14 than those at the pre-recession peak. It is staggering that, when the UK Government examines cutting corporation tax at a pan-UK level it does an analysis that builds in the benefits of growth, but when the work is done on a purely Scottish basis, the UK Government scurries around looking for a worst-case scenario and stretching the credibility of its projections to breaking point.

Therefore, let us have a look at some other projections. Scottish Government modelling work has indicated that setting corporation tax at 20 per cent can create 27,000 jobs and increase economic output by 1.4 per cent, with a 2 per cent uplift in overall investment. It has been suggested that Northern Ireland's model will create 58,000 jobs, which is very powerful indeed. If Northern Ireland is to have those powers, why not Scotland? Recent work by the *American Economic Journal* shows that, in the Organisation for Economic Co-operation and Development countries, a 10 per cent reduction in corporation tax has typically raised investment rates by 2 per cent and boosted company registrations by 20 per cent. So why not in Scotland?

There is compelling evidence that the power to vary corporation tax levels can be a significant economic boost. Rather than debating whether we should have the economic powers, our nation's Parliament should be debating how we use them once we have them. That is the debate for this place. To suggest that we should not have the power to do so is clearly constitutionally incompetent and underlines the democratic deficit that we face in trying to take Scotland and our economy forward. That is the debate on which Scotland's Parliament should be expending energy; we should not waste energy in resisting the delivery of real economic powers that will make a real difference to the people of Scotland.

I commend the Scottish Government's motion.

16:05

Neil Bibby (West Scotland) (Lab): I reiterate what my colleague Richard Baker said: the Labour Party has said for a long time that we would not rule out additional powers being given to the Scottish Parliament. We have actively sought those powers in a number of areas. Our approach must be centred on what is in the best interests of the Scottish people and what is best for Scotland's economic future.

It is already clear that Scottish Government ministers have a significant responsibility to find ways to grow the Scottish economy and assist businesses, but there are real concerns that a race to the bottom on corporation tax is not the answer to our problems. It is reasonable to suggest that a proper analysis is needed of the consequences of devolving corporation tax and, in particular, of setting a different rate by cutting it. That is what I want to focus on.

Cutting corporation tax would undoubtedly create a financial black hole in the Scottish Government's budgets and that raises many questions. How much would it cost? What spending commitments would need to be

sacrificed? What would be the administration costs of setting up an entirely separate corporation tax regime in Scotland? The minister may dispute the figures that have been provided by HMRC and the Treasury and that the Scottish budget could be hit by up to £2.6 billion, which is the equivalent of nearly 8 per cent of the Scottish Government's budget, but what would the cost of a corporation tax cut be, and how would the Government be able to keep its election pledges? How many businesses would have to relocate to Scotland to make up for the immediate deficit?

John Mason: Will the member give way?

Neil Bibby: I am sorry; I do not have enough time.

I understand that the Government's reason for devolving and cutting corporation tax is to attract inward investment, but there appears to be a lack of clear evidence that cutting corporation tax would make Scotland more attractive for that purpose.

Kevin Stewart: Will the member give way?

Neil Bibby: I am sorry; I do not have enough time.

As Richard Baker said, the PricewaterhouseCoopers report rated corporation tax as 17th in the drivers for economic growth. If we want the Scottish economy to grow, we should prioritise the higher rank drivers such as infrastructure and skills. Those things are already controlled by the Scottish Government; ministers have power over them.

In addition, there is a real threat that, if Scotland cut corporation tax, other parts of the UK would do likewise, which would cancel out any competitive advantage that was sought. During the recess, I visited the Welsh Assembly. It is clear that Wales's First Minister, Carwyn Jones, and the Welsh Assembly Government share those concerns and believe that there is a danger that competition in the tax system in the UK would result in a race to the bottom and that no one's public finances would benefit.

This morning, the First Minister selectively quoted what Wendy Alexander said in last session's Scotland Bill Committee report. He failed to mention that the committee said that it

"does not believe that Scotland should seek to maximise its tax income by becoming a tax haven for companies operating elsewhere in the UK. We therefore support the UK Government in not at this stage devolving corporation tax in the Scotland Bill."

The Scottish Government has stated that it would cut corporation tax to 20 per cent, but with low corporation tax rates already existing in the European Union, there is insufficient evidence to suggest that a cut in the rate of corporation tax in

Scotland would result in a large number of businesses deciding to relocate here. Perhaps profit shifting is more likely. Economic activity and jobs could be created elsewhere, with profits being declared in Scotland.

The Scottish Government may say that that is the objective, but I ask members to consider two things: first, the fact that the UK Government is already cutting corporation tax by 5 per cent over the next few years and, secondly, the question whether a cut in corporation tax leads to stronger economies. Mr McLetchie and Mr Rennie made that point. Ireland, for example, has a corporation tax rate of 12.5 per cent, and countries such as Greece and Iceland have lower rates than the UK, but the UK's gross domestic product growth rate in 2010 was 1.4 per cent, compared with negative rates for all three of those countries. Furthermore, the forecasted growth rate for the UK in 2011 is 1.7 per cent compared with 1.5 per cent for Iceland, just 0.6 per cent for Ireland, and minus 3.5 per cent for Greece.

Those numbers illustrate that there is no guarantee that cutting corporation tax will lead to a stronger Scottish economy. Ireland and Iceland are also prime examples of how quickly corporation tax receipts can fall in difficult economic times. However, we do not need to look overseas to see evidence of that; here in the UK we saw corporation tax receipts fall from £40.4 billion in 2007-08 to £30.3 billion in 2009-10; a 25 per cent decrease in the space of two years. If such a drop occurs here, combined with a lower rate of corporation tax, an even bigger black hole would emerge in the budget, which would inevitably mean cuts in public services.

When I speak to my constituents in Renfrewshire and throughout the west of Scotland they tell me that they are angry that public services are being cut and jobs are being lost because of the recession that was caused by the global banking crisis. Working people in Renfrewshire—or anywhere else in Scotland for that matter—should not pay for the mistakes made by others.

The CBI and the STUC have rightly raised concerns about how devolving corporation tax would work, while accountancy experts have criticised the Scottish Government for the lack of clarity about the costs of devolving the levy.

If there is a will to proceed with this policy, the Government needs to listen to the business community and the unions, which so far are not convinced by the proposals. I hope that the Government is willing to do that.

The Deputy Presiding Officer (John Scott): Thank you very much for finishing on time. I call Kenneth Gibson, to be followed by James Dornan.

16:11

Kenneth Gibson (Cunninghame North) (SNP): What a lot of depressing, negative hot air we have had from the unionist parties. David McLetchie let the cat out of the bag when he said that what he did not want was to disadvantage the UK as a whole. Whether the tax benefits Scotland does not seem to be of much concern to him. He is concerned about comparative corporation tax rates. If he looked beyond the Channel for once he would see that there is a whole variety of EU tax rates, but, sadly, he does not seem to be able to do that. If he did look, he would see that many unitary states have differing levels of corporation tax within them: Germany, Luxembourg, Canada, Portugal, Switzerland and the United States. Luxembourg is one thirtieth of Scotland's geographical area and has less than one tenth of its population, but, funnily enough, it has twice its standard of living.

As the OECD has pointed out, the experience of Canada suggested that tax rates neither converged nor diverged systematically over time and no race to the bottom was observed.

Mr Baker said that the SNP wanted a Scandinavian standard of living, but without its corporation tax levels. Perhaps he should take a look at the 2009 World Bank report, which showed that corporation tax levels are lower in Denmark, Sweden and Finland than they are here in the UK.

Let us hear what Gordon Brown said on the issue. In some of his many remarks on the matter, he said:

"To continue to build a modern corporation tax regime for British firms operating in a global economy I will exempt companies from corporation tax on the gains from the sale of substantial shareholdings."

That shows the Labour Party's view on that issue.

The Office for Budget Responsibility said:

"It is also the case for the UK, where despite the planned reduction in the headline corporation tax rate in the UK to 23% by 2014-15, the latest forecasts by the Office for Budget Responsibility predict that total on-shore receipts in 2013-14 will be higher than their pre-recession peak."

It is quite clear that cutting corporation tax is effective.

Despite the fervent demands of the unionist parties to abandon our manifesto pledge and call an independence referendum in the near future, we will progress with a very clear economic strategy to improve the real economic powers of the rather sedate Scotland Bill. That will allow us to shore up the economic recovery and build on the progress that we have made in recent months.

Neil Findlay: Will the member give way?

Patrick Harvie: Will the member give way?

Kenneth Gibson: I will give way to Mr Findlay because he tried to intervene yesterday and again today.

Neil Findlay: Can Mr Gibson point to any firm hard evidence that the strategy being proposed works—

Kenneth Gibson: Yes. In Austria the corporation tax rate was cut from 34 per cent in 2004 to 25 per cent in 2005 and yet between 2004 and 2008 corporation tax revenue rose by approximately 27 per cent. That is clear evidence—yet again—that reducing corporation tax works and will work for the people of Scotland if we have the powers.

Yesterday, Alex Johnstone suggested in the finance debate that John Swinney has been such a good finance minister that he does not need more powers. Although it is indeed true that the work of Mr Swinney has been nothing short of remarkable, what Alex Johnstone said is the equivalent of saying that Usain Bolt was the fastest in the sack race, so we should not let him run the 100m. We know that Mr Swinney can achieve a great deal more given the opportunity to have more powers. We saw that when he delivered the M74 under budget and early, with the subsequent announcement of £14 million of investment and the creation of 700 jobs.

If the conditions are right, business will flourish, and we must do all that we can to encourage the kind of investment that can create additional jobs. It is a simple economic fact that variations in corporation tax are one of the most significant factors that are taken into account by businesses that are looking to expand their operations. Having the ability to control that tax would allow the Scottish Government to offer companies an inducement to come to Scotland. Mr McLetchie was highly disingenuous when he talked about Ireland having a corporation tax rate of 24 per cent, as that was significantly lower than the UK's rate at the time, which was 31 per cent.

Of course, it would not be necessary to offer a cut in corporation tax across the board; the rate could vary from region to region. It could be targeted to help small and medium-sized businesses or to assist businesses that require significant capital investment or research and development facilities. Such policies are not without precedent. For example, the UK Government has provided such tax relief to the film industry and considered doing the same for the games industry; indeed, it already varies corporation tax according to the size of taxable profits.

In addition, the UK Government has consulted on a preferential regime for profits that arise from patents, which is known as the patent box, the

rules on which it intends to introduce in next year's Finance Bill. The patent box will encourage companies to locate in the UK the high-value jobs and activities that are associated with the development, manufacture and exploitation of patents. It will also enhance the competitiveness of the UK tax system for high-tech companies that obtain profits from patents. The intention is that corporation tax that is charged on the profits that are generated from such patents would be set at 10 per cent. GlaxoSmithKline, which is considering a £100 million investment in Scotland, but which other areas in England are competing for, has said that it wants the party that supports an independent Scotland—in other words, the SNP—to confirm that it would continue with the patent box set at 10 per cent. The level of corporation tax will make a significant difference to whether that company wants to invest in Scotland.

The reality is that Scotland is at a competitive disadvantage with much of the rest of the UK and further afield. Companies on Arran in my constituency pay the same level of corporation tax as companies in the south of England, which enjoy excellent transport links to the City and continental Europe. That is lunacy. The present system could be rebalanced by offering businesses an additional incentive to base themselves in places such as Arran or Cunninghame North. We need those powers and we need them now.

16:17

James Dornan (Glasgow Cathcart) (SNP): This debate should not be about how the Scottish Parliament would use corporation tax powers; it should be about whether we believe that it should have those powers in the first place. After all—believe it or not—we might not be in power forever.

In almost any Parliament in the world, members of all political hues would enthusiastically support the call for more powers—particularly tax-varying powers—for their Parliament, but I am afraid that that is not the case here in Scotland. Across the Opposition benches, a stream of Scottish parliamentarians tell us why our having tax-varying powers would be harmful to us Scots. Of course, we all know that their position is based on a combination of two things: subservience to all things Westminster and their political masters; and the instinctive oppositionism that worked so successfully for them in this May's election.

Patrick Harvie *rose—*

Jackson Carlaw *rose—*

James Dornan: Oh! I touched a nerve. I just don't know who to pick. I think I'll have you, Pat.

Patrick Harvie: I am very grateful to the member for giving way to one Opposition MSP who has a slightly more nuanced position on the issue.

Are there no members of the SNP who are in the least bit embarrassed about the First Minister citing the support of a multimillionaire tax exile who wants to pay less tax?

James Dornan: I doubt that there is any member of the SNP who supports the idea of multimillionaires not paying tax in this country, but if they do not pay tax in this country at the existing rate, they will not pay tax in this country at any new rate. Corporation tax, whatever rate it is set at, will make no difference to that. Those are two different arguments, which the member continues to conflate.

It appears that you can change your name and your leaders, but that you will never, ever change your spots. This is not a case, as some would have us believe, of needlessly picking a fight with Westminster. It is about trying to help the communities that we were elected to represent. It is about putting into place a structure that allows Scotland to better compete with other world economies for the benefit of those in our constituencies who are crying out for jobs.

I want to focus on two detailed aspects of the debate. The first is the issue of implementation and administration of corporation tax. The Scottish Government's paper makes it clear that it thinks that there are two options for the administration of corporation tax post devolution. One option would be to contract HMRC to administer the system on Scotland's behalf. The other option—which is the one that I favour—would be to establish a Scottish tax collection agency. That strikes me as the obvious option for a number of reasons, not least because it would mean that we were directly responsible for control and administration of the corporate tax regime and would demonstrate our desire to be a more autonomous Government.

The second issue, which has been widely discussed in Northern Ireland's case, is state aid and the need for the devolution of corporation tax to be compliant with EU rules and regulations.

Members will be aware of the European Court of Justice judgment in the Azores case, which concerned an autonomous region of Portugal. The court ruled that, for a different business tax rate for a region or country within the borders of an EU member state to be compliant with EU rules and regulations, the devolved Administration must have a distinct political and administrative structure from the central Administration—in our case, Westminster; the devolved Administration's decision to set or change the tax rate must be taken without

interference by the central Government; and the fiscal consequences that flow from a reduction in the tax rate must not be offset by aid or subsidies from central Government.

The Scottish Government's proposal for the full devolution of corporation tax—with responsibility for the rate, base and financial implications—is consistent with the ruling on the Azores case. Indeed, Her Majesty's Treasury has concluded that devolving corporation tax to Northern Ireland would fulfil the criteria set by the Azores case ruling.

The UK Government's acceptance of devolving corporation tax to Northern Ireland shows how much it has moved on in the debate, although I take on board the fact that the final decision has not yet been made. The UK Government seems willing to accept that corporate tax rates varying across these islands can be a good thing and that they should be managed by a devolved Administration, but it appears that, when it comes to Scotland, it is a different matter.

We have already heard about the ludicrous estimates from HMRC, which has conveniently come up with a funding gap of £2.6 billion, based on a tax rate of 12.5 per cent. However, as has been pointed out, that is the tax take at the present rate, so go figure. It appears that the Whitehall mandarins were so desperate to scramble together something to present to George Osborne that they did not even bother to get their sums right. Could those figures have come from the same fag packet as Calman's 10p tax rate?

James Kelly: What would the implications of a change to corporation tax be for the Scottish budget in monetary terms? Can James Dornan put a figure on it?

James Dornan: I would much rather leave that to the two fiscal geniuses that we have in the Cabinet, particularly the cabinet secretary.

David McLetchie: Fergus Ewing is not in the Cabinet.

James Dornan: Yes, okay.

David McLetchie: He is not a fiscal genius either.

James Dornan: That is not what we heard yesterday.

Being able to vary corporation tax to suit Scotland's economic circumstances and not those of the south-east of England can only benefit the people of Scotland. After all, that is who we are here to represent—well, at least some of us.

Maybe I am the only one, but I tend to support proven businesspeople who have argued for lowering corporation tax rather than organisations such as the STUC and CBI Scotland, whose

support for Labour's position is akin to a mother saying that her son was the best player that day—quelle surprise!

There is no magic bullet. Nobody has suggested for a moment that corporation tax is a magic bullet, but it is a useful weapon in the armoury. My constituent Jim McColl, previously of Clyde Blowers—[*Interruption.*] He stays in Carmunnock as well. Jim McColl said in *The Scotsman* on 11 December 2010:

"People need a reason to bring their businesses to Scotland, and full financial responsibility with control over major fiscal levers, such as corporation tax, would provide the chance to create such incentives."

Patrick Harvie: He is quoting a man who is a disgrace.

James Dornan: Oh!

Neil Findlay: Give way!

The Deputy Presiding Officer: The member is in his last minute.

James Dornan: On 14 August 2011, Jim McColl said:

"Corporation tax would provide a significant fiscal lever to provide necessary incentives providing a major boost for the Scottish economy at a critical time."

That man knows his business and he just picked up £750 million to prove it.

The Deputy Presiding Officer: Close now, please.

James Dornan: Scotland must not be left to languish behind other economies.

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

James Dornan: We must be able to implement policies that can benefit us and we must not be disadvantaged in comparison with other nations.

16:23

Margaret McCulloch (Central Scotland) (Lab): I listened carefully to the arguments that were presented and, as interesting as they were, I am ultimately unconvinced of the case that the Scottish Government is making. I have come to that conclusion after spending much of the summer recess speaking to businesses, talking to experts and meeting our economic development agencies to understand what drives growth in Scotland. The issue divides opinion, not just along the traditional fault lines between left and right but even within the business community.

Having worked in the private sector, I can safely say that most businesses are perfectly willing to entertain the prospect of tax cuts. The Government did not need to commission any

research to tell it that. I also know from first-hand experience that businesses want to be competitive and that they want to function—even flourish—in a competitive and growing economy. However, there is a difference between a competitive economy and a low-tax economy, and there is a difference between competitive taxation and low taxation.

We do not need low business taxes to secure growth, but we need to be competitive. We need skills, students, infrastructure, better roads, joined-up railways, faster broadband and an economic strategy that focuses on building prosperity and creating opportunities. Education and investment are essential building blocks for a competitive Scottish economy. They are far more crucial to our economic success than an experiment in corporation tax.

There is also something to be said for our part in a strong single market and our common bonds with our friends and neighbours elsewhere in the UK. The devolution of corporation tax could start a race to the bottom as the Governments of the union compete to cut taxes rather than co-operate to raise levels of economic activity.

John Mason: Will the member give way?

Margaret McCulloch: I am not taking any interventions.

I have also heard from accountants who have expressed their doubts about how tax would be policed to protect against tax avoidance and evasion. How can the Scottish Government be certain that a firm that is registered in Scotland under the Scotland Bill proposals contributes to the Scottish economy? Tax incentives could lead to companies relocating head offices without bringing jobs, wealth and investment with them. Where do the proposals leave the Government's aim of simplifying business taxation? There is nothing simple about investing or operating in a single market in which there are two or three separate rates of corporation tax.

To its credit, the Scottish Government has at least got people in the business community talking about taxation and asking what more can be done to boost GDP, improve productivity and stimulate investment. For what it is worth, I agree that there might well be some merit in looking at taxation in this country and asking whether we have got the balance right. However, the United Kingdom is already on course to have the lowest level of corporation tax in the G7. I am afraid that I simply do not believe that anything is to be gained by cutting the rate of corporation tax any further.

Indeed, like other members, I am gravely concerned about an economic policy that gambles the future of public services and hard-pressed public sector workers on a corporate tax break. If the Scottish Government wants to help

businesses, especially small and medium-sized enterprises, and support Scotland's consumers, I invite it to join Scottish Labour in calling on the chancellor to reverse his VAT hike and give the economy the boost that it needs right now.

I have argued that education and investment are essential for our future prosperity and that businesses and investors need a competitive tax environment. However, I have also pointed out that there is more to being competitive than cutting corporation tax. Even in this time of austerity, we can choose to gamble growth on a corporate tax cut, but investment in our people, our potential and our infrastructure is a surer route to success.

16:28

John Mason (Glasgow Shettleston) (SNP):

The headline rate of corporation tax is certainly important and I believe that we can attract business to Scotland by changing the rate, but that is not the only possibility with corporation tax. There is also the possibility of moving rates for all or some businesses and the potential to use capital allowances and other factors to target new businesses, smaller businesses or businesses in certain sectors, such as the video games industry, which might be relatively more important to Scotland than to the rest of the UK.

The Scottish Parliament information centre gave us a useful briefing for the debate. I picked up from it the point that, in Canada, the provinces are able to vary research and development incentives, tax credits for certain activities, and so on. We need to understand that such targeting is permissible as long as the opportunity is open to any company that comes to Scotland or is already operating in Scotland.

The Scotland Bill Committee has heard some interesting evidence, although our main meeting on corporation tax is not until 27 September. On Tuesday, we heard from the Chartered Institute of Taxation. It undertook a survey of its members in Scotland and gave details of that in its written evidence, which stated, for example, that 59 per cent took the view that

"support to SMEs was preferable to cutting the main"

corporation tax rate. There is therefore a variety of opinion within the business community as to what is the best way of dealing with corporation tax and changing it. It is much more complex than just taking the headline rate. There was a fair bit of other information in the CIT submission. For example, it stated that the survey asked what would be the most useful of eight options, and annual investment allowances came out top. There is a lot more to this than some of the simplistic arguments that we have heard about changing the headline rate.

Gavin Brown: How does the member square all that he has just said with the Scottish National Party's other big goal, which is to simplify the tax system?

John Mason: That is a tremendous intervention because I was going to touch on that in the rest of my speech. Much of the information that we had this week from the Institute of Chartered Accountants of Scotland as well as from the CIT was about minimising cost, keeping the burden down and simplifying things.

We have an incredibly complex tax system in this country—not just corporation tax but income tax, national insurance and so on. On that point, I completely agree with what the Green amendment says about widespread avoidance and evasion—Mr Harvie referred to this—which I totally abhor. Is that complexity the responsibility of successive Scottish Governments? I think not. Is it the fault of the UK and UK Governments? Definitely yes. I would also accept some blame on behalf of the accountancy profession for continually looking for loopholes.

Let us be clear that the present system costs UK business far too much in administration and taxation, so we need to change that.

Patrick Harvie: Will the member take an intervention?

John Mason: I will have to finish because I have only four minutes.

We should also note that the motion has the wording “if used wisely”, which are key words. That is why Richard Baker, Willie Rennie and Neil Bibby were all somewhat mistaken. Nobody is saying that we should just chop corporation tax, so that we suddenly have a black hole—of course not. The Cabinet Secretary for Finance, Employment and Sustainable Growth will cut or raise corporation tax according to his projections for the Scottish economy and where extra money will come in, not less.

The Deputy Presiding Officer: We move to closing speeches.

16:32

Willie Rennie: It has been a rather shambolic and sometimes heated debate, which probably proves the point that I was trying to make at the beginning: we have not reached a considered consensus on the way forward with corporation tax. That is partly because we have had a rushed process and a proposal that was submitted to the debate at the very—

Neil Findlay: Will the member give way?

Willie Rennie: Certainly.

Neil Findlay: On the point about consensus in this regard, does the member agree that the coming together of an organisation that represents thousands of businesses up and down the country, another organisation that represents tens of thousands of workers throughout the country, senior accountancy firms and organisations and a host of third sector organisations would be deemed a consensus, or would the member regard a consensus as being two or three super-rich individuals?

Willie Rennie: Mr Findlay makes a very important point. A considerable weight of opinion has been expressed that has been critical of the SNP's proposals. However, it has been met with derisory comment, criticism and abuse. That is inappropriate and not conducive to a constructive debate.

Bob Doris made a reasonably considered contribution to the debate—maybe that has condemned his career for ever—but he revealed what this is really all about. It is the creeping move towards independence.

Members: No!

Willie Rennie: Well, the SNP is focusing on spending a year on changing a Scotland Bill that it confidently expects to abolish in a referendum. Why are we doing this? It is because the SNP wants to pull the wool over the eyes of the Scottish people. It wants to take them step by step towards independence. It should be a bit more honest.

Bob Doris: I am glad that Mr Rennie thought that my speech was considered. One aspect that I considered was the fine piece of work that was the Steel commission. Dynamically, it suggested the devolution of corporation tax. Does Mr Rennie now distance himself from the Steel commission?

Willie Rennie: Mr Doris should read the Steel commission.

Bob Doris: I have.

Willie Rennie: It made a number of different suggestions to be considered by a commission, but it did not recommend the devolution of corporation tax. I advise Mr Doris to go back and read it again. Perhaps he misrepresents the Steel commission in the same way as his colleagues misrepresent the CBI and other organisations.

John Mason made an even more considered contribution to the debate. He covered a number of areas, and considered not only the headline rate but a targeted approach. However, Gavin Brown was quite right about the balance between simplicity, complexity and targeting, which has to be considered, but Mr Mason made a good contribution to the debate.

Neil Bibby was right to highlight the race to the bottom and the effect that cuts would have on public services. Kenny Gibson—in his usual bombastic style—was criticising us all for being negative. However, I did not hear him praise the fantastic transfer of financial powers that is the Scotland Bill. Was he a bit too negative about that significant change for the Scottish Parliament?

James Dornan said that we have been subservient to Westminster. Why then did we—the Liberal Democrats, Labour and others—deliver the Scottish Parliament, when the SNP sat on the sidelines throughout the Scottish Constitutional Convention? If we were so against Scotland, and if we were so subservient to Westminster, why did the SNP not join us? Why did the SNP opt out of the Constitutional Convention? Fewer lectures from the SNP on standing up for Scotland would make for a better contribution.

Margaret McCulloch highlighted the difference between a competitive economy and a low-tax economy. She pointed out the significant benefit of having skills and talent, and the wider contribution that businesses can make. Of course, she is right that all businesses would want lower taxes, but a balance has to be struck between investment in public services and having a competitive low-tax economy. We are not against cutting corporation tax; that is why we have done it at a UK level. However, it has to be done as part of an orderly programme, and it has to be budgeted and planned.

The one thing that we certainly do not get from Mr Ewing is any transparency about the costs. Perhaps he thinks that they would be too embarrassing to reveal to the public, because the effects—

Mike MacKenzie (Highlands and Islands) (SNP): Will the member take an intervention?

Willie Rennie: I am in my last minute.

As I was saying, the effects would be significant. That is why Mr Ewing is not telling us the truth about the costs of this policy.

The Treasury minister David Gauke has asked the Scottish Government a number of questions, which I hope Mr Ewing will address in his closing remarks. Mr Gauke raised, for example, the benefits of having a unified corporate tax regime throughout the UK. Will we be ignoring that idea? How will the SNP reduce administrative burdens on businesses if there are different rates in different parts of the country? Is the SNP Administration proposing a separate regime? James Dornan seemed to imply that we would have a separate taxation regime.

I hope that the SNP will come up with some of the answers that we have been begging for for months.

16:39

Gavin Brown (Lothian) (Con): The context for today's debate is extremely important. We currently have the Scotland Bill going through the motions, and the SNP Scottish Government wants powers for corporation tax to be included in it. The UK Government responded that it would consider any serious proposal put in front of it. That is where we are, Presiding Officer: the obligation is on the Scottish Government to produce a serious, costed and detailed proposal.

Fergus Ewing was absolutely right when he said that the debate should be about details and facts, not hyperbole. However, that is why I was disappointed with his contribution. When I asked him why the modelling done by the Scottish Government has not been published, his response—if I wrote it down correctly—was to the effect that it has been published. As a matter of fact, the modelling has not been published. The SNP Government picked three headlines from the initial modelling that it did, put out a press release on them and has done no more than that. We have no idea what assumptions are built into the modelling, and we do not know the methodology. All that is critical if we are to analyse the Government's proposal seriously. Therefore, I hope that, in his closing speech, Mr Ewing will explain whether he believes that the modelling has been published. If so, we would like to see it; if not, he can explain why not.

Let me address another point before I go into that issue in further detail. Once again, Mr Kenny Gibson has been described as "bombastic". As he was closing his speech, his big grievance was that companies in Arran, which he represents, pay the same amount of corporation tax as companies in the south-east of England, which is not fair because there are better transport links in the south-east of England. If the SNP proposals were to go ahead, companies in Arran would pay the same corporation tax as companies in Edinburgh. Despite the best efforts of a very good local MSP, fighting for transport links in his constituency, I think that it would be fair to argue that there are stronger market positions and better transport links—to use his words—in Edinburgh than in Arran.

Kenneth Gibson: Does Mr Brown not accept that, if we have powers over corporation tax, we can vary the tax levels geographically within Scotland, just as we do based on the profit that companies make? There is no reason why we cannot do that. As John Mason said, flexibility is the key.

Gavin Brown: This is a new one that the SNP forgot to put in the paper: we will have different corporation tax rates for different constituencies in Scotland. We will also have different corporation tax levels for different types of company, whether they are big, small or medium, and we will have different corporation tax levels depending on the industry. At the same time, we are supposed to be simplifying the tax position in Scotland. That is simply not credible.

Mike MacKenzie: Will the member take an intervention?

Gavin Brown: Not at this time.

Let us return to my biggest gripe with what the minister said, which is to do with the modelling. The SNP told us that it was initial work. There was no publication of methodology or any assumptions to allow us to analyse critically what it has done. In the work that has been done, is the drop to 20 per cent that the minister talks about a one-year drop or is it staggered? What does he propose to do about the small profits rate? We heard that the Government wants to reduce the rate so that Scottish companies pay only 20 per cent in corporation tax, but the vast majority of companies in Scotland currently pay 20 per cent in corporation tax—they pay the small profits rate of 20 per cent. Fighting long and hard to get the rate to 20 per cent will make no difference to the vast majority of Scottish companies.

In the SNP's assumptions, what effect has it built in for Northern Ireland or Wales deciding to drop its corporation tax rate? Assuming we get the power, what would the SNP do if England then decided to drop its corporation tax rate to match ours or to put it even lower than ours? Has any modelling been done on any of that?

We heard one member saying that there has been no big convergence or divergence in Canada. That may well be true, but it is pretty clear that, if there was a competitive advantage in having lower corporation tax rates in Scotland, companies in the north-west and north-east of England would very quickly be crying out to demand lower corporation tax south of the border. If the UK Government at the time decided to reduce it to the same level or lower, all our competitive advantage would be gone.

Those questions need answers. I suggest that, if the minister is serious about having a detailed debate, he should start to provide some details.

16:45

James Kelly (Rutherglen) (Lab): The debate has been instructive and has shed light on the lack of substance and detail in the SNP's case for devolving corporation tax. There are three parts to

it: the evidence, the effect on the budget and the impact on economic growth if the tax were to be devolved.

On the evidence, the paper that the Scottish Government has submitted lacks detail. The SNP's approach is to demand and to assert, and when people do not agree with it, it portrays them as being against the consensus and anti-Scottish. Gavin Brown is correct to point to the lack of detail regarding the Scottish Government's modelling, although the published paper gives the outputs from the model. The clue is in the fact that it is referred to as "initial modelling". This is a serious debate about a proposal for a major change in taxation policy in Scotland, yet what we have is "initial modelling". Financial and economic models are complicated. There are a great number of variables in them, and major assumptions underpin them. We are told that the modelling, in this case, was over 20 years; therefore, we might expect some of the variables and assumptions to change over that time. We do not have any of that information, and it is difficult to reach a practical conclusion on the basis of the information that has been published.

The Scotland Bill Committee has heard that the complexities of moving to two rates of tax—one in Scotland and one in the rest of the UK—would make things difficult for businesses. Businesses are constantly telling me that they want reduced bureaucracy and systems to be simplified. However, we are potentially introducing an additional tax system that not only will add costs to businesses, but will have significant set-up costs. That needs to be taken into account. On Tuesday, Professor Heady told the Scotland Bill Committee that the assignment of corporation tax as a sub-central tax is a poor policy because it would drive inequalities in investment across the area where the taxes were being applied.

Kenneth Gibson: Surely, the opposite could be the case: it could minimise inequalities. If there were different rates of corporation tax in different areas—as is the case in Germany, the United States, Canada and Japan—disadvantaged areas could be equalised by having lower tax rates than others.

James Kelly: The point that Mr Gibson made in his speech about the difference between Cunninghame North and south-east England defeats his argument on that.

On the effect on the budget, it is clear that whether it is £250 million, which is what Mr McLetchie quoted, or £1.5 billion, which is what Peter Robinson from Northern Ireland quoted, there would be a cost to the budget of moving to a reduced rate of corporation tax. No SNP member has been able to tell us the extent of the black hole that would exist in the budget. Neil Bibby was

right to point out the policy implications of that. In effect, that would be shifting resources from the public sector to the private sector. We heard yesterday that nearly 600,000 people in Scotland are employed in the public sector.

The SNP is always telling us how we face a difficult budgetary situation that will make it tremendously difficult to tackle issues such as the living wage, finding jobs for unemployed teachers and tackling the scourge of youth unemployment. We must also question who would benefit from the policy. What are the main businesses in Scotland that pay corporation tax? They are the banks—HBOS and the Royal Bank of Scotland. The public would question a policy of passing on benefits to such banks and potentially asking public sector workers to pay for it.

The third part of the debate is the impact on economic growth. We have heard from many about the adverse implications of a race to the bottom. A much-quoted PWC report states that when businesses were surveyed, corporation tax was placed 17th in terms of making an impact on economic growth.

We heard the voices of the STUC and the CBI and the strong argument over the uncertainty in tax revenues. In Scotland, we have the advantage of a certain budget: the block grant gives us that advantage. When John Swinney stands up next week, we will know how much money we have. If we move to a new rate of corporation tax, there will be uncertainty over future revenue.

The Scottish Government should be looking at what it can do, as Margaret McCulloch pointed out, to promote broadband. It should also consider issues like simplifying the procurement process, for which businesses in my constituency are calling.

It is quite clear that the proposals would create uncertainty and instability. A range of people are opposed to the measures, against the SNP's huddle of businessmen. It is time the SNP went homeward to think again on this issue.

16:52

Fergus Ewing: It is quite challenging to say that this has been an entirely positive debate; it has been entertaining from time to time and it has been engaging in some respects. Members from across all parties have—at least in some parts of their speeches—made positive and thoughtful contributions.

It is somewhat disappointing that the level of consensus that had been reached in the Scotland Bill Committee in the previous session of Parliament has, seemingly, not been maintained. However, perhaps I can try to find a few rays of

sunshine amidst quite a lot of heavy cloud in the debate's contributions. I refer to the committee's conclusion in its report in the previous session of Parliament that

“if a scheme to vary corporation tax were to be available in some of the devolved countries of the UK as a tool of the UK Government's regional economic policy, it should be available as an option for a Scottish Government to use also”.

That was the conclusion in the last session of Parliament. It is a mature conclusion that was reached after a lot of careful deliberation of the sort that Mr Brown has asked for. He is right: it is important that we look at the detail and I submit that we have done so. The conclusion suggested that we had reached a degree of consensus, which was bolstered by some quotations from members of various parties. They were along the lines that if it is good enough for Northern Ireland, it is good enough for us. Also, if Northern Ireland possesses the powers and uses them, and other parts of the UK—such as Wales—are denied them, politicians in Wales will say that it is outrageous that they are denied the powers when Northern Ireland is granted them.

To be fair to Mr McLetchie, as I always try to be—I do not quite know why, because I am not sure that he always deserves it—I acknowledge his comment that the UK Government has not decided that Northern Ireland should have the powers, but has produced a consultation paper, which sets out the proposal for consideration. In that case, where is the UK consultation paper on whether Scotland should have such powers? If, as Mr Brown argues—in a somewhat narrow argument, perhaps on a restricted zone—

David McLetchie: Will the minister give way?

Fergus Ewing: I will develop my argument, but I will certainly give way to Mr McLetchie later.

If Mr Brown is arguing that we need the detail and that without it we cannot have a debate about the principle—which, I suggest, is a somewhat specious argument—why did not the UK put the detail in a consultation paper? Why did it produce a consultation paper only on Northern Ireland? Moreover, in its paper on Northern Ireland, the UK Treasury estimated the cost to the Exchequer of profit shifting to be £70 million per year. However, for Scotland the figure becomes £1 billion a year. Can Mr Brown tell us what Treasury modelling leads it to say that Northern Ireland's possible loss might be £70 million whereas Scotland's would zoom up to a massive £1,000 million? I find that to be inconsistent, at best.

David McLetchie: I suggest that Northern Ireland does not have based in its jurisdiction the largest insurance company in Europe, two of the largest banks in Europe—albeit that they became

basket cases for a time—or major industries such as the whisky industry. There is a huge difference between the economies of Scotland and Northern Ireland. It is quite possible that the differentials that the minister described are entirely appropriate.

The Presiding Officer (Tricia Marwick): I remind the minister that time is short.

Fergus Ewing: Unfortunately for Mr McLetchie, the Treasury argued in its paper that if Northern Ireland gets the power to reduce corporation tax, the dynamic effects would be such that

“additional revenue from other taxes could recover 15-21 per cent of the foregone corporation tax receipts in each year”.

There is, at best, an inconsistency in relation to the “race to the bottom” that Mr Baker, Mr Bibby and other members talked about.

I mention an issue that has not been raised in the debate—I am surprised that Mr Gibson did not mention this, because he mentioned everything else. [*Interruption.*] Incidentally, we are not proposing a separate tax regime for Northern Ireland, but there we are.

In the United States of America, each state has different corporation tax arrangements. The pattern is clear from the figures. There is no “race to the bottom”. States that have an inbuilt competitive advantage—New York, New Jersey and California—and the District of Columbia have the highest rates—

Richard Baker: Will the minister give way on that point?

Fergus Ewing: I am sorry, I do not have time. I wish I did.

Because of their location, their benefits and their positions as financial centres, such states do not have to compete on corporation tax. They already have important advantages.

The important point is that we do not regard the approach as a “race to the bottom”. We regard the powers of a normal country to set our own levels of taxation on business—not simply through the small business bonus scheme, which has been such a massive advantage for Scotland, but through taxation on profits—as powers that we would use wisely. We have possessed limited powers on varying income tax since the Parliament was reconvened. We have not used the powers, because we did not think it wise to do so.

The most positive speeches in the debate came from the SNP benches, although Margaret McCulloch made a thoughtful speech and I found that I could agree with parts of Mr Bibby’s speech. Members of my party have argued that there

would be many options for the Scottish Parliament if we had such powers. We could concentrate on stimulating investment in sectors such as renewable energy and life sciences. We could reduce the headline rate, to send a message to the world that not only does Scotland have a workforce that is made up of highly-skilled, committed and enthusiastic people, and not only do we have marvellous academic institutions and—I hope—a sympathetic Government and an approachable enterprise minister, but we have a target headline rate that marks us out as a place to do business in the world.

The most important things about business taxation are certainty and confidence. Given what we saw in the North Sea, with the raid on profits and the UK Government setting tax without warning at rates of up to 81 per cent—rates that Mr McLetchie might say would be associated with former totalitarian regimes—is it any wonder that boardrooms across the world are questioning decisions on investment in Scotland, with the consequence that much-needed investment in our oil and gas sector might have been withheld? Business needs long-term confidence if it is to invest.

I have always believed fervently and passionately that an independent Scotland, with the power to set a corporation tax rate that adds to our competitive advantage, would see all the investment in the world and it would immeasurably—[*Laughter.*] It would see all the potential investment in the world come to this country, and it would immeasurably improve the prospects of generations to come. That is an exceedingly positive prospect, and one that I hope all members can support.

Point of Order

17:01

Drew Smith (Glasgow) (Lab): On a point of order, Presiding Officer. Two weeks ago, I attended a community event in Easterhouse that had been organised by my colleague, Margaret Curran MP, the shadow minister for welfare reform, at which I was asked what the attitude of the Scottish Government would be to the United Kingdom Government's welfare reform proposals. Today's general question number 4, which was lodged by Joan McAlpine, raised that matter. You will be aware that I contacted the business team to indicate that I wanted to be called to ask a supplementary question. However, the chamber will be aware that the question was mysteriously withdrawn today, although the member was in the chamber. I hope that that was not at the instigation of the Government and that you were provided with proper notice and explanation of why question 4 was not asked.

For the benefit of new members and the Government, could you outline the circumstances in which it would be appropriate for a lodged question to be withdrawn by a member, bearing in mind that that affects the opportunities for others in this Parliament to further question the Government?

The Presiding Officer (Tricia Marwick): I thank Drew Smith for that point of order. The standing orders allow for the withdrawal of questions that have been lodged by members. This is an issue that concerns me and my deputies. On 6 September, I issued an e-mail to all members in relation to withdrawing or not lodging questions.

I share the member's frustration that the question was withdrawn, because it is certainly true that the member wished to ask a supplementary question. I drew attention to that in the chamber today and, indeed, noted that the member was present.

Should any member require further clarification or advice on this matter, I direct them to the clerks and the chamber desk office.

Decision Time

17:03

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 the debate on the Scotland Bill and corporation tax, if the amendment in the name of Richard Baker is agreed to, the amendments in the name of David McLetchie and Willie Rennie fall, and that, if the amendment in the name of David McLetchie is agreed to, the amendment in the name of Willie Rennie falls—Mr Baker, I think that you should pay attention.

The first question is, that amendment S4M-00853.1, in the name of Richard Lochhead, which seeks to amend motion S4M-00853, in the name of Michael McMahon, on waste management, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 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)
 Fergusson, 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)
 Harvie, Patrick (Glasgow) (Green)
 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)
 MacDonald, Margo (Lothian) (Ind)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 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 65, Against 58, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S4M-00853, in the name of Michael McMahon, on waste management, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)

Malik, Hanzala (Glasgow) (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)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 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)
 Fergusson, 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)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 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)
 MacDonald, Margo (Lothian) (Ind)
 Macintosh, Ken (Eastwood) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)

McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 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 70, Against 53, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament supports the ambition of a Zero Waste Scotland and the waste hierarchy of reduce, reuse, recycle and recover, and notes the importance of an effective national framework to guide waste management, represented by Scotland's Zero Waste Plan.

The Presiding Officer: The next question is, that amendment S4M-00854.2, in the name of Aileen Campbell, which seeks to amend motion S4M-00854, in the name of Jackie Baillie, on the procurement of social care services, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)

Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 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)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 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)
 MacDonald, Margo (Lothian) (Ind)
 Macintosh, Ken (Eastwood) (Lab)

Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 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 69, Against 54, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S4M-00854.1, in the name of Mary Scanlon, which seeks to amend motion S4M-00854, in the name of Jackie Baillie, on the procurement of social care services, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 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)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)
 MacDonald, Margo (Lothian) (Ind)

The Presiding Officer: The result of the division is: For 55, Against 65, Abstentions 3.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-00854, in the name of Jackie Baillie, on the procurement of social care services, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (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)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Johnstone, Alison (Lothian) (Green)
 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)
 Park, John (Mid Scotland and Fife) (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)

Abstentions

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)
 MacDonald, Margo (Lothian) (Ind)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McLetchie, David (Lothian) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

The Presiding Officer: The result of the division is: For 68, Against 39, Abstentions 15.

Motion, as amended, agreed to,

That the Parliament notes that, despite cuts to the Scottish Budget by the UK Government and the previous Labour administration, local government funding in Scotland has been significantly protected compared to local government funding in England; welcomes the commitment of the Scottish Government to continue to improve care for older people by maintaining free personal care and improving the integration of health and social care to help ensure long-term sustainability of high quality care; believes that local authorities should have due regard to the Scottish Government's guidance on the procurement of care and support services, which was co-produced by a reference group involving all key stakeholders' interests and which sets out guiding principles for use by local authorities as a framework for evaluating local practice; further believes that, in accordance with the guidance, local authorities should promote the achievement of positive outcomes for service users and carers through the delivery of good quality, flexible and responsive services and ensure that continuity of care and the importance of a skilled and competent workforce are fully taken into account, and further notes COSLA's intention to tackle variation on charging via its fundamental review of the cost of care.

The Presiding Officer: The next question is, that amendment S4M-00856.4, in the name of Richard Baker, which seeks to amend motion S4M-00856, in the name of Fergus Ewing, on the Scotland Bill—corporation tax, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 MacDonald, Margo (Lothian) (Ind)
 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)
 McInnes, Alison (North East Scotland) (LD)
 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)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 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, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 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)
 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)
 McDonald, Mark (North East Scotland) (SNP)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLetchie, David (Lothian) (Con)
 McMillan, Stuart (West Scotland) (SNP)
 Mitchell, Margaret (Central Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 43, Against 80, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-00856.2, in the name of David McLetchie, which seeks to amend motion S4M-00856, in the name of Fergus Ewing, on the Scotland Bill—corporation tax, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 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)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacDonald, Margo (Lothian) (Ind)
 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)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 55, Against 68, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-00856.3, in the name of Willie Rennie, which seeks to amend motion S4M-00856, in the name of Fergus Ewing, on the Scotland Bill—corporation tax, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 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)
 Harvie, Patrick (Glasgow) (Green)
 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)
 MacDonald, Margo (Lothian) (Ind)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 58, Against 65, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-00856, in the name of Fergus Ewing, on the Scotland Bill—corporation tax, be agreed to. Are we agreed?

Members: No.**The Presiding Officer:** There will be a division.**For**

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 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)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)

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)
 Harvie, Patrick (Glasgow) (Green)
 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)
 MacDonald, Margo (Lothian) (Ind)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Park, John (Mid Scotland and Fife) (Lab)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 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 65, Against 58, Abstentions 0.

Motion agreed to,

That the Parliament recognises the important role that corporation tax can play in an economy's growth strategy; notes the importance and implications for Scotland of devolution of corporation tax to Northern Ireland; supports the devolution of corporation tax to Scotland, and agrees

that this economic lever, if used wisely, could support thousands of new jobs in the Scottish economy.

Upper Clyde Shipbuilders

The Presiding Officer (Tricia Marwick): The final item of business is a members' business debate on motion S4M-00279, in the name of Hugh Henry, on Upper Clyde Shipbuilders.

Motion debated,

That the Parliament acknowledges the 40th anniversary of the Upper Clyde Shipbuilders' (UCS) work-in in 1971-72; notes that the UCS was formed in 1968 with the amalgamation of five major upper Clyde shipbuilders, Fairfields, Stephens, Connells, Yarrow's and John Brown's; recalls that the general election in June 1970 returned a Conservative government that cut back financial support for industry and allowed unemployment to rise above one million for the first time since 1945; notes that, after the government refused to save UCS from bankruptcy, Bob Fleming, Provost of Clydebank, protested that "the Government were trying to do to Clydebank what the Germans had failed to do in the Second World War"; pays tribute to the UCS shop stewards, led by Jimmy Reid, Jimmy Airlie and Sammy Barr assisted by Bob Dickie, Bob Cook, Sammy Gilmore, Willie McInnes and the entire work force at all levels, who instituted a work-in to take control of the yards and continue work on existing orders; considers that in doing so they asserted the right to work as a principle to be defended by workers across Britain; recognises the solidarity shown by 1,200 shop stewards who came from all over the United Kingdom to pledge support; acknowledges the role of the 80,000, including many from Renfrewshire, who marched on 18 August 1971 and the 200,000 who stopped work; honours the memory of the first Scottish Assembly on Unemployment of February 1972, convened to support the demands of the UCS workers and which called for the devolution of powers to defend jobs and employment; reaffirms the contemporary relevance of Jimmy Reid's words in his 1972 rectorial address at the University of Glasgow, "A rat race is for rats. We're not rats. We're human beings. ... Profit is the sole criterion used by the establishment to evaluate economic activity. ... The power structures that have inevitably emerged from this approach threaten and undermine our hard-won democratic rights. ... Government by the people for the people becomes meaningless unless it includes major economic decision making by the people for the people.", and commends the Glow intranet for making this speech available to all schools in Scotland.

17:15

Hugh Henry (Renfrewshire South) (Lab): It is a testament to the impact of the Upper Clyde Shipbuilders work-in that so many members have chosen to stay for the debate. The debate gives the Scottish Parliament an opportunity to put on record our appreciation of the significance of the work-in, which started 40 years ago.

UCS was created in 1968 by a Labour Government through the amalgamation of Fairfield's, Stephen's, Connell's, Yarrow's and John Brown's. The wider circumstances then were similar to those that prevail now: a newly elected Tory Government decided that its economic problems could be resolved only by asking working people to tighten their belts and accept

unemployment as a price worth paying. Unemployment was allowed to rise above 1 million for the first time since 1945, although that is a figure that we can only dream about today.

The Conservative Government decided that it would not save UCS from bankruptcy, despite its healthy order book and positive prospects for the future. The provost of Clydebank at the time, Bob Fleming, protested that the Government was trying to do to Clydebank what the Germans had failed to do in the second world war. Feelings were running high, not just in the yards, but across the Labour movement in Scotland. The Conservative Government had badly miscalculated.

The Clydeside shipyard workers were aware of their history and heritage. They knew what shipbuilding meant to the Clyde and, equally, they knew the social and economic consequences of the closure of the Clydeside yards. They were determined to fight to protect their jobs and living standards, but they knew that they were also fighting for the jobs of future generations. The young apprentices from the Clydeside yards who are in the public gallery today owe their jobs to the courage and determination of that generation, which saved Clydeside shipbuilding.

The workers in UCS were lucky to have a large number of intelligent and astute shop stewards. They were led by men such as Jimmy Reid, Jimmy Airlie and Sammy Barr, but they were not alone. The decision to adopt a work-in rather than a traditional strike caught the imagination of the Labour and trade union movement and the wider public. The clash of views was stark. John Davies, the Government minister who was responsible for shipbuilding, said:

"I don't see a future for Upper Clyde Shipbuilders".

He reflected the traditional view of the powerful and rich that, in an economic crisis, those who work for a living have to shoulder the responsibility. Many things have changed since 1971, but that attitude prevails today. In contrast, Jimmy Airlie articulated a view that still has resonance when he said:

"The right to work is our birthright".

He also memorably said:

"We don't only build ships, we build men."

Jimmy Reid, with remarkable perception, in talking about the Government of the day said:

"we're dealing with a bunch of political cavemen."

Some things do not change.

So the battle for the right to work started. Most people remember Jimmy Reid's pithy warning to the workers:

"There will be no hooliganism. There will be no vandalism. There will be no bevvying".

More significantly, he set out the values of the workers, when he said:

"We are not strikers. We are responsible people and we will conduct ourselves with dignity and discipline."

The work-in quickly gained trade union and community support. Church and business leaders spoke out for the workers. John Lennon and Yoko Ono weighed in with financial backing. On 18 August 1971, more than 80,000 people marched and more than 200,000 workers stopped work to support UCS. Poor Ted Heath had to miss his yacht race at Cowes to deal with the unwanted nuisance on Clydeside.

Let us not forget the wider politics. In February 1972, a Scottish assembly on unemployment was held to support the UCS. That assembly called for the devolution of powers to defend jobs and employment, and it could be argued that it started a process that led to the creation of the Scottish Parliament. We should acknowledge the contribution of the trade unionists who were involved. The Conservative Government faced well-organised and disciplined resistance, realised the huge public support for the shipbuilders, and finally gave in. All the yards were saved and jobs were protected.

We should acknowledge several things about that magnificent action. It saved shipbuilding on the Clyde, gave our young apprentices the opportunity to have a decent start in life, and set standards and values that are as relevant now as they were 40 years ago. The workers demanded the right to work. Millions in this country—particularly our young people—are currently being denied that right. The workers showed how organisation, determination, vision and political acumen can lead to success, and that they were not scared of the wealthy and powerful; rather, they proved that they were their equals. We should therefore acknowledge their victory and express our gratitude for the legacy that they left us.

However, it is not enough simply to pay an academic or emotional tribute. The UCS struggle has resonance today. Workers are losing their jobs and facing cuts in living standards and savage cuts to their pension entitlements. The workers then showed that political leadership is vital, that courage is a necessity, and that principles and solidarity are fundamental.

What happened is an object lesson for today's trade union leaders, shop stewards and politicians. We owe it to those workers to show the same resolve to provide a future for working people, particularly our young. We need to preserve the dignity that employment brings. Our current

generation of trade unionists and politicians needs to decide whose side they are on. Will they stand with those who are being asked to make the sacrifice or with the powerful and wealthy, who are demanding sacrifice?

A new Tory Government is laying down new challenges, and the best tribute that we can pay the workers who participated in the magnificent work-in is to show the same imagination, determination and vision, and say that working people deserve to be treated with respect.

The Presiding Officer: A huge number of members wish to speak, so I would appreciate members keeping their remarks as brief as possible. If they do that, I hope to be able to fit in every member who wishes to speak.

17:23

Stuart McMillan (West Scotland) (SNP): I warmly welcome this debate, and congratulate Hugh Henry on bringing it to the chamber.

An event as iconic as the UCS work-in, which helped to shape the generation then and future generations, is worthy of commemoration in this chamber as well as in any other chamber in these islands. I was not born at the time of the UCS work-in—I was born in 1972—but I have seen the pictures many times on television, including the recording of Jimmy Reid's famous "no bevvy" speech. I will come back to him shortly.

I grew up in Port Glasgow, and my father and other family members worked in the yards. I have always had an affinity with the yards and admired those who went to work in even the harshest conditions to build high-quality ships that sailed across the globe.

During the late 1970s and the early 1980s in particular, when there was uncertainty in the industry—especially from 1979, when the Tories won the United Kingdom election—and there were resultant effects on shipbuilding in my community and elsewhere throughout Scotland and the UK, there was a sense of déjà vu. There was a sense of a UK Tory Government setting out to damage hard-working working-class areas. The final nail in the coffin for shipbuilding in Inverclyde was hammered in by the Tories—make no mistake.

In those early years, looking at what was happening to my family—my father was unemployed for three years around that time—certainly got me interested in events outside my home. During those times, it was commonplace for the UCS work-in to be shown on the television and retold in the newspapers. Although I was young, seeing those pictures and linking them to what was happening at the time were extremely formative.

I turn to Jimmy Reid. I remember that when I was a boy growing up, I watched some programmes that Jimmy Reid either presented or narrated—I did not take to reading too many books about what was happening, because I was only 10 or so at the time. It was obvious that he was a man of great intellect and an orator of great skill, although he kept his feet firmly on the ground; until the day he died, he always put the people first as his main concern.

I got to know Jimmy Reid when he campaigned with me in the Westminster election in 2005 and in the Scottish Parliament election in 2007. I know that I was fortunate to have spent time with him, learning a bit more about the events of 40 years ago and about the events of 2007 in particular.

Jimmy Reid, Jimmy Airlie, Sammy Barr, Bob Dickie, Bob Cook, Sammy Gilmore, Willie McInnes and everyone else involved at the time deserve every plaudit that has been given to them over the past 40 years. I thank them for helping shape me and my political life and for the courage that they showed in standing up against a Tory Government that was hell-bent on destroying the shipbuilding industry in Scotland and across the whole of the UK.

Once again, I thank Hugh Henry for bringing this debate to the chamber.

17:26

Iain Gray (East Lothian) (Lab): Yesterday, many of our trade unions signalled their intent to ballot for industrial action against the current Tory Government's assault on the livelihoods and pay of the working people of this country. Today's newspaper headlines talk about industrial unrest and anarchy, and the editorials talk of destruction and chaos. We are told that any such action, in any circumstances, is always negative, but the men and women of the UCS know that that is untrue. They remember the events of 40 years ago with positive pride in their hearts and as a defining moment in their memories. It was a moment when they stood together for their dignity and for their families. Thousands of men and women over many years since have raised their families with dignity because of their actions.

Our unions are how we fight for dignity. They are how we stand together and how we tell the man or woman next to us that their life matters to us as much as our own. Yes—trade unions defend the right to strike, but they also fight for the right to work.

That we are joined here today by so many UCS workers, so many of the men and women who came after them in the yards and so many who were not yet born in 1971 tells us something profound. I say to them that the work-in is not a

moment of your past—it is how you have lived your lives. You have given this country a story that tells us something about who we were and what we can all be today. Your victory in the past sustains our struggles today, and for that we thank you.

17:28

Stewart Maxwell (West Scotland) (SNP): I join others in congratulating Hugh Henry on bringing this debate to Parliament. I will begin with a quote from Reid, who said:

“What was unique about the UCS was not just the work-in itself. It was the most extraordinary collaboration between the men, the management, the police and the public. It was passionate, but it was reasonable.”

That is not a quote from Jimmy Reid; it is from Eileen Reid, his daughter. She goes on to say that although it was unavoidable that the attention of the world was focused on her father, the work-in was run by a co-ordinating committee of between 30 and 40 men—a crucial fact about the UCS work-in that sometimes get lost in the media hype. Unskilled workers, skilled workers and staff came together to make sure that the work-in was a success. It was not about some of the difficulties and conflicts between many of the different unions that operated in the yards at that time, because they put those aside for the benefit of the yard and the people of Scotland.

Many names have been mentioned already, but I want to add to Stuart McMillan's list. I will concentrate on a few guys from Govan who do not get the attention that they deserve. I am talking about people like Jimmy Cloughley, Davie Cooper and Sammy Gilmore—shop stewards from Govan division who were part of the UCS work-in. At this point, I must declare an interest—maybe I should have done so at the start of my speech—because the name that I want particularly to mention is that of my Uncle Davie, Davie Torrance, who is sitting in the gallery. David was a Technical, Administrative and Supervisory Staffs convener in Govan back in 1971, and I am as proud of him today as I was as a small boy back then. [Applause.]

The first communiqué that came out of the UCS work-in was:

“By the authority of the shop stewards' committee and the coordinating committee of the trade union movement of the Upper Clyde Shipyards, the workers hereby take over this yard.”

I think that that is a historic statement. Rather ominously, it went on to say:

“You will now take orders from the shop stewards only.”

Knowing my Uncle Davie, I can understand why it says that.

The timetable, some of which Hugh Henry mentioned, is worth repeating. In 1964, unemployment was rising and a Labour Government was elected in the UK. In 1965, public ownership of Fairfield Shipbuilding and Engineering Company was rejected by Harold Wilson. In 1966, yards across the UK began to shut. In 1967, the Geddes report came out. In 1968, as Hugh Henry said, UCS was created when the likes of Stephen's, Fairfield's, Connell's, Brown's and Yarrow's came together.

A crucial point in the process came in January 1970, when Sir Edward Heath held a brainstorming session of his shadow cabinet at the Selsdon Park hotel. That meeting is important because it marked the first appearance of monetarism in the UK. Monetarism was broken by UCS in 1971-72 but, unfortunately, it reappeared later, in Margaret Thatcher's time.

I know that time is short. There is so much that I would like to have said, but one thing that I will say is about the “lame duck” label that was attached to the yards. The yards were successful. Although there were difficulties, they were growing in strength. They had a strong order book that was worth £90 million and they were negotiating for another £100 million-worth of orders. In each year from 1968 to 1972, they built more and more ships, so do not let anyone tell you that the industry was a lame duck.

The UCS demo was the first demo that I went on. It helped to shape my views of who we are and what we can achieve if we work together for the benefit of Scotland. UCS stands for Upper Clyde Shipbuilders, but for me, as for many people, it stands for “unity creates strength”, and that is a lesson for us all.

17:32

Elaine Smith (Coatbridge and Chryston) (Lab): I have registered interests that might be relevant to the debate, which I congratulate Hugh Henry on securing.

At the start of the UCS work-in, my friend and comrade, the late Jimmy Reid, said:

“We're taking over the yards because we refuse to accept that faceless men, or any group of men in Whitehall or anywhere else, can take decisions that devastate our livelihoods with impunity. They're not on ... The Shop Stewards on behalf of the workers are in control of this yard. Nobody and nothing will come in and nothing will go out without our permission.”

Jimmy and the others on the shop stewards committee knew that it was important to ensure maximum unity for the work-in to succeed, and they used the slogan,

“Not a yard shuts, not a man down the road”,

which involved everyone directly in the dispute.

They also knew that they had to win support from outside and, as Hugh Henry mentioned, they famously received a cheque for £5,000 from John Lennon. Jimmy Reid stayed with my family at our home on several occasions and he told great stories. One was about the reaction to that donation of a rather deaf comrade who, on hearing about it, said:

"It cannae be Lenin—he's deid."

The UCS workers were clear that the work-in was not an occupation. They ensured that it was about the right to work rather than about saving individual jobs. Jimmy Airlie said:

"we will not occupy the yards ... we are not a foreign power ... We will work-in".

The UCS work-in is ingrained in our consciousness, with the workers serving as a symbol of solidarity and comradeship to people who are involved in industrial disputes. At the time, Jimmy Reid was a member of the Communist Party of Great Britain, but Jimmy's various party-political affiliations over the years were incidental to his fundamental belief in socialism. In his book, "Power Without Principles", he said:

"Let the parties rise above party, politicians above party politics. Let Scots unite across the divides, and governments, and even this lot, will surely pay heed."

Just after devolution, Jimmy launched the *Scottish Left Review* as a focus for left-wing thinking in Scotland and he asked me to join the board. More than a decade later, the board felt that, although the magazine was a success, we now needed a strong think tank and advocacy group to generate and promote new thinking. Last month, on the first anniversary of Jimmy's death, we launched the Jimmy Reid Foundation in conjunction with the Reid family.

It is important that we remember the courage of people such as Jimmy Reid and others who were involved in the UCS so that they can continue to influence the thinking of future generations. We can draw parallels with the situations that thousands of workers in the UK face, as they lose their jobs as a result of politically motivated and unnecessary cuts.

I will quote Stephen Low's article for *The Citizen*, which is the journal of Scottish Labour's campaign for socialism. Stephen also wrote and produced the BBC documentary "Fighting and Winning: The Work-in at UCS". His article says:

"The struggles facing us today may lack the dramatic architecture of a Glasgow shipyard, and possibly, the stirring rhetoric of Reid and Airlie, but they are no less serious in scale, nor any less political in nature. Despite the forty years that have passed the campaign for UCS is one that we can still learn from."

To fight the current cuts, we need to get behind responses such as the people's charter and the Scottish Trades Union Congress's better way campaign. We should motivate people to turn out to the march on 1 October in Glasgow and, afterwards, attend the gala concert to celebrate the 40th anniversary of the UCS work-in.

17:36

Patricia Ferguson (Glasgow Maryhill and Springburn): I congratulate my colleague Hugh Henry on securing this member's debate on a subject that is not only of considerable historical importance, but of continuing contemporary relevance.

It gives me particular pleasure to support a motion that marks a remarkable episode in the industrial history of Scotland and the way in which that history was made through the collective action that working people took to defend their livelihoods and communities. It is my firm belief that the struggle for economic justice in which the trade unionists at Upper Clyde Shipbuilders engaged contains significant lessons for society four decades on.

The text of the first UCS co-ordinating committee leaflet contains these words:

"The position of the UCS workers is clear—WE ARE GOING TO FIGHT. But then it is not just our fight alone ... We appeal to everyone ... to our brothers and sisters in the trade union movement ... to business people and shopkeepers ... to clergy of all denominations ... for HELP. Helping us is helping yourself. No more redundancies—no more unemployed. DEMAND THE RIGHT TO WORK."

Those words were a call to action, but they were also a recognition that such action, if it were to prove successful, needed to include not only the trade unionists who were directly involved, but all sections of society throughout Scotland and the UK.

This brief debate is not just a welcome opportunity to celebrate the refusal of those Clydeside workers who, 40 years ago, refused to walk away when Edward Heath's Tory Government failed to intervene to prevent bankruptcy by ending its subsidy. Indeed, we could say that Heath knowingly provoked that bankruptcy, and it is sad to note that the Conservative benches are completely empty.

The debate is not only a chance to pay deserved tribute not just to remarkable working-class leaders such as Jimmy Airlie, Jimmy Reid, Sammy Barr, Bob Dickie, Sammy Gilmore and Davie Torrance, but to their ingenious notion of a work-in. It was the first time that such a tactic had ever been employed. The debate is not even only an opportunity to marvel at the way in which the UCS action engaged hundreds of thousands of

workers and countless citizens throughout Scotland in support of a principle that remains as valid today as then: the right to work.

Remembering all that quite correctly also brings to mind the challenges that working people face today in a time of high unemployment and economic downturn. The solution does not lie in the present Government's attempt to attack ordinary working people's standard of life, just as it was not the answer to leave so-called lame-duck companies to go to the wall—the Heath Government's panacea. The answer lies in combining together and helping one another to promote a more humane set of policies that recognise that, in the words of Jimmy Reid's rectorial address,

"A rat race is for rats ... We're human beings."

Government must

"include major economic decision making by the people for the people."

As my colleague Elaine Smith said, on 1 October there will be a major demonstration in Glasgow to promote the STUC's better way campaign. The campaign calls for a secure and sustainable future for all—a future in which the right to work and to live a decent and fulfilling life is seen as the common-sense direction of travel. That campaign honours the memory of the UCS struggle and makes clear the continuing relevance of its imaginative striving for social and economic justice.

17:40

Gil Paterson (Clydebank and Milngavie) (SNP): I add my voice in support of my good friend, Hugh Henry, and thank him for bringing the debate to the chamber.

It was with a great sense of honour and pride that I attended the funeral of the late Jimmy Reid on behalf of the SNP parliamentary group. I was ushered to my seat along with the provost of West Dunbartonshire, Denis Agnew, who is a Clydebank councillor. Just a row or so in front were some of the stalwarts of the shop stewards committee of the UCS work-in. Around the church were the great and good of Scottish public life, and all were there to honour a hero.

I had the privilege of talking with Jimmy Reid, particularly at SNP conferences. With hindsight, I would have benefited from having many more discussions with him.

Each and every one of those who spoke at Jimmy's funeral did so with enormous talent and skill. Each interlinked their personal contributions and it seemed as if it was choreographed. Each speaker highlighted Jimmy's central role, along

with Jimmy Airlie, in the work-in that defined a generation.

A few weeks ago, I attended a launch of and a reading of excerpts from a book written by David Betteridge. It brings together verses, happenings and sentiments from those who participated directly in the action or who were personally affected by it, such as the families of the strikers who were doing without by necessity, all for the greater good and common weal.

The location for the book launch was very fitting as it was held in Clydebank College, which now stands on part of the site of the famous John Brown's shipyard. Like most people in Clydebank, I am sure that Jimmy Reid would have preferred that the shipyard was still onsite and up and running, but if anything was to replace it, I am sure that Jimmy, with his thirst for learning, would have thought that a college was an adequate and fitting substitute.

Adjacent to the college lies the vast wasteland of the former John Brown's shipyard, but it will not be there for long. One of the pleasing things that brings me hope for the future of the community and the town of Clydebank, where the pendulum of opportunity has swung in the wrong direction for too long, is that those who know best the value of that great and mighty site have made ambitious plans for its regeneration. The fact that there are a number of competing plans, which are indeed ambitious, can only be good for Clydebank's future.

Jimmy Cloughley, a former shop steward and notable speaker at Jimmy Reid's funeral, was good enough to show me a photograph of the shop stewards committee, shoulder to shoulder, at the head of the march of the giants of the UCS as it passed down Union Street. The giants were on the march to fight for their men and women, their families and a greater idea. They were taking on the powerful, for the right reasons.

The giants are still marching. Men such as Bob Dickie and Jimmy Cloughley, who were key to the UCS work-in, are still fighting the all-powerful. They are still looking after their men and women, families and communities, and taking on the multinational insurance companies that are doing everything they can to abdicate their duty and responsibility to those suffering from pleural plaques and other asbestos-related illnesses.

The giants are still marching with the resolve of Clyde-built steel, but they do so with a heart forged in gold.

17:44

Drew Smith (Glasgow) (Lab): I am grateful to be called to speak in this historic debate, and I

congratulate my Labour colleague, Hugh Henry, on securing it and on his excellent speech.

As other members have already indicated, the work-in at Upper Clyde Shipbuilders was a seminal moment on Clydeside and for industrial relations around the world and the power of collective endeavour. It put the fight for fairness, dignity and the right to work in the spotlight for the whole world.

As seminal moments go, it was a long one and was prompted by the UCS board telling the unions on 11 June 1971 of the cash crisis. It really started in the days that followed, with the first stewards' meeting in the hall of the Amalgamated Union of Engineering Workers and the larger meetings at Carlton Place and then at the Rosevale bingo. It took the men who were built in the yards of the Clyde to Downing Street to force a meeting with Edward Heath. It caused a general strike across the west of Scotland and brought an emergency session of the Scottish TUC to Partick burgh hall. It brought the TUC itself to Glasgow, elevated four wise men and secured the support of the then shadow secretary for trade and industry, Tony Benn.

All of those things have become the stuff of legend, but none of them is the real reason why the UCS work-in was important. This anniversary is not important because Jimmy Reid and Jimmy Airlie became so iconic. It is not important because John and Yoko sent a cheque and red roses. The first pronouncement of the co-ordinating committee was clear:

"We are going to fight ... Helping us is helping yourself ... Demand the right to work."

This anniversary is important not just because they fought but because they fought and won. On 9 October 1972 a deal was secured to save the fourth yard at Clydebank:

"Not a yard will close - Not a man down the road."

The importance of this anniversary is not just about remembering the struggle, the sacrifice and the strength of workers united and determined in their objectives. The stewards of UCS warned that the end of shipbuilding on the upper Clyde would be unthinkable because it would recreate the conditions of the 1930s. Well, that fear is again abroad in Scotland. Speaking years after their work-in about why they had done what they had done, one of the men said:

"If government cannot organise for decent work for all who can work, then what is the point of government at all?"

That is the challenge for this Parliament and, if I may be political for a second or two, for the Scottish Government, too.

The spirit of UCS and of the many workplace struggles that we have seen in our country since

have informed our political debate in Scotland. More than that, they have influenced the very foundation of this Parliament. I believe that collectivism, solidarity and tenacity are our traits as a nation. If we wish to be remembered for what we did in this time, we must make them our hallmarks, too. The right to work is not just an economic necessity; it is, as UCS demonstrated, the right to dignity. The workers of UCS knew the social pain and consequences of mass unemployment in their communities and in their families.

It is right that we are marking this anniversary in this place tonight. It has been remembered this year across Scotland, with various events that colleagues have mentioned. I congratulate the unions involved in the marking of the anniversary. I commend to you, Presiding Officer, my own recent motion on the continued flourishing of shipbuilding on the Clyde, which marked the departure of HMS Dragon, the latest of our Clyde-built Daring-class destroyers and the large hull section known as "Lower Block 3", which will become part of the first Queen Elizabeth-class carrier.

We are still building men and women on the Clyde, and thanks to the workers of UCS we are still building ships, too. The challenge for this Parliament and for the Government is clear: decent jobs, the right to work, dignity and hope.

17:48

Johann Lamont (Glasgow Pollok) (Lab): In the elections in May this year we saw many changes and most of them were unpalatable to people on this side of the chamber, but there was at least one little change that gave me cheer on being re-elected: it was the extending of my new constituency into Govan to include for the first time the Govan shipyards—that is a matter of great pride to me.

I shall be brief, as I realise that there are still many people who want to contribute to the debate, but I emphasise that this is not just about celebrating a little bit of history and is not just some romantic nostalgia; we are marking the foresight, determination and solidarity of the workforce in the UCS work-in. We are recognising the way in which their inspirational and moral case was prosecuted, drawing support within my city of Glasgow, throughout Scotland and across the United Kingdom and beyond; support that was shaped by an understanding of the injustice and economic vandalism that was being pursued against skilled working people.

That campaign is a strong memory from my teenage years and, like the Lee Jeans campaign in the early 1980s, it provided a spark of light in

dark times. Those campaigns threw up leaders, heroes and heroines, men and women who stepped up to the mark and drove to success, and we celebrate them. However, we also know that it was about not just those who became household names but the strength of workmates, their fellow trade unionists and their families and communities, who created the power to shift apparently unmoveable obstacles and stopped the Tories in their tracks.

There is an essential truth here: although individuals can make the case, can represent, can agitate and can give eloquent voice to the demands of the many, it is movements—the labour and trade union movement, the women's movement and the co-operative movement, among others—that deliver change over time. We salute all of those who came together in a common endeavour, demanding the same things that the STUC, the unions and our communities are still demanding today: a strong economy, yes, but also a shared prosperity created by Government action and support.

In marking this anniversary, we reflect on the history and are proud of it. However, critically, we celebrate the legacy—the skilled jobs still in Govan now, and high-quality jobs in engineering and shipbuilding in the Govan of the future, supporting and sustaining that community and beyond. We remember the soaring speeches, but it is the legacy for which we owe the UCS workers our heartfelt thanks.

Again now we hear the Tories with their certainty—that if it isn't hurting, it isn't working. In these tough times, we should reflect on the fact that those with power will be judged not on the speeches that they make on the economy, but on the choices that they make, on the actions that they take, and on whether what they do makes a difference to the lives of our young people and future generations. We salute the workers of the UCS for what they did, for the pride with which they did it, and—centrally—for the legacy that they left behind.

17:51

Margo MacDonald (Lothian) (Ind): I have two reasons to be grateful to Johann Lamont for her speech. I thought that I might have been the only one here old enough to have actually marched, but she says that she was a teenager when this was all going on. She also talked about the legacy, and I will touch on that later, too. The legacy is what we should understand, which is why I am so glad that Jimmy Reid's speech is going to be circulated to schoolchildren. It is part of our history, as we were saying in the chamber last week—a part of our history that all of us can take pride in. The speech should be disseminated

throughout the schools so that young Scots realise that this came from Scotland. It was a remarkable achievement.

As I say, I was a bit worried that I would be the only one old enough to have marched. I am certainly the only one who has sat and heard Lech Wałęsa express his thanks to the people of Scotland and to the men of the Clyde for having given inspiration to shipworkers in Gdansk—and we all know what an important part in the story that played. He knew about Jimmy Reid—much more so than many young Scots do today. So, once again, thanks for getting the book publicised.

My part in the UCS campaign was to speak on the draughtiest town-centre corners in central Scotland. The boilermakers' man Joe Black and I were usually lumped together. I am not sure why, but we both shouted a lot; we certainly attracted attention and we collected a lot of money in buckets. We also made a lot of friends who understood, for the first time, that we were all in it together and that, if the Clyde yards went down, an awful lot went down with them. I was very grateful for that learning and growing experience.

Another experience I had as part of the campaign was with Billy Wolfe, who was then the chairman of the Scottish National Party. We had to go for a meeting with some of the stewards to discuss how the Scottish National Party could support UCS. We met the stewards but we ended up in the back room of a pub—closed—with Jimmy Reid himself. We sat and we talked, and I remember seeing the sun come through the windows and thinking that this was really quite lyrical. What the man was saying was pure gold. When we came away—and this tells us more about Billy Wolfe than it does about Jimmy Reid—Billy said to me:

"What a man. If only that man could be leading the national movement in Scotland."

However, he is still leading. His legacy is leading. He gave the notion of self-respect for the workers, and of the mutual respect needed for there to be good industrial relations. Jimmy Reid's soul and heart and spirit and intellect march on, and I am very proud to have marched with him.

The Presiding Officer: Considering the number of members still wishing to speak in the debate, I am minded to accept a motion under rule 8.14.3 that the debate be extended by up to 30 minutes.

Motion moved,

That, under Rule 8.14.3, the debate be extended for up to 30 minutes.—[*Hugh Henry.*]

Motion agreed to.

17:55

Michael McMahon (Uddingston and Bellshill)

(Lab): In August 1977, only six years after the UCS work-in, I began my welding apprenticeship. I take great pride in recalling that, on my induction day, I signed my membership papers for the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers—the old boilermakers union—before I had even formally signed my contract of employment.

As any tradesman will tell you, the value of an apprenticeship can be measured in more than the skills that someone obtains and the qualifications that they earn. Working every day with people who have spent their lives struggling to provide for their families is an education that no level of tuition fees could pay for. As a raw 15-year-old, there I was, working beside men who had been on the upper Clyde for many years before coming to our factory. Some of them had been involved in the work-in. Those men did not just teach me how to weld. They showed me the importance of commitment to my workmates, and I learned the importance of loyalty, collective responsibility and solidarity.

In my early 20s, I became convener in the factory for what was by then the GMB. I recall well the first time that I had to lead the joint shop stewards committee into our annual pay and conditions negotiations. They did not go well, and we had to turn to our full-time officials for assistance after failing to agree a deal.

The Amalgamated Engineering and Electrical Union official who attended the negotiations was none other than the legendary Jimmy Airlie. In one obituary I read about him recently, it stated:

“His strong streak of pragmatism ... refused to let him take workers out on strike if he thought they could not win.”

He said:

“Workers don’t pay me or any other trade-union official to conduct a revolution. They pay me to get the best deal possible, and you only get that by ducking and diving and compromising.”

I remember to this day the advice that Jimmy Airlie gave me just before we went into the boardroom, which chimes with that analysis of the man. “Listen son,” he said, “when you get into that room, you look them straight in the eye, you remember the men you are here to represent, and you tell them what you need and why you need it. You make sure they know you mean business. You bang the table and then you get up and you walk out. And if you’ve let the door slam shut behind you and left yourself no way out, I’ll boot your—” and then I recall some industrial language that brought the lecture to a close. We did okay in those negotiations, and my only direct experience of Jimmy Airlie is a good one.

I enjoyed learning from other veterans of the UCS in my own union, such as Sammy Barr, in subsequent years. The lessons that I learned from them at the Confederation of Shipbuilding and Engineering Unions, or Confed, conferences and the other boilermakers events and branch meetings remain invaluable.

Saving shipbuilding on the Clyde was the obvious outcome of the work-in, but the legacy of the example that they set of pragmatic but determined collective action stretches well beyond the banks of that great river and lives on in me and others who may not have been there but have learned just how important that event was in forging Scotland’s industrial and social history. I therefore congratulate Hugh Henry on giving us the opportunity to remember and honour the UCS workers and thank them for what they have given me and working people across Scotland.

17:58

Neil Findlay (Lothian) (Lab): I do not intend to speak for long today, because there are many people here who know a great deal more than I do about the events on the Clyde 40 years ago and, indeed, know many of the people involved personally. I have been here to listen and to be educated more than to contribute, but I would say that there are events in our history—the history of our country and of our great labour movement—that excite, inspire, educate and motivate observers, scholars and future generations of political activists. Whether they be George Square in 1919, Havana in 1959, the miners in the 1970s and 1980s or the UCS in the 1971, such events shape us—our people, communities and society. They leave an indelible mark on people, way beyond those directly involved. I know that my friends Alistair Mackie of the *Scottish Daily News* and Jimmy Swan, who led the workers at British Leyland, took inspiration from the UCS trade unions, and both of them became great labour movement leaders in their own right.

The labour movement is the greatest agent of social and economic change that there is. During the UCS period, socialists from across the political spectrum of the left came together, the political and industrial wings of the movement putting aside ideological positions to unite in a simple demand for the right to work. At this time, when our class is, once again, being subjected to an ideological assault by a Government that does not give a damn about working people, their families or their communities, we should learn the lessons from 40 years ago. Another great trade union leader, Michael McGahey, said that we need to be a movement, not a monument. The UCS showed that in action, and the time is right once again for that approach from the labour movement.

18:00

John Park (Mid Scotland and Fife) (Lab): I congratulate Hugh Henry on securing the debate. It is a wonderful opportunity not only for us in the chamber to remember what happened in 1971 but for many of those who were involved in the trade union movement then and who have been involved since then to come and celebrate that with us this evening.

As a former shipyard worker and trade union official, I recognise that it is a great privilege for me to be here, but I am a bit nervous about some of the people who are sitting behind me in the public gallery. The semantics of ship refitting and shipbuilding are probably better known to them than to the members in the chamber. I have often been reminded by some of the people behind me that I worked in a refitting yard, not a shipbuilding yard—there is a significant difference. Duncan McPhee, the Unite convener, is here and will, no doubt, remind me of that when we are in the garden lobby later. Looking to the future, we now have a shipbuilding industry in Scotland that includes the former ship refitting yard at Rosyth along with the yards on the Clyde. I will say a little bit about that legacy for the future in a minute.

Quite rightly, everyone thinks about Jimmy Reid when we talk about the UCS but, like Michael McMahon, I would like to speak about someone from my union who also played a great role in that campaign—Jimmy Airlie. His legacy has cascaded right through the trade union movement ever since then. Many nights, I spoke to people who worked alongside him and knew him well, who would pass on the hints and tips of negotiation that he had fine-tuned over many years. With Jimmy, there was always a story—Michael McMahon has told one and I will tell another. Jimmy was a full-time executive member of the AEU when it was involved in protracted merger talks with the Electrical, Electronic, Telecommunication and Plumbing Union. One of the other executive members said, “I don’t really understand what this merger’s about. What is it about?” Jimmy said to him, “Look, we’ve spent all our money—now we’re going to spend all yours.” That was Jimmy’s style: in a difficult moment, he was able to use humour to get people out of that difficult moment and move the agenda on.

I do not know whether he is here this evening, but I would also like to mention Davie Cooper. He was involved in the dispute in 1971 and was a great influence on my life as a young shop steward when I was on the national industrial shipbuilding committee of the AEEU. He had a huge influence.

We have a legacy that has cascaded right through the movement and we have a great future in shipbuilding and ship repair in this country.

There are some really skilled people sitting behind me who are going to take that forward over the next few years.

18:03

James Kelly (Rutherglen) (Lab): On such occasions, it is traditional to congratulate the member who has lodged the motion and to say that it is an important debate but, when we see the Parliament coming together like this, there is no doubt that this is a significant debate. It is right that we acknowledge not only the historic significance of the UCS work-in but the legacy that it continues to provide for Scotland.

Many members have spoken about the work-in and its impact. Even now, looking back at pictures and films of it, we are struck by the iconic images of the workers as they return to the yard and of the demonstration down Union Street. The strength, dignity, resolve and determination of those workers, who wanted to protect their right to work, come across powerfully when we look back on it.

I will also talk about the impact that those events had on wider Scotland. I was only eight years old at the time and I do not remember the work-in, but I remember that my parents used to talk about it when I was growing up in the 1970s. My parents did not come from Clydebanks and were not associated with the shipyards, but that shows the impact that it had throughout the west of Scotland and Scottish communities in general.

I pay tribute to Sammy Gilmore, one of my constituents, who played a central role as a shop steward. He is not able to be here because of ill health, but I know how proud he is of the work that he did on the UCS work-in and of his work as a shop steward. From speaking to his wife, Margaret, I know how proud the wider family is of Sammy and how pleased they are that the Parliament is recognising this event. Sammy is a character and he calls a spade a spade. Whether disagreeing with a fellow worker or speaking to a Government minister or even a Prime Minister, Sammy puts people in their place. That was an asset to the shop stewards committee during the work-in and the negotiations with the Government.

It is also important to reflect on the legacy that Sammy Gilmore, Jimmy Reid and Jimmy Airlie and others have left for the trade union movement. Two years ago, the Vion factory in Cambuslang suffered job losses. The shop stewards from the committee, who I brought to the Parliament, carried on the legacy of the work-in. They resisted the job losses and the potential closure, turned the situation round and attracted new investment to Cambuslang. I congratulate Hugh Henry and I congratulate the shop stewards who were involved

in 1971 and those who are here tonight. They have done us proud and continue to do us proud.

18:07

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): It is a real privilege to be here as the Minister for Energy, Enterprise and Tourism and to have the opportunity to wind up the debate. I am honoured to join colleagues in recognising the 40th anniversary of the UCS work-in.

I thank Hugh Henry for lodging the motion for debate and for his opening speech. It has been more than a debate; it has been a tribute to the individuals involved and a reminiscence. Most of the reminiscence was from people who were at school at the time, but we also heard from Margo MacDonald, who was part of those events and, if I may be so bold as to say, galvanized Scotland at that time and since.

On behalf of the Scottish Government Cabinet, I acknowledge the veterans and guests in the public gallery. The Deputy First Minister is in the chamber and the First Minister was here for much of the debate, until he had to attend to urgent business. I know that he, Nicola Sturgeon and others will join all our guests in the garden lobby directly after the debate, to offer their commendations—I had better hurry up, or you might not get that glass of something as we continue the evening's celebrations.

Margo MacDonald: Surely there will be no bevvying, minister. [*Laughter.*]

Fergus Ewing: I hope that there is a time and a place.

On that point, my mother Winnie and Jimmy Reid were great friends throughout their campaigning lives, even if they were campaigning from different perspectives. My mother said that Jimmy was always a great gentleman to her. They enjoyed a dram or two from time to time, and great fun was had by all in their company.

It is important that significant moments in Scotland's history are remembered, recounted and discussed by members of the Scottish Parliament and I am pleased that people who could not be here tonight will be able to listen to the fine speeches that we heard from all members who took part in the debate. Even more important—Margo MacDonald put her finger on this, as she so often does—Jimmy Reid's speeches will be available to schoolchildren throughout the land. That is surely the best way of ensuring that his memory and memories of his colleagues—many of whom are here, but many of whom are sadly not with us—live on.

We know that every man and woman who has worked in the yards since 1971 owes their job to the activism that was so vividly and passionately described by all speakers. The BAE Systems Surface Ships apprentices who are in the public gallery are the newest recruits to one of the largest apprenticeship programmes in any sector. BAE has recruited more than 800 apprentices since 2003. All members, irrespective of our political differences, want to ensure that there continue to be opportunities for the young people who are here today and others that follow them to pursue apprenticeships.

The Scottish Parliament is here now and we do things differently. Many speakers talked about the importance of respecting the legacy of UCS and ensuring that in our actions and decisions we give reality and life to that legacy. I think that it was Gil Paterson who talked about the rights of workers to win compensation when they have contracted dreadful diseases related to asbestos. Members of all parties did work on that—when this Parliament is at its best it is a united Parliament. Bill Butler, with whom I became fairly friendly in the previous session of the Parliament, was at the forefront of that work. Stuart McMillan has done work in the same field, as have many MSPs from all parties. The legacy sees members across the Parliament committed to a policy of no compulsory redundancies, despite the difficult financial times. Above all, the legacy sees us committed to ensuring that we promote opportunity for all. I can still hear Jimmy Reid express that very sentiment.

I am delighted to echo members' remarks about the exhibition in the Mitchell library and the gala concert on Saturday 1 October. I hope that this debate is part of the tribute. Gil Paterson talked about giants. Those giants' footsteps echo in this chamber this evening.

I ask that members close the debate by applauding the people who have joined us in the gallery—our visitors, the veterans and the new apprentices. Thank you. [*Applause.*]

The Presiding Officer: It has been a personal pleasure to be able to chair the debate.

Meeting closed at 18:14.

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Revised e-format available
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Printed in Scotland by APS Group Scotland
