



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Wednesday 21 March 2012

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## Scottish Parliament

*Wednesday 21 March 2012*

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

### Time for Reflection

**The Presiding Officer (Tricia Marwick):** Good afternoon. The first item of business is time for reflection. Our time for reflection leader is the Rev Caroline Taylor, minister of Leuchars: St Athernase Church of Scotland.

**The Rev Caroline Taylor (Leuchars: St Athernase Church of Scotland):** Last Sunday was mothering Sunday, now more commonly known as mother's day. It was once the day when people in outlying hamlets made the pilgrimage to their "mother church". In due course, this holy day became a holiday when, for instance, servants were given time off to visit their families. We might well imagine lads and lasses picking some wild flowers for their mothers as they walked home. The fortunate ones would have been given some food from their place of employment, traditionally a simnel cake, whose decoration featured 13 eggs to symbolise Jesus and his disciples.

Like other traditions with Christian roots, mother's day has become commercialised. The benefit of billboard advertising of "special" lunches and the displays of hearts and flowers in shops is that they bring the occasion to our attention. In our busy lives, we might need that reminder to give some thought to treating our mum—or, indeed, our gran, our mother-in-law or the mother of our children.

During December 2010, I was amazed at the discomfort and the risks people were prepared to take in order to get home for Christmas. Mother's day is always the fourth Sunday in Lent and therefore snow is less likely, but people will still make changes to their usual timetable to bring the family together.

On mother's day, an old lady in a nursing home might receive a visit or someone who is housebound might be taken out for a drive but essentially this occasion is less about mums and more about the extended family. It is a day when individuals who are scattered around the country might try to meet or when children and adults can sit down to eat together and simply enjoy being a family. Such things find a parallel in the mothering Sunday traditions of old, when it was customary to relax the strict fasting required during the 40 days of Lent.

Lent was—and is—a time when Christians try to draw closer to God. Some do this by denying

themselves something, just as Jesus fasted for 40 days in the wilderness. Increasingly, however, organisations such as Christian Aid and the Scottish Catholic International Aid Fund are offering Lent disciplines that focus our minds on helping the poorest people in our world and thus mirror Jesus' own ministry among those who were on the margins of society.

Jesus said:

"anything you did for one of my brothers or sisters here, however insignificant, you did for me."

## Business Motion

14:03

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of business motion S4M-02423, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revision to today's business programme.

*Motion moved,*

That the Parliament agrees the following revision to the programme of business—

Wednesday 21 March 2012

delete

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* European and External Relations Committee Debate: EU priorities for 2012

*followed by* Scottish Government Debate: Housing Benefit Reform

*followed by* Public Body Consent Motion: National Endowment for Science, Technology and the Arts

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

and insert

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Ministerial Statement: Waiting Times, NHS Lothian

*followed by* European and External Relations Committee Debate: EU priorities for 2012

*followed by* Scottish Government Debate: Housing Benefit Reform

*followed by* Public Body Consent Motion: National Endowment for Science, Technology and the Arts

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.30 pm Decision Time

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

*Motion agreed to.*

## Waiting Times (NHS Lothian)

**The Presiding Officer (Tricia Marwick):** The next item of business is a statement by Nicola Sturgeon on NHS Lothian waiting times. The cabinet secretary will take questions at the end of her statement, so there should be no interventions or interruptions.

14:04

**The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon):** My statement today relates to the report of the external review, conducted by PricewaterhouseCoopers, of NHS Lothian's waiting times management. I was briefed on the key findings of the review at the end of last week and I received the full report yesterday. I have made the report available to NHS Lothian and I placed it in the Scottish Parliament information centre this morning.

The report details practices that are completely unacceptable and I thought it important to make a statement to Parliament at the earliest opportunity. In my statement I will remind members of the background to the report, summarise its key findings and set out my reaction to it and the instructions that I have given as a result.

Members will recall reports in October about NHS Lothian patients being offered treatment in England at short notice, in some cases with only one appointment date being offered. When patients subsequently and understandably refused to travel to England, they were recorded as being unavailable. As a result, they did not appear in NHS Lothian's published waiting time figures as breaching waiting time guarantees.

I was clear that the situation did not comply with the new ways waiting times guidance. At my request, the chief executive of NHS Lothian initiated an investigation and the subsequent report by the board's waiting times management group was submitted to me and shared with Parliament on 9 January. The board's initial investigation concluded that the practice had not been used intentionally to manipulate waiting times. NHS Lothian also provided assurances that patients were no longer being offered treatment in England and that arrangements had been put in place to ensure that all patients would be treated swiftly.

However, the report also made reference to administrative practices in the management of waiting times that I considered needed further investigation. On 6 January, my officials, on my behalf, asked that the board carry out an audit of its waiting times practices and management. In response, the chair of NHS Lothian decided to

commission an external audit and, on 31 January, appointed PWC to conduct it.

After further reflection, and mindful of the potential seriousness of the issues involved, I decided that it was appropriate for the review to be instructed completely independently of NHS Lothian. The chair was advised on 25 February that, in the interests of appropriate corporate governance and to ensure the independence of the findings, my officials would commission the report, which would come to me in the first instance.

The key finding of the PWC report, which examined the period from April to December 2011, is that NHS Lothian has been applying periods of unavailability to some patients inappropriately, to reduce artificially the number of patients who would otherwise have been reported as breaching waiting time guarantees. That has been done, in the main, by retrospectively adjusting the patient's waiting time record.

Let me say at this stage that the vast majority of the almost 1 million episodes of patient care that NHS Lothian deals with in a year proceed through the system quickly, smoothly and without undue delay. Furthermore, not all NHS Lothian patients who have had a period of unavailability applied will have been inappropriately recorded in that way. It is also the case that in NHS Lothian, as in Scotland as a whole, the clear majority of patients are treated within waiting time targets, irrespective of whether they are unavailable for a period of time.

However, the report makes it clear that the NHS Lothian practices that were under review will have masked the numbers of patients who were breaching guarantees and will have resulted in certain patient journeys being longer than they should have been. It is not possible to quantify exactly the number of patients who were wrongly coded as being unavailable without a detailed examination of every single patient record, but I am very clear that any instance of a patient being inappropriately coded as being unavailable—or indeed any practice that seeks to manipulate waiting times—is completely and utterly unacceptable.

My reaction to the report is one of disappointment and considerable anger. Waiting time guarantees matter. Patients value them and staff work hard to deliver them. I will not tolerate the manipulation of them.

Let me make clear what will happen now. First, it is clear that the practices that have been identified in the report could constitute serious misconduct on the part of certain staff members. NHS Lothian has already instigated disciplinary proceedings. Members will appreciate that it would

not be appropriate for me to comment further on that at this stage.

However, the chair and the non-executive members of Lothian NHS Board are appointed by me to provide scrutiny and appropriate governance. Therefore, a central question that I required the report to address was whether the board could reasonably have identified the problem earlier and acted to put it right. The report finds that the board was not presented with a sufficiently comprehensive picture of waiting times to have identified that an issue existed.

It is to the credit of the board's chair that, when concerns began to surface, he decided to commission an external audit. However, as well as instructing the chair to urgently consider and respond to all the findings in the report, I have today asked him to review the scope of the information that the board receives at its meetings, to learn from good practice in other boards and to report to me within a fortnight on how he intends to ensure the highest standards of governance in the future.

The other significant issue that is of very serious concern is the suggestion in the report that the management culture in NHS Lothian contributed to the situation. The report states that staff were under pressure to find tactical solutions to waiting times rather than to tackle the root causes of the delays. It says that the culture actively discouraged people from accurately recording the facts and prevented full disclosure of waiting times from progressing up through the NHS Lothian management chain and governance framework to the board. That is completely unacceptable.

There is no place in any part of the national health service for such a management culture. The NHS in Scotland has a proud and unique record of working in partnership with staff and is internationally recognised for that.

The report notes the view of some staff that recent changes in the structure and attitudes of senior management have resulted in an improvement. However, I want and need to be assured that any problems of culture in any part of the organisation of NHS Lothian will be identified and rooted out. I have therefore instructed the chair to commission an investigation into the extent of such a culture in NHS Lothian that will identify the reasons for it and what needs to be done about it. As members will appreciate, it is important that the outcome of that investigation is not pre-empted, but I have made it clear that it must include scrutiny of the conduct and behaviour of senior management. I expect to see the outcome of that work by the end of April.

It is important to make it clear that the unacceptable practices have now ended in

Lothian. The ending of them has resulted in the surfacing of a significant number of patients whose waiting time guarantees have been breached. The board has put arrangements in place to ensure that those patients are treated as quickly as possible. I have sent in an expert Scottish Government team to work with the board to address longer-term sustainability issues. I expect the board to work constructively with that team to develop and agree a sustainable operational plan that guarantees that patients will be seen and treated within the legal treatment time guarantees.

Since concerns about NHS Lothian came to light, I have taken steps to assure myself that all other boards are acting in line with the new ways guidance. I have received assurances from all chief executives that that is the case. Members will note from appendix B of the report that the pattern of retrospective adjustments to waiting times in NHS Lothian is not seen anywhere else in Scotland. However, as an added assurance, I have asked for the rigour of a specific and detailed audit of local waiting time management and processes, as part of each board's internal audit programme over 2012-13. The results of that process will be made public in each board's meeting papers.

I conclude by making clear my commitment and that of the Government to shorter waiting times and to complete transparency in the reporting of waiting times. The situation in Lothian is serious, but it should not detract from the efforts of the thousands of NHS staff, including the majority of staff in Lothian, who have worked hard and diligently to deliver the shortest waiting times in Scotland on record.

I want people to have confidence in NHS Lothian and in the NHS in every part of Scotland. Patients expect and deserve that the rules that we set to ensure speedy access to treatment are complied with, and I intend to ensure that they are.

**The Presiding Officer:** That ends the cabinet secretary's statement. She will now take questions on the issues raised. I intend to allow about 20 minutes for questions, then we will move on to the next item of business. It would be helpful if members who wish to ask a question of the cabinet secretary would press their request-to-speak buttons now

**Jackie Baillie (Dumbarton) (Lab):** I thank the cabinet secretary for an early copy of her statement to Parliament and for sight of the PWC report on waiting times management in NHS Lothian. Someone who is much more cynical than I am might suggest that the timing of the statement has more to do with the fact that it is budget day and therefore a good day on which to bury bad news.

The findings that the cabinet secretary has outlined are quite shocking. I share her disappointment and anger, and I associate myself with her remarks about the efforts of staff. We have discovered that periods of patient unavailability have rocketed, and that that was achieved by retrospective manual adjustments. In other words, the figures were fiddled. In one hour alone, more than 100 people were removed from the waiting list at the click of a button, and in one five-day period, almost 2,000 people were removed. Staff were under pressure to conform. No bad news about waiting times was allowed. Although we all recognise the importance of waiting time guarantees, we must acknowledge that increasing demand and reducing staff numbers mean that our hospitals are unable to cope, as the Royal College of Nursing highlighted this week.

In October last year, we asked the Government for a Scotland-wide inquiry and we repeat that call today. We do so on the basis that the figures for patients who are unavailable for treatment for social reasons, and who are therefore dropped from waiting lists, have risen dramatically. In March 2008, for in-patient and day cases, it was 4,967. By December 2011, it had risen to 15,824, which is more than three times higher. There is a similar story for out-patient cases. It would therefore appear that the problem of creative reporting is not to be found in NHS Lothian alone.

What advice was received by NHS Lothian from the Information Services Division about the recording of waiting times? Is the guidance completely clear? Does it leave no room for dubiety? I am sure that the cabinet secretary will agree that the people of Scotland should be able to trust the Scottish Government statistics on waiting times. Unfortunately, the report suggests that they might not be worth the paper that they are written on. Some might even suggest that this is the Scottish National Party's hidden waiting list. To dispel any such notion, rather than allowing health boards to undertake internal audits, I ask the cabinet secretary to request that Audit Scotland undertakes a full and thorough review of each and every territorial health board in Scotland to restore confidence in the system.

**Nicola Sturgeon:** I will try to be as brief as possible while addressing all the points that Jackie Baillie made. On the issue of timing, I suspect that this is one of those occasions on which, whatever I decided to do, Jackie Baillie would have said that it was wrong. I have lost count of the number of times that Jackie Baillie has stood up in the chamber and wrongly but vigorously accused me of not bringing information to members timeously. I received the report yesterday and I took the view—and I hold to that view—that, notwithstanding an important event happening in



another Parliament, it would be right to inform this Parliament as quickly as possible.

The practices outlined in the report are shocking and I do not think that I can be accused of trying to gloss over that in my statement. I am shocked and extremely angry at the report that is before members today. However, as I said earlier, it should not take away from the fact that Scotland has the shortest waiting times on record.

Contrary to what Jackie Baillie said, if she looks at the recent quarterly figures for in-patients and out-patients, she will see that they are falling across Scotland. I am sure that she will be happy to look at those figures and reflect upon them.

It is also important to recognise that, in many cases, patients have genuine reasons for being unavailable. The figures for unavailability across Scotland show that 75 per cent of all patients who have a period of unavailability are unavailable for less than three weeks. In other words, they have a genuine reason. I take the issue very seriously and am absolutely clear that patients have a right to expect low waiting times and speedy treatment, and that everyone in Scotland has the right to expect the reporting of those waiting times to be completely transparent.

As for the rest of Scotland, I made it clear in my statement that I expect all boards to carry out a rigorous audit. That information will be published in board papers and I have no objection to Audit Scotland or anybody else looking at it. It is not for me to tell Audit Scotland what to do, but I want and demand transparency on waiting times.

Finally, I will not indulge much in party politics today because, in my view, that is not worthy of the issue, but I shall take no lectures from a representative of the previous Administration on hidden waiting lists. The previous Administration stripped patients of their waiting time guarantee, had a hidden waiting list that peaked at 35,000, with thousands waiting for more than two years, and spent months, if not years, denying its very existence. We have brought transparency to the system. I am dismayed and furious that NHS Lothian has compromised that, but my job is to put it right and to ensure that it stays right.

**David McLetchie (Lothian) (Con):** Like Jackie Baillie, I thank the cabinet secretary for providing an advance copy of her statement. As a Lothian member of this Parliament, I, too, am appalled at the content of the report and the practices that it has unearthed. I share the anger evident in the cabinet secretary's statement. There is no getting away from the fact that at certain levels of NHS Lothian there has been more concern about the doctoring of statistics than about the treatment of patients, and that the manipulation of information extends to the information conveyed to its board.

Equally appalling is the finding that clerical supervisory staff were under unacceptable pressure to find tactical or paper solutions to waiting list issues. That unacceptable pressure could only have come from more senior management levels within the organisation and the decision on what information to present to the board from time to time on waiting lists was, equally, made at a senior management level.

The cabinet secretary has said that she has instructed the chair of NHS Lothian to commission an investigation into the extent to which the management culture focused on cover-up rather than cure. If, in the interests of appropriate corporate governance, it has taken an external audit reporting to her to uncover the problem, why not have an independent investigation under her direction to resolve it? To what extent will this investigation be independently supervised? Let me put it bluntly: can we have any confidence that the heads that should roll will roll?

**Nicola Sturgeon:** I thank David McLetchie for that serious and legitimate question. I have given a great deal of thought to that issue. When the concerns about NHS Lothian began to surface, they were potentially so serious and I lacked so much knowledge about where things were known and about what the chain might have been that I felt that the review had to be taken out of the hands of NHS Lothian and instructed by my officials. At that time, I did not know that the practices at NHS Lothian about which I was beginning to hear were not known by the board, the chair or senior management. I needed an independent piece of work to answer the question in my mind whether I still had confidence in the chair and the board. This piece of work has answered that question and I retain confidence in the chair.

It is now appropriate to allow the chair to carry out the investigation and I have asked him to report to me by the end of April, such is the priority that I attach to this matter. If further action needs to be taken based on the findings of that report, David McLetchie and this Parliament have my assurance that further action will be taken. I do not want to pre-empt what the investigation might find, but I deliberately said in my statement that it had to include the conduct and behaviour of senior management. Without pre-empting anything, I will say that the culture of an organisation is not created by junior members of staff; it comes from much further up. If there is such a culture, I want to know the reasons for it and, more than that, I want to know that it will be rooted out. That is what this work is intended to achieve.

**Jim Eadie (Edinburgh Southern) (SNP):** I thank the cabinet secretary for the decisive action that she has taken and for the clear assurance

that problems of culture in any part of NHS Lothian will be rooted out. Bearing it in mind that the culture of any organisation comes from the top, how can we be sure, and what assurances can the cabinet secretary give, that junior and middle-ranking staff in NHS Lothian will not be made to carry the can for the behaviour of others?

**Nicola Sturgeon:** That is another extremely legitimate question. As I said in my statement, I understand that disciplinary action has already been instigated in NHS Lothian. It is important that I do not comment further on that, for reasons that will be obvious to members. Any member of staff in NHS Lothian, or in any organisation, who is found to be guilty of misconduct must be subject to the appropriate action. I think that all members would agree with that. As I said to David McLetchie, what troubles me most about the report—although I must say that literally every line of it troubles me—is what it says about the culture of the organisation. As I said to David McLetchie, culture in any organisation is not created by staff in junior positions. That is why the work that I have instructed must look at the senior management. I expect it to do so and to result in the rooting out of any behaviour that is inconsistent with the way in which I expect the NHS to be managed.

**Dr Richard Simpson (Mid Scotland and Fife) (Lab):** In 2008, I asked a question about quality control, as I was concerned about some of the exclusion reasons at that time. Since then, the annualised rate for out-patient exclusions has multiplied by three, with the annual figure going from about 60,000 to about 200,000. When I raised the issue in 2008, I was assured that the Information Services Division would carry out an evaluation, including of the patient experience, as part of quality assurance. Last year, I warned that games might be being played, and that has proved to be the case.

Does the cabinet secretary agree that the data in the appendices to the report show an alarming variation not only between boards, but within boards? Many boards show a true exceptional use of retrospective changes, with single digits being reported, whereas the figures for NHS Borders range from 10 to 143; for NHS Greater Glasgow and Clyde they range from 130 to 545; and for NHS Grampian they range from zero to 421. Does the cabinet secretary agree that a fuller independent inquiry covering all boards is required to restore public confidence in the new ways waiting time system? A Lothian internal report did not unmask the manipulation that we now see laid bare by the PWC report. Will the cabinet secretary invite Audit Scotland to carry out a further review of the new ways waiting time system, particularly all aspects of the removal of patients from waiting lists, and with particular attention to the vulnerable patients whom I have warned about repeatedly:

those with sensory problems, learning difficulties and literacy problems and immigrants and refugees?

**Nicola Sturgeon:** I have already responded to Jackie Baillie on the point about Audit Scotland. I am perfectly happy for Audit Scotland to conduct an investigation into any aspect of the national health service, and Audit Scotland is perfectly free to do so.

I pay tribute to Richard Simpson, because, over a period of time, he has asked questions about the new ways system and he has done so from a position of considerable knowledge and understanding of the system. I will not repeat all the things that I have said about the importance that I attach to ensuring that we have complete transparency. Whenever there is any way in which we can improve transparency, I am not only open to that, but keen that we do it. As Richard Simpson knows, the system is complicated because of the volume and complexity of the data with which it deals. We should always be looking at ways in which to improve that, and ISD always is.

Richard Simpson's point about the appendices is interesting. As he would expect, I have looked carefully at the figures. As the report makes clear, there are many circumstances in which it is perfectly legitimate to change a record retrospectively if a mistake has been made or if there have been changes in a computer system. Some of the figures that are footnoted in the report clearly relate to where a board has changed a patient management system, which has led to changes in the records. I am looking, in particular, at the figures for NHS Greater Glasgow and Clyde, which show a reduction in the number.

Nobody can look at the figures and not see that NHS Lothian sticks out like a sore thumb—it has made more retrospective adjustments than the rest of the health boards in the country put together. NHS Lothian has clearly been misusing the practice of retrospective adjustment, as we do not see that quantity or pattern in the figures for any other board.

Richard Simpson has my assurance that we will continue to look carefully at all of this to assure me, the Government, the Parliament and the wider public of the integrity of our waiting time system. I am proud of the NHS's record on waiting times, which is a huge success story. What angers me about NHS Lothian's behaviour is not just that it is a betrayal of its own patients—which it is—but that it undermines the reputation of thousands of NHS staff members across the country who have worked hard to reduce waiting times. I am not prepared to allow that to happen.

**Joan McAlpine (South Scotland) (SNP):** I share the cabinet secretary's anger at the report

and, in particular, the exposure of a scandalous and unacceptable management culture. Given that the chair is accountable to ministers for the good governance of the board, after this audit does the cabinet secretary still have confidence in the chair of NHS Lothian?

**Nicola Sturgeon:** I touched on that in my response to David McLetchie. It is an issue that I had to assure myself on and that I wanted the report to address. I had to be sure that the board had neither known about the problem nor should have known about it had it been looking properly at the information that was available to it. The report has satisfied me that the information that would have been required to identify the problem was not getting to the board. Also, as I said in my statement, it is to the credit of the chair that he was the one to commission the audit that we are discussing today. Yes, I do have confidence in the chair, which is why I have charged him with further work to ensure that any issues and problems in NHS Lothian are completely rectified.

**Alison McInnes (North East Scotland) (LD):** There is little point in waiting time guarantees if patients can be cheated in this way. NHS Lothian's comprehensive manipulation of the system is pretty disgraceful. If patients had a right to access information about their individual pathways all along the way, perhaps this would not have happened—they would have been able to challenge it if they had been marked down as unavailable. What steps could the cabinet secretary take to improve communication and openness with patients about their individual pathways?

**Nicola Sturgeon:** That is a very good question, and it is something to which I am happy to give consideration. Members should remember that the Government has introduced the 12-week legally binding waiting time guarantee, which will come into force later this year. We discussed the regulations that will introduce that at the Health and Sport Committee just yesterday. As well as introducing a legally binding guarantee, the regulations place duties on health boards in terms of the information that they must provide and the communication that they must have with their patients.

In the interests of transparency, it is legitimate to ask whether we could do more to ensure not just that there is overall public transparency, but that individuals have as much information as they need to have about their waiting times. I am more than happy to give that further consideration.

**The Presiding Officer:** Given the importance of the statement and the concern among members—particularly Lothian members—I intend to let the questions on the statement run on. That means that time will be extremely tight in the debates that

follow. I would be grateful if members could keep their questions as short as possible, but I intend to get through everybody who has requested to ask a question.

**Sarah Boyack (Lothian) (Lab):** The massaging of the waiting time figures and the massive pressure on staff in NHS Lothian have been laid bare today. Given the loss of more than 300 nurses in the past year, the 20 per cent increase in demand for elective surgery, the fact that NHS Lothian is still below parity in NHS Scotland resource allocation committee funding and the inescapable fact that more capacity is needed to treat patients, what will the cabinet secretary do to ensure not only that the process of waiting list places is sorted, but that NHS Lothian patients get the treatments that they need and deserve?

**Nicola Sturgeon:** What I am not going to do—I will be perfectly frank about this—is make excuses for NHS Lothian. It has always been the case, and it is particularly the case in the environment in which we are living, that health boards face difficulties and challenges in meeting the demands that we place on them to deliver quality access for patients as quickly as possible. All boards face those challenges, but no board other than NHS Lothian has been comprehensively manipulating its waiting time figures, so I am not going to make excuses for NHS Lothian.

The Scottish Government is working closely with the board to do two things. The first is to ensure that it treats as quickly as possible all those patients that we now know have breached their waiting time guarantee. The Scottish Government has made additional funding available to NHS Lothian in order to speed up that process. Secondly, as I said in my statement, I have sent in a team to work with NHS Lothian on the sustainable operational plan that it needs to have in place to assure its patients that they will all be treated within the legal treatment time guarantee, as patients in every other part of Scotland can expect.

I assure Sarah Boyack that we will work closely with the board to ensure that patients come first. Patients should always come first. Sadly, not all patients have come first in NHS Lothian in recent times, but we are going to put that right.

**Marco Biagi (Edinburgh Central) (SNP):** Although there cannot be any exact numbers, can we have an assurance that large numbers of patients have not been waiting an inordinate amount of time? How are those patients who have been waiting and are still looking to receive treatment best advised to ensure that they receive the treatment that they need, following the Scottish Government's intervention?

**Nicola Sturgeon:** I said in my statement—I hope that members will understand this—that without doing a detailed review of every single patient record, it is not possible to quantify the number of patients who have been inappropriately categorised as unavailable.

As I said in my statement, NHS Lothian deals with almost 1 million patient episodes in a year and, in the vast majority of them, patients are treated through the system quickly and effectively without undue delay. If we look at the quarter ending June 2011, even in NHS Lothian, at a time when these practices were at their peak, two thirds of patients never had any period of unavailability applied, and three quarters of patients had periods of unavailability of less than three weeks. That gives me confidence—and it should give members confidence—that the vast majority of patients go through the system in NHS Lothian quickly, as they do in the rest of Scotland.

I have already talked about patients who had breached their waiting time guarantee who surfaced once the practices ceased. We saw 1,500 in-patients and 3,500 out-patients surfacing who had breached their waiting time guarantee. NHS Lothian is now working on that backlog of patients.

On Marco Biagi's point about what he can say to his constituents, I assure him, so that he can assure them, that the board is focused on ensuring that all those patients are treated as quickly as possible.

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** I welcome the cabinet secretary's statement and the expert team that will address long-term sustainability, but I have questions on the two issues on which she will receive reports. First, on information to boards, does she have a national standard against which she will judge the proposals of the chair of NHS Lothian? Secondly, what action will she be prepared to take in relation to management culture if the problems are as serious as they appear to be?

**Nicola Sturgeon:** First, I have asked the chair to look at best practice, and I can tell Malcolm Chisholm that I and my officials will also look at best practice in the scope, content and nature of the information that boards get, with a view to standardising that, as a result of what happened.

Malcolm Chisholm's second question is perfectly legitimate and I hope that he will accept that I am not trying to avoid answering it, but I think that it is important not to pre-empt the outcome of that work, in the interests of due process and natural justice. I have made it clear that the board has to look at senior management behaviour, and it will be for the board to decide, as

a result of that, whether it wishes to take any further action in that context.

As a former health minister, Malcolm Chisholm knows that although I appoint the chair of the board, senior managers are employees of the board. That is an important distinction, but nothing is off the table. I am determined that any culture that is inconsistent with the way in which we work in the health service will be rooted out in NHS Lothian.

**Colin Keir (Edinburgh Western) (SNP):** I commend the cabinet secretary for her actions. Can she assure patients in Lothian that they will continue to receive their waiting time guarantee in an identical way to every other health board in Scotland?

**Nicola Sturgeon:** Yes. As I have done before, I want to draw a distinction involving patients who have already breached their waiting time guarantee. It is clear that I think that that is extremely regrettable and that NHS Lothian has let down those patients. They must be treated as quickly as possible and that process is already under way.

In the longer term, the work that I have referred to and the expert team that I have sent in will ensure that Lothian has an operational plan in place that allows it to guarantee that every patient is treated within the waiting time guarantee, which applies in not just Lothian, but the rest of the country. I do not care where people in Scotland live: they have a right to be treated within the maximum time that we set. My job is to ensure that NHS boards have the right plans in place to ensure that that is the case.

**Neil Findlay (Lothian) (Lab):** Does the cabinet secretary accept that we have witnessed a board that is unable or unwilling to challenge what has gone on and senior management who are either hopelessly incompetent or outrageously manipulative? At what stage does the cabinet secretary step in and say, "Enough is enough," and clear the whole lot out so that we can start again with people the public have confidence in? If they are doing this on waiting lists, what might they be getting up to in other areas of their responsibility?

**Nicola Sturgeon:** I am clearly saying today that enough is more than enough and that this behaviour will not be tolerated. I have already covered the position in relation to the chair and the board. I hope that members will appreciate that that was something that I gave deep and serious consideration to. The view that I have come to is based on a close analysis of what I consider to be the messages in the report.

As I have already said in response to Malcolm Chisholm, senior management are employees of

the board. Due process would have to be undertaken before any action was taken against a senior manager in any NHS board, but Neil Findlay made a point that I agree with. We are talking about waiting times, but the reason that the cultural problem troubles me so much is that if there is a culture in any organisation that leads to problems being covered up, then that can occur in any part of the organisation and that is what I am not prepared to accept. Members should be in no doubt about how determined and serious I am about ensuring that whatever needs to be done to root out that culture is done. It is important that the investigation that I have asked to be commissioned is allowed to take its course. The chair will then come to me and I will come to the Parliament with a very clear explanation of how we can be sure that such a culture no longer exists in NHS Lothian.

**Bob Doris (Glasgow) (SNP):** Patients want assurances that the inappropriate and unacceptable practices in Lothian have not been replicated elsewhere in the country. Will specific guidance be given on how health boards manage their internal audits of waiting times and will those audits provide reassurance to my constituents in Glasgow and constituents elsewhere that they will not be affected by the same culture as in Lothian?

**Nicola Sturgeon:** Obviously, audits must meet certain standards. I should say that all chief executives of boards will be sent today a copy of the report and very clear guidance from my senior official on what they are required to do in their audit as a result. Guidance is already in place for boards on how to manage their waiting times. Coincidentally, not because of this situation but because of the introduction of the 12-week legally binding waiting time guarantee, that guidance will go through a process of refinement. I can assure Bob Doris that as we do that work, which we would have been doing anyway, we will ensure that any lessons from this episode are fully applied.

## European Union (Priorities for 2012)

**The Presiding Officer (Tricia Marwick):** The next item of business is a debate on motion S4M-02388, in the name of Christina McKelvie, on European Union priorities for 2012. I call Christina McKelvie to speak to and move the motion on behalf of the European and External Relations Committee.

14:45

**Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP):** This debate ends the European and External Relations Committee's consultation on EU priorities for 2012. I put on record my thanks to the clerks and the Scottish Parliament information centre for their support in bringing the report to members.

Although it is the end of the consultation, it is only the beginning of the serious work that must be undertaken to ensure that Scotland's voice is heard in Brussels. The European and External Relations Committee is the Scottish Parliament's lead committee on EU issues but, in fact, all the committees of the Parliament are European committees. It has been estimated that upwards of two thirds of the legislation that passes through the chamber begins life in Brussels. The common fisheries policy, the common agricultural policy—I am sure that both will feature prominently in the debate—proposals for a North Sea energy grid and targets for renewable energy are issues whose importance cannot be overstated in the Parliament.

It would be too easy to believe that we can leave the business of Brussels to others. We may be well served by our Scottish MEPs, who have contributed to the report, and the Scottish Government has never been more active, but we MSPs cannot leave it to them alone to articulate Scotland's views. The committees of the Parliament have a vital role to play in ensuring that the voice of Scotland's stakeholders is heard.

As the old saying goes, the early bird catches the worm. It is certainly true that we have to get in early to have influence in Europe. As the report documents, the Scottish Parliament's committees are committed to early engagement, getting in early, and seeking to influence when that influence can be most keenly felt. The deputy convener of the European and External Relations Committee, Hanzala Malik, has pointed out on many occasions that EU issues have a significant impact on the lives of our constituents. We have a duty to them to ensure that we do not simply allow the EU to happen to Scotland but work actively to secure

the greatest possible benefit for the people whom we represent in our constituencies.

When the European and External Relations Committee began its investigations into EU issues that will come forward in 2012—those issues appear in the report—the task was daunting. Some 70 issues were presented to us in December 2011 as likely to have an impact on the affairs of Scotland. As we debate those issues, the committees have already begun their focused engagement. Over the course of this year, they will discuss with, consult, take evidence from and scrutinise the key players at home and abroad to ensure that nothing is missed or overlooked, and that due priority is given to important issues.

The European and External Relations Committee will shortly publish a report on developments in the euro zone and their impact on Scotland. The Rural Affairs, Climate Change and Environment Committee will publish reports on the reforms of the common agricultural policy and the common fisheries policy, and the Infrastructure and Capital Investment Committee has already begun its dialogue with the House of Lords on issues that affect public procurement. We will hear more from the other committees about such developments over the next few months.

The adoption of the Lisbon treaty in December 2009 was significant for the Scottish Parliament. For the first time in a treaty, regional Parliaments were recognised as part of the EU legislative process. I use the word “regional” because that is the word that is used in the treaty. It would not be my first choice of adjective, but perhaps a debate on that is for another time. National Parliaments—or, in the case of the United Kingdom, the supra-national Westminster Parliament—are now expected to take into account our views in Holyrood as well as those of our colleagues in Cardiff and Belfast. Whether that has always happened as effectively as it should have is no doubt a matter for debate, but the principle is true. The Scottish Parliament should take every opportunity to remind ourselves and others of what we do and how it has an impact on us.

In the previous session, the European and External Relations Committee initiated debate and discussion about the introduction of an EU strategy for the Scottish Parliament to ensure that advantage is taken of that treaty change. The resulting strategy was agreed in the chamber in 2010. As well as initiating early engagement with the development of EU issues, the strategy meant the creation of the new committee role of EU reporter. I know that several of those reporters will speak in the debate. The reporter is essential and is responsible for ensuring that their respective committee is up to date with EU developments. The system has worked well so far, and I thank all

the reporters for their committed work and for the time and effort that they have put into drafting the report that is before us.

The deliberations that have led to this debate are not a one-off. EU issues are continuous, and Parliament receives notification of up to 20 European issues a week. Towards the end of this year, we will audit how well we, as a Parliament, have engaged on those issues.

The economic situation dominates the debate in Brussels at the moment and, as I said, my committee will shortly publish a short report on that issue. Finance will be at the heart of another debate kicking off in Europe, namely the determination of the next budget—the multi-annual financial framework. Those negotiations will determine how much money is available for EU projects—in other words, how much money Scotland and the rest of the UK will get.

Closely related to those negotiations is the development of two policy areas that are vital to Scotland’s interests: the future of structural funds, and the newly named horizon 2020 for research and development. The European and External Relations Committee will publish reports on both those issues by the summer. In addition, we intend to stage a high-level conference on the horizon 2020 initiative in the chamber in May. A wide range of stakeholders has been invited to discuss that important issue. I ask members to keep an eye on the committee’s website, where we will shortly publish details of that event.

European funding represents a big opportunity for Scottish institutions. Scotland has been successful in securing significant funds from the current research and development funding stream programme, framework programme 7. By holding an event on the horizon 2020 programme, the committee hopes to bring together interested parties in a team Scotland approach.

Other broad themes are emerging from the policies that are being developed in Brussels, including the greening of policies such as the CFP and CAP; a welcome focus on outcomes, notably in relation to economic growth and jobs; and greater connectivity between parts of the EU, whether through energy infrastructure, greater harmonisation of legal codes or the removal of barriers as the single market continues to be strengthened.

Europe has never shown a greater interest in events unfolding in Scotland, although perhaps that touches on a debate for another day. Suffice to say, interest in Europe in, for example, developments in renewables, innovations in sea fishing and the Parliament’s Public Petitions Committee, continues to grow.

Last year, my committee spent two days on a whirlwind induction of the EU institutions sponsored by the European Commission. I put on record my thanks to the Commission for that. As many members know, Brussels and the EU institutions are not, as they are often painted in the popular imagination, full of Eurocrats who spend their days measuring bananas. That was interesting for the committee, because of the perceptions we encountered before our visit. In fact, the institutions are open, and the officials whom we met were welcoming and interested in what we had to say. We spent almost an hour with Maja Kirchner, the chef de cabinet of Commissioner Damanaki, the fisheries commissioner, who outlined the reforms proposed for the common fisheries policy. A spirited discussion ensued about all things fish, from the Icelandic situation and mackerel to the nature of the nets that are used to catch cod in the North Sea.

We learned a great deal during our trip, but what is important is that I believe the officials of the EU also learned something. It was clear to them that we, as representatives of the Parliament, had something serious to say; we had done our homework and consulted the stakeholders, and we were presenting a reasoned opinion. When that happens, officials in Brussels sit up and listen. The Scottish Government's officials in Brussels were a vital resource—I commend them to the cabinet secretary. They may be small in number but their commitment to Scotland's interests was plain to see.

After we conclude today, it is important that we do not lose the momentum that we have created by having this debate in the first place. Scotland needs us to be vigilant, attentive and alive to the challenges and opportunities that are inherent in our relationship with the EU.

I look forward to hearing members' contributions and, on behalf of the committee, to garnering positive ideas from throughout the chamber for continuing and building on that active, constructive engagement and ensuring that officials in Brussels carry on sitting up and listening to what Scotland's Parliament has to say.

I move,

That the Parliament notes the European and External Relations Committee's 1st Report, 2012 (Session 4): *The Scottish Parliament's EU priorities for 2012* (SP Paper 93).

14:54

**The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop):** The Scottish Government's ambitions for Scotland align closely with the Europe 2020 strategy of the European Union for smart, sustainable and inclusive growth.

The EU's programmes add value to what we do in Scotland, which is why our engagement on the next multi-annual financial framework, for 2014 to 2020, is vital. The MFF will determine how much can be spent in key programmes—including the CAP, the horizon 2020 research programme and structural funds—in pursuit of economic growth in Scotland.

Among the Commission's work priorities in the coming year, we will focus our efforts on the initiatives that will have the greatest impact for the people and communities of Scotland. By concentrating our focus, the Scottish Government can be most effective. We can also showcase the wealth of experience and expertise that Scotland can offer. We welcome the greatly enhanced cross-committee EU scrutiny that the Parliament is now promoting.

The range of the work of the EU institutions and agencies is vast. The Scottish Government has agreed to maximise our impact, rationalise our engagement and focus our efforts on four priority areas, which are set out in the Scottish Government's European action plan. We regularly update the European and External Relations Committee in that regard.

We have focused our engagement on EU policy on energy and climate change; research and creativity; the marine environment; and justice. Given the EU's activities over the coming year, in our four action plan priority areas, there are a number of new and on-going initiatives on which we will seek actively to offer input and exert influence.

Scotland is a European and global leader in the field of climate change. We are seeking to capitalise on Scotland's enormous natural resource potential and become a low-carbon energy hub for the EU. We are at the forefront of the drive to provide better interconnections between energy networks across Europe, as evidenced through our leading roles in the Irish-Scottish links on energy study—ISLES—and the North Sea offshore grid co-ordination initiative. An EU renewable energy strategy and completion of the internal energy market will be vital to developing a low-carbon future for the whole of the EU. A renewable energy strategy will set us on the right path and ensure that completion of the internal energy market takes account of a renewable energy future. Those will be significant priorities for Scotland as we develop our renewables resources, become a low-carbon hub for Europe, support stronger interconnections and increase energy security EU-wide.

On research and creativity, we are in the vanguard in Europe of a recognition of the vital role that small and medium-sized enterprises will play in re-energising the economy, which is a

priority of the EU in the proposals for the next research funding programme, horizon 2020. We whole-heartedly support the emphasis on ensuring the accessibility of that funding for SMEs. I raised that point at the last joint ministerial committee on Europe and it is perhaps something that we could draw to the attention of the Education and Culture Committee.

The innovation union aligns closely with our refreshed economic strategy and we are determined to ensure that it develops so as to add value to what we are doing specifically in Scotland.

Universities and companies across Scotland are at the forefront of collaborative projects that are producing world-class research in key sectors such as life sciences, energy and education. We are actively looking at ways to encourage partnerships between research institutes and SMEs. From this year, we are establishing a £45 million SMART: Scotland fund to bring together innovation and commercialisation support for business that is provided from across our partner organisations.

Scotland is one of Europe's key maritime nations, with 10 per cent of Europe's coastline and 20 per cent of its seas. The Scottish Government is committed to managing Scotland's seas for prosperity and environmental sustainability. The industry in Scotland has responded to the challenges that it has faced and has pioneered innovative solutions to ensure the sustainable future of our maritime industry and coastal communities. We share our seas and the marine resources that we use. I cannot emphasise strongly enough how vital it is that we are directly involved in key EU negotiations on maritime and fisheries as they progress.

Throughout the negotiations for reform of the CFP, we will stand by our fishing communities and work hard with the UK Government and our European partners to secure a deal that ensures the continued stability and sustainability of the industry for Scotland and for the whole of the EU.

Scotland has a special interest in EU justice policies as we have a legal system that is distinct and separate from that of the rest of the UK—that is a unique position in the EU. We therefore assess the impact of all EU justice proposals on Scots law. We can also offer a unique perspective to our European partners. Our experience of co-operating over two different legal systems offers valuable insight into how co-operation may be taken forward across the entire EU.

In 2012, the Commission intends to bring forward three justice dossiers that will have a particular impact on Scots law and require our attention. The dossiers are on special safeguards

in criminal procedures for suspected or accused persons who are vulnerable, compensation of crime victims and the alternative dispute resolution instrument for business-to-business disputes.

Beyond our four action plan priority areas, we engage with our EU partners on a broad range of policies and programmes. The Scottish Government is committed to ensuring that the interests of Scotland are represented successfully at all stages of the policy-making process in the EU.

I thank the committee for bringing forward the debate and, more important, for injecting a sense of responsibility on the part of all the Parliament's committees for scrutiny of EU matters. That is an important agenda, which will ensure that the international aspects of the EU are scrutinised by all the committees, rather than just being considered by one of them. The responses from the different committees are helpful in demonstrating to the Government the areas in which they are interested, and I know that my fellow cabinet secretaries will respond directly to each committee on its priorities.

As I have outlined, the EU has a huge impact on policy making in Scotland. The Scottish Government's strategic engagement reflects our main interests. I look forward to working with colleagues across the chamber to ensure that Scotland's interests are represented and that our expertise shapes EU policy to our best advantage. The prospectus that the committee has laid out represents a positive way forward for the Parliament.

15:01

**Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab):** I am pleased to speak in the debate, particularly as I was a member of the European and External Relations Committee for much of the previous session of Parliament. I congratulate the current committee on securing the debate. It might have been helpful if there had been more than a week between the publication of its report and the debate but, nevertheless, the debate is an important one, and it is good that the committee has brought the Parliament's EU priorities to our attention at this stage in the session.

As the convener identified, our engagement with Europe is important to our work in the Parliament and to the policies that we pursue on behalf of the people of Scotland. We should remind ourselves that the importance of our engagement with Europe is reflected in the fact that the committee is a mandatory committee of the Parliament and not one whose services we can dispense with.



The decisions that are made by the institutions of the EU have implications in so many areas of our work that it is right that all the committees of the Parliament should be aware of the work programme and priorities that are set in Europe, and that each committee should consider seriously whether there are particular issues that it wishes to highlight to the European and External Relations Committee and to the Parliament, and to decide on the areas that it wants to focus on. The European and External Relations Committee does us all a service by organising such an exercise and by bringing its report to Parliament. Its report builds on the work and ideas of its predecessor committee.

It is also important that the European and External Relations Committee leads on the overarching issues, and the committee is right to focus its attention on the reform of structural funds, horizon 2020 and, of course, the fast-moving situation in the euro zone. I very much welcome the news that the convener outlined of the conference on the 2020 programme. That is an area of work that I think has great potential for the Parliament, and it will be interesting to hear the outcomes of that event and to participate in it, as I hope to do.

The committee must also lead on the scrutiny of the Scottish Government's engagement with the EU, and I hope that the committee might at some point consider in detail the work of the Scottish Government in Europe. It is clear from the Government's action plan on European engagement that ministers are engaging frequently with the formal and informal structures in Europe, as well as with individual member states. It would be interesting for Parliament to hear the considered opinion of the committee on the value of that work. I know that there is a good relationship between ministers—particularly Ms Hyslop—and the committee but, when I visited Brussels as a member of the Local Government and Communities Committee in the previous session, I was very surprised to find that particular EU officials were critical of the level of engagement by Scottish ministers. That genuinely took us by surprise.

**Fiona Hyslop:** Patricia Ferguson has raised that point in the last three European debates. She has been answered satisfactorily by John Swinney and Alex Neil. I hope that she is satisfied that the issue of our level of engagement has been addressed, and I think that she exaggerates.

**Patricia Ferguson:** John Swinney took the trouble to dispute with me that fact, which appears in the paper that the Local Government and Communities Committee submitted to SPICe. I wanted to mention it in the context of another piece of work that I thought might be helpful,

rather than as a criticism of the Government, which is why I did not go into it in huge detail.

In a debate such as this, it is not possible to consider in great detail the priorities that individual committees have set, but a number of them are of particular interest. I note that the Health and Sport Committee, in identifying the issues that it was concerned about, asked for support from the Brussels officer and from SPICe. I sincerely hope that that committee will, in spite of the changes to the Parliament's working arrangements, still be able to get the support that it needs. The work of the Brussels office has over the years been invaluable in supporting members of the European and External Relations Committee and its predecessor committees, as well as colleagues from other committees, and I hope that the new structure will not disadvantage them in any way.

The work of the Local Government and Regeneration Committee in continuing to monitor the issue of child poverty, following on from the work that was done in session 3 by its predecessor committee, is important in and of itself.

**The Presiding Officer:** The member must start winding up.

**Patricia Ferguson:** However, that also reads across to the work of the Commission, which has identified that

“children remain on average more at risk of poverty and social exclusion than the overall population”.

With enlargement of the EU—

**The Presiding Officer:** I regret that we must move on.

15:06

**Jamie McGrigor (Highlands and Islands) (Con):** Although I welcome the European and External Relations Committee's report on the Scottish Parliament's EU priorities for 2012, this debate can at best be termed a technical debate, as I do not believe that there will be a great deal of disagreement among members in the chamber.

The report could be termed the offspring of the predecessor committee's work on the Treaty of Lisbon, which took place in the previous session when my colleagues and I were not on the committee. That report recommended that the Parliament should devise a strategy whereby it could scrutinise legislative proposals from the EU. In that respect, it intended to bring together contributions to the debate from subject committees. That has been an important development, whereby subject committees have undertaken work of their own volition following recommendations from the European and External Relations Committee.

At the core of the new model is the appointment by the subject committees of European reporters, who act as conduits between the European and External Relations Committee and their committees, and have specific roles. The idea is based on a model that has been successfully used by the Parliaments of Bavaria and Flanders, and I am pleased to report that it has worked well in linking the European and External Relations Committee and the subject committees of the Scottish Parliament.

Asking the Parliament's subject committees for their assessment of the European Commission's work programme and asking them to engage with the European and External Relations Committee generated a favourable response from previous committee conveners. I pay tribute to our former colleague Irene Oldfather, who pushed the project forward in her time as the European and External Relations Committee convener. I do not think that we would have reached this stage without her committed enthusiasm.

I also pay tribute to the work of the Scottish Parliament's European officer—now the EERC clerk—for his assiduous attention to detail, and I thank all of his clerking team for pulling the report together.

The seven parliamentary committees that have contributed to the report by identifying their European priorities are wide and diverse. Therefore, in the time that is available, I will concentrate on a few that are of particular interest.

One of the key areas that emanate from the EU and have an enormous impact on Scotland is the field of rural affairs and the environment. It is therefore no coincidence that the paper that was presented by the Rural Affairs, Climate Change and Environment Committee was by far the lengthiest submission. That committee continues to be engaged in the common fisheries policy and common agricultural policy reforms, which are subjects of great interest to many members in the chamber. However, I was interested to learn of subjects that are new to that committee and whose European dimension has an impact on Scotland, such as the effects of invasive non-native species in Scotland. Scottish fisheries—pelagic and demersal—are also facing very difficult issues.

Of equal interest and importance is the Infrastructure and Capital Investment Committee's assessment of the Commission's work programme. Of particular relevance to me, as a Highlands and Islands MSP, is the review of state aid guidelines for broadband networks. As colleagues will no doubt agree, the committee's initial scoping inquiry into the need for a broadband strategy across Scotland should address the specific failings in the Highlands and

Islands and the need for widely available quick and affordable broadband for individuals and businesses if we are not to fall behind and be uncompetitive with other nations in Europe.

I hope, in my closing remarks, to address the Scottish Government's engagement with the EU and its priorities, as well as the views of our MEPs. For the moment, however, I am just interested in hearing the views of others.

**The Presiding Officer:** I remind members that they have a strict four minutes. There is no time for interventions, and members' microphones will be cut off dead on four minutes.

15:10

**Aileen McLeod (South Scotland) (SNP):** I welcome this afternoon's debate as a member of the European and External Relations Committee and as a newly appointed EU reporter for the Infrastructure and Capital Investment Committee, having previously been the EU reporter for the Rural Affairs, Climate Change and Environment Committee. In accordance with the Parliament's EU strategy and as EU reporter for the Infrastructure and Capital Investment Committee, I want to report to Parliament the EU priority issues that that committee will engage on in the coming months.

As is the case for all committees, the priorities for the Infrastructure and Capital Investment Committee were set out in the European and External Relations Committee's first report, and are informed by the European Commission's work programme for 2012, which was published last November. Before I go any further, I would like to thank Jamie Hepburn who, as my predecessor as EU reporter on the committee, took the lead role in identifying those priorities.

The specific EU legislative and policy issues that the Infrastructure and Capital Investment Committee is prioritising include the review of state aid guidelines for broadband networks; trans-European networks; the review of European public procurement rules; Europe's digital agenda; the framework for future EU ports policy; and improving passenger rights across all modes of transport.

I hope that colleagues will agree that the EU legislative and policy proposals in each of the areas that I have set out are of key strategic importance for growing Scotland's economy by improving our infrastructure, and enabling our citizens and businesses to better access the EU's internal market.

Early engagement by the Parliament is important to ensure that Scotland is able to take full advantage of the opportunities arising from

future EU investment programmes such as the trans-European transport networks—the TEN-T—and the connecting Europe facility, which is worth €40 billion, in particular. Linking the development of Scotland's shipping and ports to the development of our road, rail and broadband infrastructure can only help to stimulate Scotland's economic competitiveness and encourage greater tourism, export and business opportunities.

However, those discussions are taking place against the backdrop of the most severe fiscal and economic crisis in living memory. The tough EU budget negotiations ahead will determine EU policies and spending for 2014 to 2020 and will undoubtedly result in a much reduced overall EU budget. Against that background, of particular importance for Scotland and related to the connecting Europe facility, are Commission proposals to use innovative financial instruments such as project bonds as one way to mobilise private capital, together with the European Investment Bank, for investment in large-scale energy, transport and broadband infrastructure projects.

As colleagues will be aware, the EU legislative cycle from the initial Commission proposal to agreement on the final legislative instrument often takes years rather than months. The Infrastructure and Capital Investment Committee's EU priorities that I have reported relate to measures at varying stages in that legislative cycle, and that will doubtless inform the manner in which the committee will undertake its work.

As a first stage in that process, the convener of the Infrastructure and Capital Investment Committee, Maureen Watt, has written to Alex Neil, the Cabinet Secretary for Infrastructure and Capital Investment, requesting that he provide the committee with details of how the Scottish Government plans to engage on those matters, including whether the Government considers that any of the EU legislative and policy proposals raise subsidiarity concerns that are similar to the concerns that the committee has already expressed regarding the Commission's proposals for a single national regulator as part of its review of European public procurement rules.

Given the significant economic and social implications of the Infrastructure and Capital Investment Committee's EU priorities for Scotland, it is vital to ensure that Scotland's national interests—as debated in this Parliament—are fully and timeously reflected in EU legislative proposals and policy discussions directly in Brussels, through the Commission, the European Parliament and our MEPs, and via the UK Government, so that we get EU policies that work for and in Scotland.

As well as supporting the European and External Relations Committee's motion, I will be taking forward the Infrastructure and Capital Investment Committee's priorities as part of the committee and as its EU reporter, and ensuring that they are part and parcel of our scrutiny process.

15:14

**Helen Eadie (Cowdenbeath) (Lab):** I, too, am pleased to take part in what I agree will be a very consensual debate, and I commend the previous speakers for their contributions. I am sure that there will be very little disagreement because, from my involvement in European committees past and present, I know that everyone involved is working to get the best for Scotland.

We certainly have a lot to celebrate in the work of the Scottish Parliament and our European parliamentarians, especially when we think about some of the prizes that we have gained. As someone who likes to travel across Europe and who does so regularly, I am especially pleased by moves to bring down the costs of roaming charges for mobile phones. Not long ago, a lot was done to help people who were on package holidays and who were stranded at airports when their planes were grounded by volcanic ash. Our work is very pertinent and relevant and, if we work in partnership with people, that kind of synergy can make a real difference to people.

I share Jamie McGrigor's views on the committee's clerking team—in particular, Dr Ian Duncan. They work incredibly hard. On this budget day, I have to say that my one worry is that, with the tightening of belts and the strictures that we all have to face, we might be overburdening some of our people and expecting them to do more than one job.

When the committee was first formed, Ben Wallace—whom Jamie McGrigor will well remember and who has since gone on to another place—and I argued long and hard for the creation of an office in the European Parliament and, as a result of a joint report, we managed to persuade the committee and the Scottish Parliament to agree to the proposal. That shows that the reports that the committee produces are very important.

With regard to the EU priorities that each committee has set, I must single out the issue of the public procurement directive and what it will mean for our small and medium-sized enterprises. We will need to keep a careful watch on the issue because, as Catherine Stihler mentioned in her written evidence to the committee, there are different interpretations throughout Europe of how the rules should work. We certainly do not want

them to disadvantage our smaller businesses in particular.

I am delighted that Christina McKelvie and others on the committee have chosen to delve into how all the pots of money work. I hope that I have got the figure right, but I believe that at a recent committee meeting we were told that something like 59 pots of money are being allocated across Europe. How on earth are we going to know anything about any of that unless we really apply ourselves and dig in to the matter? We want to enable the people in our communities to get the very best out of the system. I once led a small voluntary organisation called West Fife Enterprise that applied for £1 million of European funding. I have to say that no one was more shocked and gobsmacked than I was when we got it, although I think that the chief executive of the local authority in Fife was equally gobsmacked because he had to match the funding, which presented him with something of a challenge.

I am also pleased about the work that the Rural Affairs, Climate Change and Environment Committee is going to carry out. I think that it faces the biggest challenges; indeed, it always has.

I am very glad to have contributed to the debate, and will end by saying that I think that we have a tremendous amount of work still to do.

15:18

**Bill Kidd (Glasgow Anniesland) (SNP):** I will shock no one if I say straight out that Scotland is part of Europe. That is a geological, cultural and political fact; indeed, as a kingdom, Scotland is Europe's oldest nation state and its trading relations with the low countries and the Baltic states in particular go back many hundreds of years. As a result, it is a point of satisfaction for me that the European and External Relations Committee's first report in 2012 is on the Scottish Parliament's EU priorities for 2012.

It is vital that Parliament take seriously its responsibilities as a constituent body of a member state of the EU, given the levels of trade between us and our neighbours and estimates that suggest that between 60 and 80 per cent of legislation that is passed in Scotland originates from the EU.

Whatever Scotland's constitutional status, we will have close connections with all our neighbours. That is notable in the context of the common agricultural policy and the common fisheries policy.

Scotland has much to gain from playing an active role. It has been acknowledged by members of all parties that all our MEPs work hard and well—we could probably do with having more of them. Members also acknowledged that our

Cabinet Secretary for Rural Affairs and the Environment, Richard Lochhead, represents the Scottish Parliament well in negotiations. Given that 70 per cent of UK fish landings are made by Scottish vessels, we must ensure that we have direct representation at the agriculture and fisheries council when the final proposals on the CFP are decided in December.

The EU is not all about fish suppers. The European social fund, for example, has a continuing role to play in supporting our voluntary organisations and in delivering our social inclusion policy through community planning partnerships. Priority 5 funding can be provided for projects that will get people into work and help them to improve their career prospects when they are employed. Such elements are particularly relevant to parts of Scotland like my constituency of Glasgow Anniesland.

It is incumbent on the Scottish Parliament as a whole, and on parliamentary committees and individual MSPs, to consider those and other EU programmes, and to consider how we can best serve our communities by accessing the appropriate funding streams. In doing so, we should acknowledge that the current programmes involve access to structural funds through co-financing, in concert with public bodies. Tenders are invited from organisations for projects that align closely with the co-financing organisations' strategic priorities. The advantage of the approach is that the limited funds—as we know, funds could become even more limited—can be used more strategically and project providers will no longer be required to find match funding.

Other areas, including the EU budget or multi-annual financial framework, cohesion policy, Europe-wide reform of criminal proceedings, horizon 2020—the programme for research and innovation—and proposals for public procurement, which Helen Eadie mentioned and which are increasingly important for Scotland, impact on all our constituents. It is therefore hugely important that the Scottish Parliament play a full role in Europe and that, whichever party is in control in Parliament, we all support ministers in their efforts to get the best possible deal from the EU for the people of Scotland.

15:22

**Jim Hume (South Scotland) (LD):** I am grateful for the opportunity to speak in the European and External Relations Committee debate about EU priorities. As Patricia Ferguson was, I was a member of the predecessor committee in the previous session of Parliament.

I am particularly grateful to my colleagues on the Rural Affairs, Climate Change and

Environment Committee for entrusting me last week with the role of EU reporter to the committee, and I take this opportunity to thank Aileen McLeod for her work as the previous EU reporter.

As members have said, the Rural Affairs, Climate Change and Environment Committee keeps a keen eye on matters that come out of the European Parliament and the European Commission. There are too many such issues for me to mention them all in my four minutes, but two major items on which we have focused are reform of the common agricultural policy and reform of the common fisheries policy. We have taken evidence on both matters from UK and Scottish ministers, MEPs and the industries.

On the CFP, it is clear that the industry has concerns about management of the policy and its effect on the fishing industry. The European and External Relations Committee agreed, and has emphasised in its report, that reform of the CFP will have failed if regionalisation of decision making does not replace top-down management. To put it simply, local areas know how best to manage their fish stocks sustainably, which is important for the future of the fishing industry and the environment. As part of that, we recommended the reform of regional advisory councils that could feed into a new legal body, which would ensure sustainable management of the seas. Councils should comprise a sensible balance of stakeholders and should include the fish-processing industry.

On transferable fishing concessions, the committee heard sufficient evidence that trading of fish quotas could result in the bigger operators becoming even bigger and more centralised, which could present a threat to our fishing communities. I think the Government shares that view. The Rural Affairs, Climate Change and Environment Committee has concluded its work on the CFP, but we will keep CFP reform on our radar.

As has been mentioned, another major EU reform is reform of the common agricultural policy, which is a major part of the EU budget and has a major input into rural Scotland. Agriculture is important to the Scottish economy. Last year, income from it rose by 13 per cent across Scotland but—unfortunately—costs rose, too. It is obvious that CAP reform will affect rural Scotland, and not just agriculture, to a great extent.

Just last week, the Rural Affairs, Climate Change and Environment Committee took evidence on CAP reform from the Cabinet Secretary for Rural Affairs and the Environment. In early March, it took evidence from the UK minister, Jim Paice. We have not completed our report, but we hope to agree it by 18 April.

Concerns that are relevant to the Scottish situation have been highlighted to us. Process is key—how the various Governments work together to form a consensus is obviously difficult, but it was interesting that Jim Paice highlighted the work that goes on officially and unofficially in devolved Administrations to

“find common ground to ensure that everyone is happy.”

It is worth noting that Mr Paice said, too, that

“I believe that we will start the new CAP on 1 January 2015.”—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 7 March 2012; c 705-6.]

As members might know, that would be a year late and, although rolling over pillar 1 payments should not be a problem, pillar 2 payments would be jeopardised. It is therefore essential that our Government has contingency plans.

The Rural Affairs, Climate Change and Environment Committee has a close eye on many EU matters that are arising. We have brought the Government's attention to the environmental action programme, on which consultation ends in June, and we look forward to hearing the Government's response to that.

15:26

**Clare Adamson (Central Scotland) (SNP):** As the newest member of the European and External Relations Committee, I express my thanks for the work that has gone into collating and publishing the committee's report, “The Scottish Parliament's EU priorities for 2012”. I also thank the committee's members and its convener for their warm welcome.

I previously served on the Equal Opportunities Committee, for which I was EU reporter. That committee has identified five areas of the Commission's work programme in which it is interested. They are child poverty, advancement of Roma integration, the European accessibility act to improve the accessibility of goods and services, improvement of the gender balance on the boards of companies that are listed on stock exchanges, and consultation of European social partners on the review of the equal pay directive. I have quite an interest in some of those issues but, as the European and External Relations Committee's convener said, they are for debate on another day.

However, I will discuss child poverty, which Patricia Ferguson raised. Parliament is leading the way on early intervention. Early support and preventative spending for vulnerable children and families in Scotland help to tackle problems before they turn into crises. All that is hugely beneficial for children and young people, as well as for our society as a whole. It is estimated that every £1 that is spent on early intervention or in the early

years saves taxpayers £9 in the future. That investment is taking place across almost the whole of Scotland to support parents, children and communities.

Much of the work on early intervention that we deliver will depend on working with partners and on accessing relevant European funding; Helen Eadie mentioned partnership working. It became apparent in the evidence that the European and External Relations Committee took the other day that it is important to involve community planning partnerships in delivering programmes in our communities. The view is that CPPs will become the delivery mechanism for European structural funding. From the evidence, I know that that model greatly interests the European Commission, because it would ensure that delivery through the funds reached communities through local partnerships that include local authorities, health boards and—importantly—third sector organisations, on which we are very dependent.

I do not need to tell anyone in the chamber how important the European Union is to Scotland. Sometimes I think that we do not realise how much of an impact it has on our daily lives. Recently, I was listening to a radio advert encouraging visitors to come to North and South Lanarkshire, which cover a lot of my region. I encourage every member to take up some of those visiting opportunities. At the end of the advert, it was mentioned that it had been partly funded by European regional funding. We often go into sports centres and museums without understanding what that European flag that is so visible in those places means for Scotland.

15:30

**David Stewart (Highlands and Islands) (Lab):**

I welcome this debate and the recent committee report on EU priorities for 2012. I congratulate the convener and the members of the committee on the quality of their work.

The committee stressed that one element of its future work would be reform of EU structural funds. I would like to touch on that, particularly in the context of the Highlands and Islands. In passing, I flag up the useful evidence that the committee heard yesterday on structural funds; I was an interloper in the gallery for that meeting.

As we have already heard from the minister, we are at a crucial time because we are coming to the end of the current programme. Structural funds will be used to help member states to achieve Europe 2020 targets during the next programme. As we heard from Fiona Hyslop, those targets are promoting smart, sustainable and inclusive growth in the European Union economy. As members know—irrespective of where they represent—my

region covers an area that is one third of Scotland's landmass; an area that is larger than Belgium but with a population that is less than that of Brussels. It is an area of contrasts, having stunning natural beauty in its lochs, hills and glens, along with thriving and innovative communities such as on the Isle of Eigg. It also has very challenging geography with a coastline that is longer than that of Brazil and more than 100 inhabited islands.

Depopulation has, historically, been a running sore in the Highlands and Islands, with the departure of whole communities—for example, that of St Kilda, which is the most dramatic example. One of the great achievements of Harold Wilson's first Government—I would say that, wouldn't I?—was the vision that he and Willie Ross had of the creation of the Highlands and Islands Development Board, which was asked to stem the tide and to attract new jobs and opportunities to the area.

Historically, the region's per capita gross domestic product has lagged behind that of the rest of Scotland and the rest of the UK. In the 1990s, its per capita GDP was below 75 per cent of the EU average, so the region qualified for objective 1 support between 1996 and 1999. The programme between 2000 and 2006 created or retained 17,000 jobs, assisted more than 9,000 businesses and supported 11,000 trainees.

I am strongly of the view that European funding is not some paternalistic sop from Eurocrats; it is a crucial economic tool to lever up to the EU average the per capita GDP of lagging regions. It provides a planning and economic opportunity to exploit emerging markets such as life sciences, renewable energy, and the creative industries. I have mentioned this before, but I flag up in particular the stunning new Disney Pixar film "Brave", which is based in the Highlands. European funding has also supported the creation of a new university and centres of excellence in research and development such as Sabhal Mòr Ostaig in Skye.

What are the next steps? Proposals for the next programme budget are now at member-state level at the European Parliament and the European Commission. The Commission, in which I am particularly interested, is proposing an intermediate category of funding for regions whose per capita GDP is between 75 and 90 per cent of the EU average. I am interested to hear the minister's view on that. The current figure of 84 per cent could mean that the Highlands and Islands would qualify for the enhanced support instead of having to look for money from the same pot as the rest of Scotland. That could be a vital win-win scenario for the region and for Scotland as

a whole and it would maximise our drawdown of European funds.

The great strength of the previous programme was the involvement of local voices from local campaigns using the expertise, skills and knowledge of partners to ensure that initiatives worked. I hope that the minister will say, or write hereafter, that the changes in the Highlands and Islands partnership programme will mean that jobs will remain in the Highlands and Islands. I should declare an interest as a former HIPP director.

I wish the committee well in its future deliberations and I hope that it will support transition region funding for the Highlands and Islands.

15:34

**Roderick Campbell (North East Fife) (SNP):**

As other members have done, I commend the committee for its report. As the Justice Committee's EU reporter, I am pleased to speak about the Justice Committee's view on its EU priorities for the coming year.

In February, we selected five EU priorities from the Commission's work programme for 2012, largely because of their links to recent policies and initiatives at domestic level and, in some cases, to the Justice Committee's established interests. We felt that that approach could help to add value to our existing and future work programmes.

The Justice Committee was also keen to ensure that we had input at an early stage to any legislative proposal that raised subsidiarity concerns or could conflict with established procedures in Scots law. We have therefore included a regular item on the committee's agenda to keep up to date with developments on our EU priorities and to keep a watching brief on other legislative proposals that are not contained in this year's Justice Committee work programme.

Let me turn to the Justice Committee's priorities. The first is an initiative on special safeguards in criminal procedures for suspected or accused persons. The committee believes there is an overlap between some of the issues in that proposal and those that have been raised in Lord Carloway's review, on which the committee took evidence late last year and which Parliament debated when it was published. The committee has therefore written to the cabinet secretary for his comments on the impact of the proposal on implementation of the Carloway review's recommendations.

The second of the Justice Committee's EU priorities concerns the proposals that seek to ensure that crime victims receive fair and appropriate compensation. It was agreed that

there was some overlap with the UK Government's current consultation on the criminal injuries compensation scheme and the Scottish Government's plans to introduce legislation on victims' rights. We have therefore requested that the cabinet secretary provide the committee with details of the Scottish Government's input to the consultation and of how the EU proposal might square with its plans on compensation for victims. My view—speaking personally and not for the committee—is that any review of criminal compensation should be focused primarily on reducing the costs of bureaucracy and administration and not on levels of compensation.

The Justice Committee's third EU priority is an initiative that aims to define common minimum rules on legal aid in criminal proceedings. The committee understands that the Scottish Government intends to introduce legislation on that shortly, and has therefore asked the cabinet secretary how the EU proposal might impact on future legislation in this Parliament.

The Justice Committee's fourth EU priority is an alternative dispute resolution instrument for business-to-business disputes, which might raise similar subsidiarity concerns to a consumer dispute proposal that the committee considered in January. The committee believes that is important that we have the opportunity to submit our views at a much earlier stage than we can at present, which justified making the matter a key priority.

The Justice Committee's fifth and final priority is a proposal on jurisdiction, recognition and enforcement of judgments in matrimonial matters and matters of parental responsibility. The Children (Scotland) Act 1995 is, I believe, under review by the Scottish Government and it is the Justice Committee's intention to monitor progress on that front on an on-going basis. The fourth and fifth priorities are not expected to be considered for legislative action before the end of the year and the committee will therefore revisit its priorities in due course. The committee will also consider the cabinet secretary's response to the three other priorities that I have outlined.

I am glad to be in a position to report on our work.

15:37

**Jamie McGrigor:** This has been a useful and constructive debate and several members have rightly highlighted the significant contribution by other committees that was made to the European and External Relations Committee's report into EU priorities. In my closing remarks, I want to concentrate on the other aspects of the report, namely the EU priorities of the Scottish Government for the year ahead as well as

contributions from our Scottish MEPs about what they see as being the burning issues—perhaps—that are emanating from the continent.

At the core of the Parliament's EU strategy is a very clear commitment

“to scrutinise the Scottish Government and its EU engagement”

which must, of course, be the first role of any parliamentary committee—that is, it should hold the Government to account.

As a committee, we asked the Scottish Government to examine the Commission's work programme to identify what it considered to be the coming issues that would be of greatest interest to the Government. The cabinet secretary's response was characteristically informative, although she could not resist the temptation to bring up the smokescreen that is the presence of Scottish ministers at the EU table. However, in this consensual debate, I shall not enter that arena.

The three areas that the Government identified as priorities very closely complement the Scottish Government's action plan on European engagement. I hope that the cabinet secretary will, in her closing speech, go into further detail on energy initiatives. In particular, can she tell us how the renewable energy strategy will lead to the much-aspired-to low-carbon economy and how it will help to secure investment and jobs?

Finally, I turn to the pearls of wisdom from our illustrious colleagues across the Channel. The report contains five submissions from our Scottish MEPs, with a late addendum by David Martin MEP. The priorities that the MEPs identified include increasing trade to help boost economic growth and to contribute to job creation; ensuring that the EU remains the leading voice in reforming the international and European banking sector; and pursuing the highest possible international standards for the environment, human rights and sustainable development.

My good friend and colleague Struan Stevenson gave an unequivocal assessment of the areas of importance by boldly stating:

“Struan's main priorities will be Fisheries”.

As I said, that is an important issue for Scotland, so I could not agree more with Struan Stevenson's submission when it points to the red tape, planning permission issues and lack of political will that continue to hamstring the fish-farming industry in Scotland, in respect of both fin fish and shellfish. Of course, those issues also affect the wild-fish industry, and Struan highlights our decimated sea fisheries.

The debate has, by its nature, been a measured one that in a sense simply brings together in one

place the European workings of the Parliament's subject committees and the Scottish Government. I commend to Parliament the European and External Relations Committee's report.

15:42

**Patricia Ferguson:** The debate has been an interesting one that has underlined the importance that the Parliament attaches to the European Union and our work therein. It has been interesting to hear the comments from the EU reporters from other committees. The European and External Relations Committee has sometimes been seen as a bit of a Cinderella committee in the Parliament, although I do not subscribe to that view. I will perhaps return to that point, but the debate shows exactly why that is not correct and why the committee must never be considered in that way.

Jamie McGrigor was absolutely correct to identify the role of Irene Oldfather in bringing to the fore the European issues with which the Parliament can and should engage, and the scrutiny that it must undertake. I am sure that Irene would be delighted to hear Jamie's praise for her work over the years. Of course, she would be the first to say that she had ample support from the committee members who served with her during that period.

Helen Eadie rightly identified public procurement as being an issue in the EU and in Scotland. Almost by coincidence, the interest that the EU is taking in the issue comes at a good time for us because the Scottish Government is also considering it. I was pleased to read in Catherine Stihler's contribution to the report that the rules will be simplified and that environmental costs and consequences for local communities will be taken into account more clearly in the future, which will—I hope—provide a more level playing field for all the communities of the EU.

We have all been clear that the Rural Affairs, Climate Change and Environment Committee has a particular role to play. That has always been the case; it and its predecessors have always had a significant interest in matters European. A number of our fishing and farming communities have looked to it to take the lead, which is absolutely right, as was ably set out by Jim Hume.

David Stewart talked about the importance of structural funds and ably outlined the importance and impact that they have had in the Highlands and Islands over many years, and the improvements that have occurred as a result. Perhaps we can consider in more detail the interesting point that he posed to the cabinet secretary in connection with horizon 2020. I would



be interested in hearing the cabinet secretary's thoughts on that strand.

Aileen McLeod listed the large range of issues that the Infrastructure and Capital Investment Committee is committed to investigating. That list highlighted how important our scrutiny of the EU is. I mentioned at the beginning of the debate that there are those—as I say, I am not one of them—who have sometimes not taken seriously the work of the European and External Relations Committee. I will demonstrate that with an anecdote. I joined the committee at the last meeting of the session in June 2008 but was, because of ill health, unable to attend my second meeting until November 2008. By that point, I was the second longest-serving member on the committee because of turnover of members. Today's debate, however, has demonstrated the importance of the committee's work.

The committee has done an excellent job in bringing forward the Commission's work programme. I wish it well in its work and I wish it a successful horizon 2020 conference when it comes.

15:46

**Fiona Hyslop:** The Scottish Government welcomes the Commission's work programme for 2012, the forward look to 2014 and this debate. They demonstrate the wide range of policy areas that we need to engage in—the wide range of interests of the MEPs, which are noted in the report, also reflects that—and the need for us to focus our resources to best effect.

The Government is encouraged by the proposed reform of several key EU policies. Jim Hume talked about the common fisheries policy and we have heard about research and innovation funding. A number of points were made on horizon 2020 and the interconnectedness with the impacts of other funds. Those are issues that we cannot address completely today, but which should return to the chamber at different points.

I reassure members that we are actively engaged on a range of issues that have been mentioned. In some cases, we think that the reforms—for example, to the common fisheries policy—need to go further, and we will press vigorously for that. Nevertheless, there are synergies between the stated ambitions of the EU and the Scottish Government, which demonstrates our shared goal of sustainable, smart and inclusive economic growth. Indeed, the Scottish Government's economic strategy, which was published in September, provides an economic roadmap for Scotland.

Aileen McLeod, Jamie McGrigor and Helen Eadie made important points about public

procurement, state aid and infrastructure. The work of the Infrastructure and Capital Investment Committee, in particular, will bring together a number of those strands. Patricia Ferguson and Clare Adamson identified children's issues, but those will perhaps require further engagement with the Education and Culture Committee, which did not address that area in its submission to the report that we have in front of us.

We must ensure that we are leveraging added value from the EU—that is an important agenda—and finding ways of providing leadership as well as partnership. It is equally important that we pursue our own interests directly in Brussels, co-operating fully with the UK Government in developing the UK line and key policies. We are currently agreeing new ways of ensuring early upstream engagement with the UK Government. At the outset of the debate, Christina McKelvie talked about the importance of influencing early.

The Government believes that, where Scotland has the leading interest, we should act for the UK as a whole. That is especially true for fisheries and aquaculture, where we have 66 and 80 per cent, respectively, of the UK's industry. I advise Jamie McGrigor that on Monday, at the EU fisheries council, Richard Lochhead was prevented from leading on mackerel—which is a key issue for Scotland—and, when the UK fisheries minister left at 5 o'clock, he was replaced for the remaining hour and a half by a farming minister, despite the fact that Richard Lochhead has experience and could easily have represented the UK line that had been agreed at that time.

There is good collaboration on the environment and climate change, but that is no substitute for being able to speak with our own voice. Scottish ministers and officials are attending more and more council meetings and are engaging with stakeholders in Scotland and across the EU. We are ensuring that we are working effectively with the UK Government by developing a renewed culture of upstream engagement to shape initiatives at the earliest possible stages and to secure outcomes that represent a good deal for Scotland.

We recently agreed a new system with the UK Government to ensure that we have early engagement with some of its EU work. The Scottish Government will continue to press the case for greater direct representation in the EU policy-making process, where we have expertise and where there is a strong Scottish interest.

Engagement between the Scottish Government and the Scottish Parliament is vital. The principal role of the Scottish Parliament in its EU strategy, which we welcome and support, is to scrutinise the Scottish Government and its EU engagement, but the Parliament can also be of support. As Patricia

Ferguson said, when we speak to the EU with one voice and unite behind the interests of the people of Scotland, we influence better and demonstrate the commitment of the whole of Scotland to progress for the European Union.

I welcome the Parliament's EU strategy and the European and External Relations Committee's efforts and energy in bringing this debate to the chamber. Let it not be a one-off, and let it not be one way. Let us continue to work together co-operatively to ensure that the European Union offers added value to address Scotland's needs and to take Europe forward.

**The Deputy Presiding Officer (John Scott):** I call on Hanzala Malik to wind up on behalf of the European and External Relations Committee.

15:51

**Hanzala Malik (Glasgow) (Lab):** Before I speak in support of the committee's report, I congratulate our convener, Christina McKelvie, on arranging equalities training for our committee, which is a first in the Parliament. It is a historic event, and I take this opportunity to thank and congratulate her.

It is right that we are debating the key European issues today, as much of the business of the Scottish Parliament's committees is affected by decisions that are taken in Brussels. The people of Scotland must know that its Parliament in Edinburgh is looking after their interests and that we are listening to their concerns and adding strength by carrying their message to Brussels. To fulfil that role, we must always ensure that the people of Scotland know what is happening in Brussels and how it affects their lives. We must use all the resources that are at our disposal, including our officials in Brussels, our representatives in the Scottish and United Kingdom Governments and our members of the European Parliament.

I take on board the comments that Patricia Ferguson and Jamie McGrigor made about the timing of the report to the Parliament.

In our role, we must listen carefully to what is going on and consider how things can be developed. Once we know what is going on, it is essential that we get into the right rooms in Brussels—the rooms where the issues are prepared, debated and ultimately decided on. We have the resources at our disposal to do that job.

We have heard from representatives of other committees about their intentions to act, and we heard from Christina McKelvie and Fiona Hyslop about how we intend to take forward our programme. We heard about the common agricultural policy, which has such an influence not

just on our farmers but on our countryside and our environment. The common fisheries policy—there is a lot of fishy stuff going on there, by the way—is undergoing much-needed reform, and the Rural Affairs, Climate Change and Environment Committee is working to ensure that the changes are right for Scotland.

Also important to Scotland are the opportunities and challenges that are afforded by developments in the energy sector, be they in the North Sea grid initiative to connect Scotland's energy generation to Europe or the various proposals in the field of renewable energy. We must develop strong and positive links in that area.

Europe is an essential funding source for Scotland. As has been highlighted, my committee is currently engaged in examining two major funding streams: the structural funds and the horizon 2020 fund for research and innovation. We will report to the Parliament in due course on those funding streams, but it is important to note that they will be vital for Scotland's recovery.

EU policies on infrastructure for broadband and ferry lines will have a significant impact on the daily lives of the people of Scotland. We will monitor progress on those issues. Jamie McGrigor mentioned the importance of broadband in rural areas. I assure everyone here today that broadband is important for us all, throughout Scotland, because we are competing in the international arena and the speed and reliability of broadband are critically important in that regard. We need to work hard to ensure that we deliver a positive service.

What happens next? This debate is only a beginning. The serious work for many of us has already begun and we have not a moment to lose. We must ensure that Scotland gets its fair share of funding; that its voice is heard and understood in Brussels; that we are able to warn of impending challenges and upcoming opportunities; and that we play our part in building the Europe that we want to live in.

I have noted a reluctance by UK ministers to engage fully with the Scottish Government, which is very unhelpful. We are partners and it is disappointing that that happens in a partnership. Communication between partners is important, but currently it is at best poor and sometimes non-existent. An example of that was the use of the veto by the UK Prime Minister, with no consultation or notification for the Scottish Government. I think that that was outrageous at the very least.

We live in a new world with new challenges, with people demanding higher levels of accountability. The Governments in London and Brussels need to recognise that new reality. We

have to learn the lessons that other Governments have failed to learn. When Governments fail to listen to their people, they pay a very heavy price. I hope that we do not have to do that.

I am grateful to the members of our committee. It has been a huge pleasure to serve on the committee, because very valuable and positive work has been done. We have had many presentations from witnesses, who gave us expert advice. However, it is important to recognise that the reluctance to which I referred earlier means that we sometimes undersell ourselves. We cannot afford to do that. My message to the Government is that we need to ensure that we are a strong team, but we can do that only if we talk to each other. The cabinet secretary may wish to comment on that. However, she has already given a very good presentation on the issue.

## Housing Benefit Reform

### **The Deputy Presiding Officer (John Scott):**

The next item of business is a debate on motion S4M-02407, in the name of Keith Brown, on housing benefit reform.

15:59

### **The Minister for Housing and Transport (Keith Brown):**

As we know, the United Kingdom Government is making radical changes to the benefits system. We agree that reform is needed. We also agree that the system should incentivise work, that it should be simpler and, of course, that it must be affordable, but we believe that many of the changes will have a devastating impact on some of Scotland's most vulnerable communities and households. As long as responsibility for the welfare system rests with the UK Government rather than the Scottish Government, there is very little that we can do about that.

The figures relating to the housing benefit reforms are eye watering. The shared accommodation rate changes will affect more than 4,000 Scots, who will lose more than £85 per month on average. Some 95,000 households in the social rented sector will be affected by the Department for Work and Pensions underoccupancy restrictions and will lose between £27 and £65 per month. The benefits cap will affect around 4,000 adults in Scotland and between 7,000 and 8,000 children. The average loss will be around £250 per month.

It is not only claimants who will bear the costs; there is also an impact on landlords. Currently, most social tenants who depend on housing benefit choose to have their rent paid directly to the landlord. That helps to keep a roof over their head, regardless of the many other financial pressures that they are likely to face. That will change through welfare reform. Most working age tenants will receive support to cover their rent directly to them, whether they want to or not. We support financial inclusion, but our stakeholders tell us that the UK Government's approach is likely to increase rent arrears. That is a sledgehammer approach. The reforms cut right across our devolved housing policies and right through the workings of our social landlords.

Local authorities, too, will feel the impact. Cutting support for some of our most vulnerable households will inevitably result in hardship—in some cases, severe hardship. When people are struggling to find their rent or are forced to move home, they turn to local authorities and registered social landlords.

The underoccupancy penalties alone aim to save around £100 million a year for the UK

Treasury. We have estimated that that will have a one-off cost of £87 million to the Scottish economy and will remove £54.4 million a year directly from the Scottish economy thereafter. Overall, the housing benefit reforms will remove more than £150 million a year from the Scottish economy.

Those are the impacts of just the housing reforms. The Scottish Government and stakeholders are clear that the Welfare Reform Act 2012 will have a significant negative impact in Scotland. The current benefit spend in Scotland is around £12 billion. In evidence that was presented to the Health and Sport Committee by the DWP, it was estimated that the reduction in welfare benefit receipts in Scotland would be “about £2.5 billion” by 2015. We share our stakeholders’ concerns. We do not want those who cannot work as a result of ill health or disability to be relegated to a life of disadvantage, financial uncertainty and poverty.

On the issue of protecting vulnerable people, it is worth noting the views of Mary Taylor of the Scottish Federation of Housing Associations. She said:

“What we are worried about is the Government penalising some of Scotland’s poorest families”.

Today, the richest in our society—those who earn over £150,000—have received a 10 per cent tax cut. That gives the lie to the UK Government’s idea that we are all in this together.

We have worked tirelessly with our stakeholders to make the UK Government understand the problems that it is creating by making the cuts that it is making in the way that it is making them. We have argued consistently that it is moving too fast, that it is not providing enough detail, and that the most vulnerable should be protected.

**Liam McArthur (Orkney Islands) (LD):** We are four minutes into the minister’s speech and his complaint about the UK Government’s provision of detail has not been backed up by anything that he has said about the alternative reform agenda that he wishes to see, or by what he set out at the beginning of his speech.

**Keith Brown:** If, as usual, Liam McArthur does not want to believe me, he can ask all the stakeholders, who say that there is a complete lack of detail about many of the reforms that the UK Government has proposed. He should listen to them if he will not listen to me.

We know that the DWP is thinking about changes to supported accommodation and temporary accommodation for homeless people, but we do not know the details or how vulnerable people will be affected. As I said, we have argued consistently that the Government is working too fast.

**Drew Smith (Glasgow) (Lab):** The minister might know that the Welsh Assembly Government has taken the approach of having a two-stage process, which it has published, to examine the impact in Wales. Will the minister commit the Scottish Government to doing the same? As he said, the information is not available.

**Keith Brown:** We have published substantial information about the action that we have taken, including, for example, on the provision of additional resources to the hubs that have been set up throughout Scotland to help to mitigate the effects. We will put more information in the public domain about how we can best mitigate the effects of the changes.

The reforms will mean significant changes for the way in which some of our most vulnerable people are housed, including women in refuges, older people in sheltered accommodation and people with severe physical and learning impairments. The organisations that provide that support need to know the detail of the changes and they need to know it in good time, but they say that they have not seen the detail yet.

It is worth restating that we believe that the overall model of universal credit has some merits, but squeezing housing benefit for people in supported and temporary accommodation into that system without due consideration will inevitably cause problems. For example, a default position of direct payments of support for housing costs for users of supported and temporary accommodation is frankly wrong, and all the stakeholders agree.

Of course, the question that arises is what an independent Scotland would do if it was to face the same pressures. I have conceded that the system needs reform. Our Tory and Lib Dem colleagues might suggest that an independent Scotland would be forced to do the same to make ends meet. It is not for me to say what the first Government of the shortly-to-be-inaugurated independent Scotland would do—it would be up to the Government of the day, elected by the Scottish people, to decide.

However, I can say that many of the UK Government’s reforms will simply move burdens from the DWP to others. Remedying the impacts of housing benefit reform could cost more than preventing them in the first place. A Scottish Government, working with stakeholders, could decide where best to invest to get the most from our resources. There is a mismatch between housing policy, which is devolved, and housing benefit, which is reserved. A Scottish Government could make housing benefit policy support our wider housing responsibilities.

A number of opportunities for Scotland’s housing system through devolved housing benefit

are set out in the report that was launched last week by the Scottish Federation of Housing Associations and the Chartered Institute of Housing. For example, at a fundamental level, what should be the balance between subsidising people through the benefits system and subsidising new homes through housing investment?

We have an extremely strong housing sector in Scotland. The devolution of housing policy has allowed Scotland to make great strides, such as internationally acclaimed homelessness legislation. Once again, though, all the stakeholders would tell us that that has been made much more difficult by the welfare reforms. Despite those reforms, we are on track to meet our 2012 target, which is a testament to the determination of hard-working local authorities to end the misery of homelessness.

Of course, we have the restarting of the council house building programme and the delivery of 30,000 affordable homes during this parliamentary session alone. We have innovative, groundbreaking approaches, such as our pioneering national housing trust initiative and our commitment to provide a guarantee to support a three-year mortgage indemnity scheme, which will help about 6,000 households.

Yesterday I was at the opening of a housing development in the east of Edinburgh. One of our key partners, who also deals with the UK Government, mentioned how much more progress and innovation there is in Scotland compared with the rest of the UK. The things that we have done have helped to tackle homelessness. This year alone, 28 of the 32 local authorities say that they have had a reduction in homelessness. The reduction in Aberdeen has been huge. All that good work is being done in a process that started in 2003. Now, as we get to the end of the process, as if it was not enough to be hit by an international recession, the welfare reforms are making it much more difficult to get up the final part of the hill to reach the 2012 target.

All the stakeholders whom we deal with have told us—and the UK Government—that the changes to benefits will have a huge impact on some of the most vulnerable individuals in our communities. That is why we oppose the changes and why we have lodged the motion.

I am proud to work in a Government that is part of a dynamic shift to revitalise our homes and communities. However, it is clear that our ambitions for housing—for our people and for our communities—are being thwarted by the current constitutional arrangements. Again, it is not just me saying that—some of the responses from stakeholders point to the frictions that the constitutional arrangements have created.

There is an easy way for the UK Government to deal with this. It can look again at the reforms. It was encouraged to do that by Liam McArthur's colleagues in the House of Lords, but it did not want to listen. I hope that Liam McArthur's contribution to the debate reflects more the concerns that were raised by the Liberal Democrats in the House of Lords than the opinions of Danny Alexander and others in the UK Government.

The benefit cuts will have a huge impact. We should oppose them and we have opposed them. The Cabinet Secretary for Infrastructure and Capital Investment, the Deputy First Minister and I have made representations to the UK Government, most of which have been ignored. Some changes have been made but not nearly enough. It is vital that the Parliament makes clear its opposition to the changes for the benefit of the people of Scotland.

I move,

That the Parliament notes the UK Government's plan for housing benefit reforms that will have a devastating impact on tenants, especially in some of Scotland's poorest communities, and, as a result, on social and private landlords, local authorities and support agencies; regrets that, despite significant, well-evidenced and considered lobbying by Scottish stakeholders against the reforms, the UK Government pushed through the Welfare Reform Bill largely unchanged; notes that the UK Government's housing benefit reforms cut across devolved responsibilities, compromising the Scottish Government's capacity to deliver on its housing ambitions for Scotland, and acknowledges that, now that the Welfare Reform Bill has gained Royal Assent, the Scottish Government, local authorities, landlords and others must work together to minimise as far as possible adverse impacts on some of Scotland's most vulnerable people and to develop thinking on the Scottish delivery of housing support costs under any changed future constitutional arrangements.

16:09

**Elaine Murray (Dumfriesshire) (Lab):** The Welfare Reform Act 2012 received royal assent on 8 March. I, too, believe that aspects of benefit reform are necessary, but not these ones. Not only does the act contain proposals for changes to housing benefit that seriously affect the recipients, but the provisions will seriously affect the providers of rented accommodation: registered social landlords, local authorities, and private sector landlords.

In April 2013, restrictions on size criteria—otherwise known as the bedroom tax—will be introduced. As a result, many council tenants and housing association tenants will find themselves underoccupying their homes.

The UK Government has decreed that, for the purposes of claiming housing benefit, young people of the same sex are expected to share a bedroom until one of them reaches the age of 16

and, if they are of different sexes, they should share until the age of 10. That does not correlate with social landlords' allocation policies. For example, Dumfries and Galloway Housing Partnership allocates an additional bedroom at the age of eight for children who are of different sexes and at 12 for children of the same sex. For the City of Edinburgh Council, the ages are seven and 14. Tenants who have been allocated houses fairly, in accordance with the allocation policies of their social landlords, will find themselves underoccupying their homes.

The National Housing Federation estimates that, across the UK, 670,000 tenants in the rented sector will be affected immediately and that the figure will rise to 750,000 when the pension credit age rises in 2020. Seventy-eight per cent of those tenants will be considered to have one bedroom too many and will lose an average of £12 a week. The remainder will lose an average of £22 a week.

About a third of tenants in the social rented sector will be affected and some may well have to find more than £1,000 a year additional rent from a restricted budget. Councils and RSLs do not have the housing stock to reallocate smaller properties to those tenants, so what happens if the tenant cannot pay? Is the landlord supposed to evict the tenant, in which case they will go back into the system as homeless and come round again, at which point they will be entitled to a smaller property that is not available?

**Kevin Stewart (Aberdeen Central) (SNP):** Dr Murray has missed out a few folk who might be affected by the proposal. They include parents who have restricted or limited access to their children and who might not get access if they do not have the extra bedroom, and folk who have medical conditions and require the extra bedroom to deal with those conditions.

**Elaine Murray:** I agree. Given the restricted time available, I cannot go through all the horrors of this particular reform.

As the minister said, if landlords evict tenants, that will seriously undermine the Scottish Parliament's targets on homelessness, which we all agreed should be implemented this year. Alternatively, will the landlord just have to bear the loss of income? They need that income in order to borrow and build new homes. The UK Government's solution, of course, is that the families should move the kids back into a shared bedroom and let out the other bedroom to a lodger.

Single people between the ages of 25 and 35 are already being hit by the reduction in the shared accommodation rate.

Another proposal that will cause landlords' difficulty is the introduction in 2013 of the universal

credit and the phasing in by 2017 of payment of the housing benefit element directly to the tenant, monthly and in arrears, other than for pensioners and vulnerable tenants whose housing costs will continue to be paid directly to landlords. That is not what landlords or tenants want. In a poll last year, 93 per cent of social housing tenants said that they believed that it was better for housing benefit to be paid to landlords.

A tenant does not need to be vulnerable to have problems managing money if they are on a low income and unexpected financial burdens come along, especially if they receive their income monthly in arrears. Again, what does the landlord do when the tenant cannot or will not pass on the housing element of the universal credit?

The minister mentioned the benefits cap. Although it might not affect many families in Scotland, in places such as inner London where rents are very high, families with as few as two children will be affected and will face large increases in rent or having to relocate.

Scottish Labour shares the Scottish Government's serious concerns about the reforms to housing benefit, but we have concerns about the wording of the Government's motion. My amendment does not seek to delete and insert, because we wanted to express consensus on the principle of opposition to the reforms.

My first gripe is that the motion could be perceived to imply that the arguments and evidence against the reforms came only from Scottish stakeholders and, by implication, the Scottish Government. That is simply not true: the reforms have been opposed by individuals and organisations the length and breadth of the UK, including members of the House of Commons and the House of Lords. Our amendment recognises that there is strong opposition to the changes elsewhere, too.

It would be entirely wrong to depict the argument as progressive Scotland versus reactionary UK. The changes have been introduced by a right-wing Government that panders to a press agenda that peddles the perception that all recipients of benefits are scroungers. The reforms have been thought up by a Cabinet of millionaires—who, today, have again rewarded themselves—who believe that poverty is somehow a lifestyle choice. They should be, and are, opposed by fair-minded people throughout the UK.

Although we share serious concerns about how the changes will affect some of the poorest people in Scotland and the organisations that supply their accommodation, we are not prepared to concede to the issue being used as another Trojan horse in the constitutional debate. Moreover, I object to

injustice regardless of which side of the Solway it occurs on.

**The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil):** Does the member agree that if responsibility for housing benefit were devolved to this Parliament, there is no way that these reforms would ever have seen the light of day?

**Elaine Murray:** It would depend on the Administration that we had here. We do not know.

I have concerns about the use in the motion of the phrase

“compromising the Scottish Government’s capacity to deliver on its housing ambitions for Scotland”,

which sounds a bit like a get-out clause in the event that the Government does not meet its affordable housing targets. Cutting the affordable housing supply budget by 30 per cent and reducing the subsidy to RSLs will not help, either.

I was sympathetic towards some of the statements in the Liberal Democrat amendment, but I think that it is a diversion from the topic of the debate, which is housing benefit reform. We are not debating the Government’s housing policy. If the Liberal Democrats feel so strongly about the Scottish National Party’s housing policy, why did they vote for the SNP’s budget earlier in the year?

The Tory amendment is as I would have expected it to be and, as the Tories would expect, we will not support it.

Our amendment asks the Government to come back to Parliament with its proposals on how to mitigate the effects of the reforms. We want to know what it intends to do, not just who it intends to blame, however justified that blame may be.

I move amendment S4M-02407.3, to insert at end:

“; recognises that opposition to these changes will continue in both the Scottish and the UK Parliament, and believes that the Scottish Government should bring before the Parliament a clear strategy to mitigate the impact on those individuals and families who will be affected.”

16:17

**Alex Johnstone (North East Scotland) (Con):** Debates like this remind me of why I got into politics. I did so because of the great challenges between the left and right of the 1970s. Now we are back facing that same dichotomy.

The Government that we had between 1979 and 1997 had an incredible record on taking the low-paid out of the tax regime. Throughout its term, it consistently raised the tax threshold by more than the rate of inflation. Then, as Chancellor of the Exchequer, Gordon Brown, with his great clunking fists, took all those people back in again. What a

pleasure it is to see that today’s budget takes a major step towards taking those poor unfortunate victims back out of the tax regime.

**Richard Baker (North East Scotland) (Lab) rose—**

**Alex Johnstone:** It is the Conservatives who will stand up for working men and women the length and breadth of this country. We will also guarantee to support the best welfare system in the world. Parties of the right and left have consistently adopted a policy of ensuring that ours was the best welfare system in the world, but an unfortunate side-effect has been the growth of welfare dependency that has taken place in parallel with that.

Despite the fact that there is an undisputed need for welfare reform, the Scottish Government opposes what is proposed but will bring forward little or nothing that might be put in its place. Let us start with the benefits cap. Someone who gets £26,000 a year on benefits is doing better than people who work and pay tax on an income of as much as £35,000 a year. Who in Scotland could justify that excessive expenditure?

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

**Alex Johnstone:** Unfortunately, I will not give way, because I have only five minutes, whereas the member’s party will, I believe, have 45 minutes in the debate. As long as we have pluralism in this country, I will have my shot and the member will listen.

The situation in which we find ourselves did not occur overnight. Why is it that while the benefits burden on the taxpayer increased to the unimaginable levels that we see today, the housing experts sat on their hands and said nothing? The subsidies kept flowing and tenants’ rents kept getting paid. Frankly, I am disappointed with some of the lazy, simplistic and sadly predictable responses that we have heard in the debate on the issue, both within Parliament and outside it.

The hand wringing that has gone on and the detailed explanations that we have heard from Elaine Murray about the intricate detail of how the legislation will be applied are simply examples of people taking advantage of the situation. In stark contrast, during the Welfare Reform Committee’s evidence session last week and in my subsequent personal meetings, I discovered a constructive and positive reaction from organisations such as Citizens Advice Scotland, Capability Scotland and Barnardo’s Scotland. I found the way in which they are tackling the reforms refreshing and realistic.

The issue is not just money; even more important is the need to maximise the use of our

existing housing stock. That is vital, as it seems increasingly likely that the Scottish Government will fail spectacularly to achieve its own modest target of 6,000 social houses per year.

How many bedrooms across Scotland are unused because the property is underoccupied? That leads me to another contributory factor: the lack of tenancy options that are available to local authorities.

Before I close—and I do not have long left—I must tackle the issue of flexibility. It has been made clear that there can be flexibility in the application of the rules. On 14 February Lord Freud made it clear that the designation of property size and the nature of rooms was another area in which the Government may be flexible. The Government is exploring with social landlords as part of its implementation work how that flexibility might come about.

Sadly, however, I am aware from advice that I have taken that there are issues surrounding housing law in Scotland that make some of the flexibilities that are possible in the south impossible in Scotland. I ask the minister if he will study them to see whether changes in the law are necessary.

We in Scotland are just as likely as the rest of the United Kingdom to find benefits in trusting people to manage their own affairs. It is vital that we find ways to give support to individuals who sometimes have chaotic lifestyles and will require help to organise their finances and fulfil the requirements of the legislation.

**The Deputy Presiding Officer (Elaine Smith):** The member must close now.

**Alex Johnstone:** However, unless we are willing to give them that help, the problems that are predicted by members on the Government front bench and by some elements of the Opposition are inevitable. We should not let that happen when we can do something to prevent it.

I move amendment S4M-02407.2, to leave out from “the UK Government’s plan” to end and insert:

“that the coalition government’s Welfare Reform Act received Royal Assent on 8 March 2012 and that it will introduce the biggest reforms for 60 years, including the introduction of the universal credit, which will replace the current, complex myriad of means-tested benefits with a single benefit system, making it simpler for people to navigate, harder for people to defraud and ensure that it is no longer possible to be better-off on benefits than in work, while, at the same time, protecting the most vulnerable in society; understands that the changes to housing benefit are part of this essential reform, which will promote individual responsibility and ensure that better use is made of the social housing stock, and further notes that the coalition government is working with councils on the transition and has announced an additional £10 million in

2011-12 and £40 million in each year from 2012 to 2015 in additional discretionary housing payments to allow local authorities to provide additional support where it is most needed.”

16:23

**Liam McArthur (Orkney Islands) (LD):** Back in October I took part in our debate on the wider welfare reform agenda. I noted then that it was an emotive area of policy that attracted strongly held views and, for reasons that I entirely understand and respect, the same is true of the specific aspects that relate to housing benefit.

At that stage, however, the SNP motion and the Labour amendment at least acknowledged the need for reform. Winding forward six months, it is evident from the SNP motion and the Labour amendment before us today that the acceptance that changes to the status quo are necessary is gone.

A budget that now represents a quarter of all benefits spending, which doubled to £20 billion during Labour’s term in office and which if it was unreformed would rise to £25 billion by 2015, is neither credible nor sustainable. The Scottish Federation of Housing Associations said that it

“agrees that the existing welfare system is in need of radical reform”.

The minister reiterated that point this morning.

I grant that what the SFHA envisages by way of reform differs from what is contained in the Welfare Reform Bill. That much is clear from its briefing and—more significantly—from the issues that it has been taking forward at Westminster in recent months. However, there is a recognition that carrying on regardless is not an option.

The SFHA does not detail what its reform package would look like, but in a sense that is not its role. The same is not true of SNP ministers. As I said, the minister repeated earlier his claim to be in favour of reform, which, while he holds the view that any cut to any benefits or any tightening of any of the demands placed on recipients is automatically unfair, is a cop out.

**Kevin Stewart:** This is nonsensical reform rather than radical reform. True radical reform would have considered ways of helping people out of poverty; the reform that Mr McArthur is talking about will put even more people into poverty. Will he comment on the fears of some social landlords about the fact that housing benefit will now be paid to the individuals, which might lead folk into even greater poverty than they are in already?

**Liam McArthur:** I hope that I can claim some of that time back, Presiding Officer.

I certainly accept the concern around direct payments to individuals, which is one that I and



others have been raising. We might need to take at face value the assurances that we have been given. However, that is an issue that I expect to be kept under review.

Since the debate in October, we have heard no alternative prospectus from the Scottish National Party, either on welfare reform generally or on housing benefit specifically. The closest that we have come is the remarkable claim by Nicola Sturgeon that with separation from the UK will come an end to poverty in Scotland. In light of the Deputy First Minister's assertion, it is hard to understand why the SNP is so keen to delay the fateful day when it believes that the poor will no longer be with us.

Any traces of SNP attempts at Westminster to amend the housing benefit elements of the bill are hard to divine. Doubtless, the bold group of SNP exiles were busy supporting amendments that were lodged by others, but it hardly demonstrates a vision or ambition for housing benefit reform on their part. It seems that the SNP supports no reduction in the welfare or housing budgets and that it supports only reforms that would result in recipients being better off, or no worse off.

This is a thorny and controversial area of policy. I am only too well aware of that reality from my own constituency, though anyone doubting that fact need only consider the case studies that were presented at the end of the SFHA briefing. However, to argue, as the Government motion does, that the proposals have gone "largely unchanged" through the process of scrutiny at Westminster is simply not true and diminishes the role that many organisations, from Scotland and elsewhere, have played in arguing their case, backed in many instances, as the minister acknowledged, by my Liberal Democrat colleagues.

For example, serious concerns have been raised about the underoccupancy provisions. It is worth bearing in mind, of course, that pensioners are already exempt from those provisions. In addition, however, the £470 million of discretionary housing payments can be used to assist people who are adversely affected and for whom no suitable accommodation is available. A further £30 million in DHP has also been allocated directly to local councils to provide specific assistance to help foster carers and those in adapted accommodation. I know that attempts were made to secure an outright exemption for people with disabilities who are living in adapted accommodation. Although enshrining that in the legislation might have been problematic, I can entirely appreciate the rationale and hope that that funding will help to address those entirely legitimate concerns.

Other changes to aspects of the Welfare Reform Bill were also successfully achieved, but I think that it is wrong for the Government's motion to belittle those relating to housing benefit.

The SFHA makes a fair point that a considerable body of secondary legislation will flow from the bill. I know from experience of dealing with bills in this Parliament that that approach is increasingly causing concern, not least as it involves a degree of uncertainty and can limit the extent to which provisions are scrutinised and amended.

I also accept, as I did in October, that there is an overlap with devolved areas of responsibility. However, the SNP's claim that the changes to housing benefit rules are

"compromising the Scottish Government's capacity to deliver on its housing ambitions for Scotland"

seems to be part of the all-too-familiar pattern of blaming everything on Westminster. Ministers have done a pretty good job all by themselves of compromising the SNP's ambitions to build 6,000 new social rented houses each year. The SNP's 2011 manifesto commitment was made in full knowledge of the current financial constraints. However, a month after the election, Mr Brown claimed that the Government was committed to building only 6,000 affordable homes and that no target had been set for homes for social rent. By September, the target for new social rented properties reappeared, although it was significantly lighter, at 4,000 a year.

The distinction between social rented properties and those that are affordable is not irrelevant. Many people on low incomes are unable to secure a mortgage and the willingness of the SNP to compromise its housing ambitions will have an impact.

I fully acknowledge the concerns that have been expressed by those in the housing sector in Scotland about the changes that are being introduced. However, the SNP's indignation would carry more weight were the party more forthcoming in setting out what it would do and how it would pay for it.

I move amendment S4M-2407.1, to leave out from "that will" to end and insert:

"; acknowledges the lobbying efforts of Scottish stakeholders that helped secure additional transitional support for households affected by the benefit cap and for foster families and disabled people living in adapted properties affected by changes to under-occupancy rules; further notes that, despite its support for welfare reform, the SNP administration has so far provided no clear view on the reforms that it wishes to see; recognises that SNP MPs did not feel the need to table amendments to the parts of the Welfare Reform Bill dealing with housing benefit reform; believes that Scottish tenants and prospective tenants have not been well served by the Scottish Government's

decision to abandon the SNP manifesto promise to build 6,000 socially rented houses every year and, instead, adopt a plan that involves an element of private purchase, and considers that the Scottish Government should devote its effort to meeting its manifesto promise on building 6,000 houses for social rent each year."

16:29

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** I welcome this debate and hope in my remarks to draw on my experience as a former member of the Infrastructure and Capital Investment Committee and as deputy convener of the Welfare Reform Committee.

There is much concern about welfare reform—indeed, members have already highlighted some of that—and stakeholders have expressed to both of the committees that I have mentioned concerns about, for example, the effect on the disabled; the effect on those in poverty, particularly children; and what will certainly be a negative impact on housing policy in Scotland. I cannot recall who gave this evidence—members will have to forgive me—but the Infrastructure and Capital Investment Committee was told that there was no sense that housing policy, devolved or otherwise, was a consideration for the UK Government in its welfare reform agenda. That quite damning comment suggests the reason why it would be better for housing policy to be in the Scottish Parliament's hands—and, in saying so, I very gently point out to Elaine Murray that I am not seeking to use the debate as an SNP Trojan horse with regard to the constitution; I am simply reflecting what the Scottish Federation of Housing Associations itself has said.

Citizens Advice Scotland estimates that, as a result of changes to housing benefit, around 60,000 tenants in Scotland will lose an average of £40 a month and that 97 per cent of those who claim local housing allowance will be affected. That will have a major impact on some people's ability to meet their rent costs.

As for specific changes that are being made to housing benefit as part of the welfare reform agenda, I have to say that, in its underoccupancy changes, the UK Government is using the term "underoccupancy" in a way that I do not recognise—or, at least, that I do not recognise as being fair. How can an individual who has lived in a house for a long time—and, indeed, who might well have raised a family there—be said to be underoccupying their home? Such a view treats a person's house as an asset rather than as a home.

That not only represents a cultural shift but is bad policy in two ways. When he gave evidence to the Welfare Reform Committee, David Ogilvie of the SFHA made it quite clear that there are not

enough one-bedroom properties in Scotland to meet demand if this agenda is forced through. The other way in which it is bad policy is one that I had not considered until I met the chief executive of the local housing association in Cumbernauld and visited some new flats that have been built with help from the Scottish Government. He told me that the rent for those two-bedroom flats was £65 a week, but if someone is suddenly found to be underoccupying a flat, they will have to find a one-bedroom property elsewhere in the private sector that is likely to cost more. It is a ludicrous proposition that will have a net cost to the taxpayer.

Although I realise that time will get the better of me, I want to mention a number of other issues. Kevin Stewart set out the direct payments issue quite clearly in his intervention, and his comments do not need to be repeated. Concern about the impact on this Parliament's world-leading homelessness legislation reflects the fact that the welfare reform agenda does not take cognisance of our housing policy or, indeed, the effect on social housing providers in bringing forward houses in future. Such negative changes suggest that we are absolutely right to be concerned about the changes to housing benefit, and I say to Mr Johnstone that the approach does not strike me as the Tories standing up for working people.

**The Deputy Presiding Officer:** I am afraid that you must close, Mr Hepburn.

**Jamie Hepburn:** I look forward to assessing the changes in the Welfare Reform Committee and commend the Government motion to the chamber.

16:33

**Margaret McDougall (West Scotland) (Lab):** The incoming housing benefit changes are extremely worrying and will have a significant effect in Scotland. The Scottish Parliament information centre has estimated that as of December 2011 more than 475,000 people in Scotland were in receipt of housing benefit: 80 per cent in the social rented sector and the other 20 per cent in the private sector.

The UK Government claims that the reforms are needed to tackle growing expenditure on benefit and are driven by its desire to create a fairer system. However, it is hard to see what is fairer about a proposed system that could have devastating effects on not only Scotland but the whole UK; that could penalise people because there is not enough housing stock or housing of the right size; and that could see homelessness rise.

The benefit reforms will hit the poorest and most vulnerable people hardest and will damage local economies. North Ayrshire Council estimates that

the reforms will mean a £50 million loss to the North Ayrshire economy during the next six years. Many other local authorities are in a similar position.

The Government estimates that the bedroom tax could affect up to 39 per cent of the working-age households that are in receipt of housing benefit, but that is only a rough estimate, because many local authorities are still trying to develop a complete picture. People who are affected will have their housing benefit cut by 14 or 25 per cent, depending on the number of bedrooms by which they are deemed to be underoccupying, which represents average losses of £27 or £65 per month. Those are substantial amounts for people on low incomes.

The Scottish Government and councils need to start working together to develop local housing strategies and policies—in particular, allocation policies—to meet the demands of each area. They will need to ensure that the housing stock can be maximised to meet tenants' needs, and they must ensure that people are not unfairly penalised, do not fall into debt and are not evicted because they can no longer afford their rent as a result of the benefit change.

The proposed universal credit raises many other issues, not least the direct payment of the housing costs element to tenants. Universal credit is supposed to simplify the benefits system. The Government's target is for 80 per cent of forms to be completed electronically, which could make the benefit more difficult to access for people who are not computer literate or do not have access to a computer.

There is also the serious issue of what will happen to benefits staff in Scottish councils. Will they find a new role helping customers to move to universal credit through the electronic claim form? Will their posts be lost? Will they transfer to the DWP? We still do not know the answer to those questions. A valuable staff resource—people who have local expertise and who can deal with complex housing benefit claims—might be lost.

If councils do not provide support, Unison suggests that services such as citizens advice bureaux will be overloaded with people who are seeking help, support and advice. If advice is not available, many people will lose out on benefits to which they are entitled, which will have serious financial implications and could lead to homelessness.

We must stand with the organisations that oppose the reforms, which are not and never will be fair. Scottish councils and the Scottish Government must do everything that is in their power to mitigate the effects of the benefit changes. We cannot willingly allow the poorest

and most vulnerable people in society to be left to bear the burden of a truly unjust reform.

16:37

**George Adam (Paisley) (SNP):** We need simplification of the benefits system, but not in the way that is proposed. The minister was right to say that independence is the way forward if we are to ensure that we can adequately house and look after all our citizens in Scotland. The issue is not just a Trojan horse to enable us to talk about the constitution again; the constitution is what can make a difference in people's lives.

What do the Tories and Lib Dems say to people who are suffering from long-term conditions and who are worrying that they might be made homeless? I see that Alex Johnstone is about to stand up; I will gladly take an intervention from him.

**Alex Johnstone:** I am sure that the member is aware that part of the reason why many people are worrying is that they are listening to the propaganda that is being put out by him and by other organisations.

**George Adam:** Mr Johnstone is a far more experienced parliamentarian than I am, but his intervention was rather disappointing. The Tories do not have the answers for people who have long-term conditions. My wife has multiple sclerosis. Last night, we went to the Paisley and district branch meeting of the Multiple Sclerosis Society and at least three or four people approached me to talk about the issues. We are dealing with real people, who have real problems, and the reforms will have a dramatic and devastating effect on their lives.

I listened to Alex Johnstone's speech—or rather, his turn, as I think he put it. It was indeed a turn, which would probably have gone down better at Blackpool pleasure beach than anywhere else. I am still waiting for the detail. Where is the hope for people who suffer from long-term conditions? How can we maximise the use of the existing housing stock, as he says that we should do?

The problem is that many local authorities are still suffering from the Conservatives' previous housing ideas, which is why local authorities no longer have the good housing stock. Thankfully, the Scottish Government has managed to take the situation forward and to ensure that we retain some social housing stock. We hear nothing about that from the Conservatives.

Alex Johnstone mentioned flexibility in the system but said absolutely nothing about it. I am still waiting to hear what that flexibility is and what I should tell the people whom I met last night. There is just fear and a complete lack of detail.

A document from HM Revenue and Customs said that the housing benefit and welfare reforms could push 118,700 children in Scotland into poverty. Most of us never got involved in politics to do that, and the same probably applies to many of my colleagues on the Tory benches—it is surprising to have to say that about the Lib Dems, too.

In Renfrewshire, 68 per cent of all tenants receive some form of housing benefit. I spoke to the housing department there today and was told that the effect on how it goes about its business will be massive. That department does not know the detail of the reforms, although it is one of the bodies that will deal with them.

Renfrewshire's population is split 50:50 between working-age people and older people. As Jamie Hepburn said, we do not have the housing to deal with the need for one-bedroom homes. The Tories say that they want everybody to work for themselves and to make their way in the world but, under the proposals, every under-35-year-old will be staying with his mother and father, because he will be unable to get a bedsit.

We must look at the difference that the reforms will make. Last April, the local housing allowance for private lets was reduced from 50 to 30 per cent of rents. That has left many people who rent from private landlords at their mercy, which is a worry.

There are other issues. I mentioned child poverty, and looked-after children will also be affected. In some cases when a family gets sorted and a child comes back, there might be no bedroom for that child. As corporate parents, we should all look to take that on board.

16:42

**Margaret Burgess (Cunninghame South) (SNP):** I say to Alex Johnstone that I will not apologise for talking about how the issue will affect people in my constituency and elsewhere in Scotland. We have heard from all the organisations from which he seems to have got a different message. Every organisation that sat round the table at a Welfare Reform Committee meeting said that the benefit reforms, including the housing benefit reforms, would have a detrimental impact on all the poorest and the vulnerable in our society. They went as far as saying that the reforms would push child poverty back to its 1999 level. The *Official Report* will show that that was said.

I take issue with Alex Johnstone's references to propaganda and scaremongering. There has been no more scaremongering than there was when the Conservatives talked about people who got £2,000 a week in housing benefit. The answer to a freedom of information request was that, of the 5

million people in the UK who receive housing benefit, about 10 receive £2,000, and they have particular circumstances. The Conservatives put out propaganda about that, which the tabloid press picked up. We should correct that image.

We have heard from other members about the issues that will arise for local authorities. My local authority reckons that about 3,000 people will be affected by the housing benefit reforms and that people will lose as much as up to £10 a week, simply because of the single-occupancy rule. I have no issue with people moving house if they want to do so, but I am concerned about forcing people to move simply for the crime of having a bedroom that is not being used. Making such people move is fundamentally wrong and is against everything that I thought that we in Scotland stood for. People should be able to have their home for the rest of their life, if they want. Unfortunately, that will no longer be the case for somebody who is poor. I have an issue with that.

We hear people say, "Let's give people financial responsibility." I say, "Let's get real." Nobody can teach us better about budgeting than those who are on low incomes or benefits. They could teach us all something about budgeting.

Those people are really struggling just now. Every single penny counts. They simply cannot afford an extra pound in rent. They are struggling to pay for essential items; they are not buying luxuries or having a coffee. They are struggling to decide whether to buy a loaf of bread or a tin of beans for the kids—and sometimes the children go without. It is not right to put an extra burden on people who are in such circumstances by telling them, "There's your money; sort out how you are going to pay your rent yourself." They do not want that, and neither do the local authorities.

From my previous job I know that there is nothing more distressing than witnessing the despair of someone who is about to lose their home. It is the final straw for them and comes at the end of a financial and mental struggle from which their health and relationships often never recover. Citizens Advice Scotland anticipates that demand for advice in such circumstances will increase, and it is right to point out that it is cheaper to provide good debt and welfare advice than it is to deal with homelessness and bankruptcy—and good advice has better social outcomes. I have seen it working at first hand and it truly makes a positive difference to people.

The poorest and most vulnerable are being penalised simply because they are poor and vulnerable, and that is absolutely unacceptable. We have heard today about the Tories being for the working people. A lot of the people whom we are talking about today work but do not earn enough, so they get help with their rent. They will

not be helped by today's budget because any assistance that has been given through benefits is taken away through taxes. They will not be better off.

The devolution of social security would allow this Parliament to do much more for the most vulnerable of our citizens.

16:46

**Malcolm Chisholm (Edinburgh Northern and Leith) (Lab):** I have no time to deal with all the housing benefit cuts that started last April, continued this January with the extension of the single room rate, and will be ratcheted up in a year with the underoccupancy and other provisions. I will concentrate on the negative effect that the changes will have on our historic homelessness commitment. It appears that the UK Government did not give that commitment any thought or consideration when it was making the changes.

Many members have spoken about the underoccupancy measures. The Scottish Government estimates that they will affect 95,000 people in Scotland. Alex Johnstone talked about people moving to smaller homes. Yes, we could incentivise that if people want to do it. City of Edinburgh Council offers people an incentive to do that, and that is fine if that is what they want to do. However, the UK Government has not taken on board the fact that, in many cases, no suitable alternative accommodation is available. In written evidence, the Scottish Council for Single Homeless told the Infrastructure and Capital Investment Committee:

"There is clearly a mismatch between housing benefit policy and the requirements of the homelessness legislation."

It pointed out that more than 75 per cent of social rented houses in Scotland have two or three bedrooms, while many homeless people, particularly those who have new rights coming on stream this year, are single. The result will be that many people in existing tenancies will build up rent arrears because their housing benefit will be cut by 14 or 25 per cent. More people who are in such housing will become homeless and, crucially, single people who are currently homeless will not be able to be offered a house because not enough one-bedroomed accommodation will be available. That single policy will have a negative effect on our homelessness commitment, and that was flagged up by the Infrastructure and Capital Investment Committee in its report this week on homelessness.

Many councils are, rightly, looking more to the private sector to deal with some of the homelessness issues, but even there a series of measures will have a negative effect. Last year, it

was the reduction in how much housing benefit someone could get to the 30th percentile, and next year housing benefit will be uprated by the consumer prices index rather than rent levels, which historically have risen faster. There is also the shared accommodation rate for anyone under the age of 35 that is already kicking in in the private rented sector.

There is also an issue around the lack of availability of shared accommodation and its unsuitability for many people. For example, a single person who had separated from their partner would have to live in shared accommodation and would be unable to have any of the children of the previous relationship staying with them, so that measure will also be entirely negative for the homelessness commitment.

The third issue that has been raised concerns the abolition of choice for tenants about whether housing benefit is paid directly to them. Of course, that has created a lot of anxiety in the housing associations. On 26 October, evidence was given to the Infrastructure and Capital Investment Committee, which can be found at column 226 of the *Official Report* and which I do not have time to quote in detail, about how mortgage lenders are very anxious about the effect that the decision will have on the ability of housing associations to have a regular income stream to repay their borrowings. I also have not had time to mention the on-going consultation on housing benefit for temporary accommodation, but such an approach will necessarily be used more in the early days, post-December 2012. If it is negatively affected, there will be more negative effects on our homelessness commitment, too.

In conclusion, I believe that we need to consider the whole issue of the devolution of housing benefit, irrespective of the views that we hold on any other aspects of devolution or, indeed, independence. There has always been a logical case for the whole of housing policy to be considered in its totality.

**The Deputy Presiding Officer:** You really need to close.

**Malcolm Chisholm:** I hope that that will be one of the conclusions that we draw from this whole sorry experience.

16:51

**Bob Doris (Glasgow) (SNP):** I will start by paying tribute to Margaret Burgess for her speech. It was exceptional in outlining the devastating effects that these reforms will have and she correctly identified the fact that the landscape for benefits in Scotland is changing. Other negative changes are coming. For example, nearly 85,000 households in Scotland will no longer be eligible

for tax credits from this April, and that is before one starts to mention the disability living allowance and incapacity benefit reforms. It is important that we view the housing benefit cuts within that context.

As we have heard, there will be draconian sanctions such as the underoccupancy penalties, which will see the UK Government introduce cuts to the amount of housing benefit tenants can receive if they are deemed to have a spare room in their council or housing association home. That reduction will essentially mean that households deemed to be “underoccupied”—another term that I have issues with, like others who have spoken—will be charged a penalty as the reduced amount of benefit will become rent paid directly by the tenant through additional top-ups from any other benefits or incomes that they have.

I will look at the area where I stay and at how these changes will affect people there. According to the SFHA, the average weekly rent charge for two-bedroom households in north Glasgow is £63.88 a week, or about £283 a month. For households that are deemed to be underoccupying a property by a single bedroom in that area, the proposed 14 per cent benefit cut equates to an additional £465 a year—the equivalent of seven and a half weeks’ rent—that they will have to find from their own resources. The Tories are actually saying that if people need a year’s shelter, they will pay for 10 months but for the other two months that person is on their own. That is not acceptable and we should not be accepting it in Scotland.

In north Glasgow alone, the SFHA estimates that the change will affect almost 1,700 households. I will talk about a couple of constituents whose experience relates directly to this point, although I will not name them. One is about to reach retirement age and they are currently underoccupying their accommodation as they have a spare room. They are worried about their benefits being cut. They are also looking perhaps to go into sheltered accommodation but, because they have not reached retirement age, they are worried about being reassessed for personal independence payments and other benefits. They are unsure whether they should move to sheltered accommodation as they are worried on a number of levels about whether they will be able to sustain their income and stay there. It is not merely a question of the housing benefit reforms, but of how they will impact on other wider welfare reforms.

Another constituent who came to see me just the other day needs a two-bedroom property but is seriously considering whether he should get one or not. His son, who sometimes stays with him, will be deemed not to be entitled to that bedroom and

housing benefit will therefore not cover it. Those are real people who will suffer real and direct impacts from these ill-considered, inappropriate reforms.

The UK Government has chosen to ignore exemptions in such areas and the most vulnerable people in society are likely to suffer. If someone’s partner has come back from hospital and needs a spare room because of their medical condition, they will not have that spare room. If someone’s child has been taken into care and they want that child to return to their accommodation, they might no longer have the benefits to support that child in their home. Those are the most vulnerable people in society, whom we should be defending.

I will refer briefly to the Labour amendment, which talks about mitigation. From what I can see and from the search that I have undertaken, a lot of mitigation activities are already taking place. For example, in November, £100,000 of funding was announced to support three strands of activity involving the Chartered Institute of Housing, the Convention of Scottish Local Authorities and local authorities to see what they can do to mitigate the worst aspects of housing benefit reform and its impact on the most vulnerable people in society. Unfortunately, the key phrase is that we should mitigate “where possible”. Anyone in the Parliament who pretends that we can mitigate all the effects is in absolute denial.

I say to the Labour Party that the only Trojan horse in the chamber today might be a Scottish Labour Party that is giving succour to UK Tory welfare reforms by telling us that if we mention independence and a better way we are not in solidarity with other people in the UK. However, if we could kill the reforms stone dead in Scotland, no one else in the UK would accept them either, so give us the controls now.

16:55

**Drew Smith (Glasgow) (Lab):** It is not possible to wholly separate the housing benefit issues from the wider programme of welfare reform. As a member of the Welfare Reform Committee, I have taken a close interest in the cumulative effect of the changes. Taken together, the package represents a serious attack on the principles of a contributory welfare system—a system to which we all pay in when we can in the expectation that we will be supported, at least to a minimal level, when we need help. There is no doubt in my mind that the changes will further increase levels of poverty across Scotland and the UK and in my city of Glasgow.

I am aware of constituents who have already experienced hardship as a result of the changes to local housing allowance. I am particularly

concerned about the impact that that will have on women and children. Maeve Sherlock outlined many of the reasons for that in her excellent speech in a debate that took place last year in the House of Lords. Anyone who is not convinced by the seriousness of the risks that the changes pose should read her demolition of the UK Government policy in *Hansard*, in which she describes how single mothers will be forced from work and from their local area, where they might rely on other family members to support childcare. That could happen because of a cut of just £12 a week, an amount that Baroness Sherlock rightly says could just as well be £1,200 to a mother on a low income—£12 a week could be the cost of a pair of children's shoes or of putting a family meal on the table.

The changes to housing benefit will force families to move. In my area, that is likely to mean that single people without children who are on low incomes will be shunted into the city from the surrounding areas. In Glasgow, there are more than 1,500 single housing benefit recipients who are aged between 25 and 34. They could be forced to move from communities in which they might have grown up to something that is frankly close to a ghetto. The likely beneficiaries will be the private landlords who make money from cramming people into tenement flats that have been designated as houses in multiple occupation.

I do not have time to discuss the hugely disturbing effect that the changes will have on social landlords. Their risks will rise and their incomes will fall. The higher levels of rent arrears and the cost of recovering rents will diminish their capacity to borrow to fund new housing or improvements to existing stock. That is before I even get to the economic and, just as important, social cost of eviction.

As members have said, we in this Parliament should be concerned about the impact that all that will have on our efforts to beat homelessness. I commend the Infrastructure and Capital Investment Committee's report on the 2012 homelessness target. In Glasgow, we have the highest level of homeless applications, but we are already 90 per cent of the way towards meeting the target. We have rightly closed large-scale homeless hostels, but there is a real danger that they will return because of the shortage of temporary furnished flats, which are the key option in eradicating homelessness.

In my view, therefore, the housing benefit changes represent the single biggest housing policy intervention in Scotland since the Parliament passed its groundbreaking homelessness legislation. In this case, and particularly for the coalition parties, that should be a cause of shame rather than pride.

We have not heard whether the Government will support the amendment in the name of my colleague Elaine Murray, which seeks to encourage the Scottish Government not simply to lament what the coalition is forcing on us, but to produce a clear strategy to mitigate the worst excesses of Tory misrule. My colleague Margaret McDougall outlined a number of areas in which the Government could do that, such as allocation policy and the difficulties with online applications—although, unfortunately, the Scottish Government has cut the budget for digital inclusion. The Labour Party has always argued that the Parliament should have that role should we ever find ourselves in this situation. Today's poll tax is called the bedroom tax.

The Scottish Government claims that it wants control of the whole benefits system, but it must demonstrate its political will with the powers that are already at its disposal to mitigate the worst effects. I take Bob Doris's point that it will not be possible to mitigate them all, but we need a clear plan to mitigate what we can.

In great challenge comes opportunity, but in grasping the opportunity the Scottish Government must understand that it will be required to make choices about its priorities in changed circumstances and that it must put resources as well as rhetoric behind the plan that it must develop and present to the Parliament.

17:00

**John Mason (Glasgow Shettleston) (SNP):** Housing benefit affects a lot of people and, if this goes wrong, a lot of people will be seriously damaged. We have heard a lot of figures this afternoon. Glasgow Housing Association states that 70 per cent of its tenants—about 41,000 people—receive some form of housing benefit and that 63.4 per cent of its income comes through housing benefit. It is interesting to note that GHA is about to start building one-bedroom houses for the first time since the housing stock transfer.

We have heard some of the major concerns both in the chamber this afternoon and from those organisations that have briefed us. Among those concerns is the underoccupation penalty, or bedroom tax, which the SFHA and the National Housing Federation estimate will affect some 70,000 households in Scotland, or 32 per cent of working-age claimants. Barnardo's makes the point—which Elaine Murray and Kevin Stewart raised in the debate—that there are often good reasons why siblings cannot share a bedroom. For example, one might need bulky medical equipment.

There is also real concern about direct payments to claimants, which was touched on by

Drew Smith. I presume that that is the Tory idea of encouraging self-reliance; however, the reality is that it is putting pressure on vulnerable people. Rent arrears are already a challenge for housing associations and will probably get worse, resulting in a danger of evictions and homelessness. That will also make housing association income less secure and more of a risk for lenders. In addition, we have the major problem of the secondary legislation, which we await from Westminster.

There are other concerns. For example, Margaret McDougall mentioned that the DWP expects 80 per cent of claimants to be online by 2017, but Parkhead Housing Association in my constituency has told me that only 30 per cent of its tenants are currently online.

Let us look at the Conservative amendment. Sometimes, when we look at the wording of these things we realise how ridiculous they are. The amendment states that the new benefits system will be

“simpler for people to navigate”.

We all accept that the present system is far too complex, but we have been promised simplification many times before and have not yet seen it. In this case, I will believe it when I see it. The amendment also says that it will be

“harder for people to defraud”

the system. The ultimate way of stopping people defrauding the system is to have no benefits at all. I presume that, as benefits are reduced, there is less and less room for defrauding. It is pretty clear that that is a smokescreen for just cutting benefits, which will have the side effect of less fraud.

The Conservative amendment goes on to say that it will be

“no longer possible to be better-off on benefits than in work”.

In the intervention that Mr Johnstone would not take from me, I was going to suggest that, if people are getting more in benefits than they would get if they were working, the answer is to increase the pay rate. I notice that the Tories have not supported the call for an increase in the minimum wage.

**Keith Brown:** Does John Mason acknowledge what appears to be an emerging anti-poverty strategy from the Tories and, perhaps more surprisingly, the Lib Dems that involves taking £150 million out of the Scottish economy and giving a tax cut to those who are on over £150,000 a year? Does he hear any support for that in his constituency?

**The Deputy Presiding Officer:** The member is in his last minute.

**John Mason:** It is very clear to me that both the Tories and the Lib Dems are out to help the rich and damage the poor.

Given what we have heard about the need for advice, Glasgow City Council's attempt to close five of the citizens advice bureaux in Glasgow was shameful. Fortunately, pressure has made the council change its mind.

The Labour amendment talks about the need for “a clear strategy to mitigate the impact”.

That is fine, but does that require more resources? I presume that that is Labour's thinking. We have heard that there should be more money for housing—where would Labour save it from? Would it come from the health budget? I find it unacceptable if the Labour Party is going to cut the health budget and hit sick people.

**The Deputy Presiding Officer:** I remind members who took part in the debate that they should be in the chamber for the closing speeches, to which we now come. I call Liam McArthur. You have a strict four minutes.

17:04

**Liam McArthur:** As was predicted, this has been an emotive debate. I am delighted that Alex Johnstone has rediscovered why he came into politics, although I am a little worried that George Adam seems to be wondering why he did.

It is right and appropriate that MSPs throughout the chamber have had an opportunity to express concerns on behalf of their constituents. Margaret Burgess need offer no apology for the stance that she has taken in that respect, although I believe that she and John Mason are wrong to suggest that the proposals will punish the poor for being poor.

I was quietly surprised by the measured tone of a number of speeches. Jamie Hepburn made a number of salient points on the concerns that have been raised with him, and Malcolm Chisholm drew a clear link between his concerns about housing benefit and achieving homelessness targets. It would be disingenuous of me to suggest that I do not have some sympathy with that.

The point that was made about secondary legislation and attempts to understand the detail that is flowing through reflects concerns that I have expressed on many occasions about legislation that passes through the Scottish Parliament. I will therefore not criticise those who raise similar concerns about the welfare reform legislation.

A number of members made points about direct payments, including Drew Smith, Malcolm Chisholm, Jamie Hepburn and Kevin Stewart, to



name but a few. Again, I have raised such points both in the chamber and directly with colleagues at Westminster. If the concerns come to pass as has been suggested, I sincerely hope that the UK Government will be prepared to look again at the matter.

I also understand a number of the concerns that have been expressed about the provisions on underoccupancy, although it is wrong to suggest that no changes have been made in response to those concerns.

Dr Murray suggested that the debate is a Trojan horse for independence. That appears to have excited the wrath of many members on the Government's back benches. I know that feeling, given my intervention in the constitutional debate this week. I think that the debate might, in part, have been an attempt by the Government to justify the army of officials who now find themselves deployed within the Scottish Government to deal with welfare reform.

I return to the question that I raised at the beginning of the debate about the reforms that the SNP and the Labour Party wish to see. It is clear from what we heard this afternoon that they do not like what is proposed by the coalition Government—perhaps with the exception of the establishment of a universal credit. Despite the talk of “horrors” and “devastation”, we have not heard what changes they would make.

At least in the case of Labour, we have had an acknowledgement that spending on housing benefit has gone beyond sustainable limits. In January, Liam Byrne expressed the view that Beveridge

“would scarcely have believed housing benefit alone is costing the UK over £20 billion a year.”

He said:

“That is simply too high.”

He was less revealing about where, and the extent to which, cuts to housing benefit are necessary, but at least there was acknowledgement of the problems that we are trying to address.

In contrast, the view from the SNP appears to be that welfare reform is needed, but that it should not result in any reduction in the overall budget, including for housing benefit. Its policy remedy is separation from the rest of the UK. Although that would certainly allow a future Scottish Government to take a different approach, it would not absolve it of the need to deal with budgetary realities or the need to make the best use of housing stock. To pretend otherwise is a con.

Even simplifying and streamlining the welfare system, which the Deputy First Minister insists she supports whole-heartedly, would not be without

consequences, including for many people who are in receipt of housing benefit in Scotland. Mike Russell took exception last week to my observation that even simplifying and streamlining the welfare system would create winners and losers, but if that is not the case, the SNP needs to explain why and how it would pay for additional resources. Notwithstanding my contribution to the constitutional debate this week, I believe that demanding more powers and promising to set up an oil fund does not adequately answer those fundamental questions.

17:09

**Margaret Mitchell (Central Scotland) (Con):**

Given the intemperate terms of the Scottish Government's motion, coupled with the equally intemperate wording of the Labour amendment, it was something of a foregone conclusion that today's debate would, for the most part, generate more heat than light. That is a great pity, as an opportunity has been lost to look constructively at welfare reform and the housing benefit aspect of it. As Drew Smith said, it is not possible properly to assess housing benefit reform without looking at it in the context of wider welfare reform.

Instead, the tenor of this debate sells short those who are trapped in benefits poverty. It does nothing to address the problem of individuals who are welfare dependent. Welfare costs continue to soar to an unsustainable level and that presents great barriers to those who want to escape a life on benefits and to find work instead. That is bad for individuals, bad for communities and bad for society. What is worse is that it often triggers higher levels of debt, family breakdown, alcohol and drug abuse and crime.

Benefits fraud costs £1.5 billion every year and error and benefits fraud cost £5 billion a year. Five million people are trapped on out-of-work benefits and two million children grow up in households in which no one works. That is the unpalatable background against which welfare reforms and housing benefit reform have been tackled.

Let us be quite clear that Labour and the SNP, in what the minister stated, have both confirmed that welfare reform must be tackled. However, both parties have spectacularly failed to present any ideas about how that should be done, but prefer instead to carp from the sidelines about the biggest shake-up of welfare reform in 60 years. That point was very well made by Liam McArthur and my colleague Alex Johnstone.

**Keith Brown:** Will the member give way?

**Margaret Mitchell:** If the minister does not mind, I will—given the one-sidedness of the debate—continue to make my case.

It has taken political courage to introduce the reforms, which are based on achieving a very clear objective: to make work pay and to put individual responsibility at the heart of the benefits system. That involves rolling housing benefit and five other benefits into one payment—the universal credit, which is to be introduced in 2013. The advantages are clear and are recognised by other political parties. Margaret McDougall and Elaine Murray may be interested to know that the former Secretary of State for Work and Pensions, James Purnell, said that it is a good reform and that he had produced something similar himself.

One payment will save in administration costs and will introduce transparency so that individuals can see that they are better off for every hour that they work and every pound that they earn. However, the main aim—Margaret Burgess, who made a powerful speech, may be interested in taking cognisance of this—is to make work pay, especially for the poorest people in society.

It is estimated that housing benefit reforms will save £1.765 million by 2014-15, but this is not all about saving money, as some critics assert; it is also about having a simpler and fairer benefits system that will help people into work and in which work is seen to pay, and in which workless households will not be in receipt of more in benefits than the average working family receives in pay.

The reform is not easy, but it needs to be done. What is more, the general public—who are not, by and large, motivated by political point-scoring—understand the need for reform of the welfare system and support it.

17:13

**Richard Baker (North East Scotland) (Lab):** It is right that this Parliament should debate the very damaging impact that the cuts to housing benefit will have as part of the UK Government's ill-advised changes to our welfare system. The housing element is crucial and will affect some of the most vulnerable families and individuals in our country. It will also affect housing providers—local authority providers and housing associations.

We on this side of the chamber have not been slow to criticise the Scottish Government when we have believed that it has made on matters that are within its power decisions that have been damaging for housing. For example, we opposed the 30 per cent cut to the housing budget and we share Citizens Advice Scotland's concern that the decreasing budgets for housing services and for local authorities, alongside the impact of welfare changes and increased demand, will result in a perfect storm of challenges for housing providers.

At the same time, when the Scottish Government makes reasonable points about what will result from changes to housing benefit by the UK Government, we will, of course, agree. We have previously expressed concern about what actions Scottish ministers took to impress on their UK counterparts the need to make changes to the housing benefit proposals, but the fact is that the bill has been passed largely unchanged, despite the efforts of all those in both Parliaments and in civic society who have pointed out just how flawed it was. We have heard throughout the debate about the impact that the cuts will have on thousands of people in Scotland.

This will be an anxious time for many people as they face the prospect of either having to go through the upheaval of moving to a different property or meeting the costs themselves of an extra room that they need for what could be—as members have said—a host of perfectly justifiable reasons, such as disability issues or caring responsibilities. For the majority, of course, paying more is simply not an option. They will, understandably, feel that they are being kicked when they are down. We all accept that reforms in our welfare system have been required, but there will be no consensus that those changes are justifiable in view of the speed of their implementation, the depth of the cuts and their impact on the most vulnerable people. The poorest are paying the price for the mistakes of the superwealthy and the failing economic strategy of George Osborne and Danny Alexander.

Several very good speeches have been made. My colleague Elaine Murray opened for Labour by talking about the impact that there will be on individuals, particularly those who are in ill health or in disability situations. She also referred to the severe challenges that housing providers throughout the country face. They are without the stock that would enable them to reallocate tenants who will be affected, and they face the prospect of trying to recover lost income from tenants who cannot afford to pay. They are being placed in an impossible situation.

That is only one aspect of the difficulties that are being caused to housing providers, of course. My colleague Jackie Baillie pointed out in October, in an earlier debate on the bill, that removal of direct payments to social landlords will increase rent arrears and lead in many cases to court action. Jamie Hepburn also referred to that. More people might fall into debt and consequently find themselves homeless. The overall picture is gloomy for tenants and for those who provide their homes.

The Scottish Government has been right to criticise those cuts, but we need to hear from ministers now about what action will be taken to

minimise their impact on those who will be affected, particularly the most vulnerable people. It is important for members to hear now from ministers about what scope there might be to mitigate the impact of the cuts and what actions are being taken. Those actions should include ensuring that there is adequate financial advice for those who will be affected and that local authorities will proactively contact people who receive housing benefit and tax credits, because I have been advised that reductions in tax credit might be compensated for by changes to their housing benefit entitlement.

There should also be work with local authorities and housing providers on provision of future stock and on the requirement for more one-bedroom homes, which will, unfortunately, result from the changes through the Welfare Reform Act 2012.

The debate must result in more than the expression of opposition, however much we agree with the Scottish Government on that point. It must also result in practical steps that are taken in Parliament and throughout Scotland to minimise the impact of the changes and to mitigate their effects on the vulnerable people and families who will suffer as a result of them. We appreciate that that is not an easy task for ministers and that they have not sought the task, but they must carry it out and rise to it.

All that can be done by Parliament and by all the other agencies that have responsibilities in the area must be done to help those about whom we have expressed deep concerns and about whom many people in civic Scotland and many experts who work in the sector have expressed concerns. Many people face the future with anxiety and uncertainty because of the heartless and damaging changes to housing support, which all right-minded people in Scotland and throughout the UK strongly oppose, and which Parliament will rightly oppose again today.

17:18

**The Cabinet Secretary for Infrastructure and Capital Investment (Alex Neil):** Quite a number of very good speeches have been made. I was particularly taken by two, one of which was by Margaret Burgess, who talked from her experience on the front line working with the citizens advice bureau in Kilmarnock. It is clear from such an experienced front liner that the human impact of the reforms will be devastating to individuals and families.

I was also particularly taken by Malcolm Chisholm's speech. He is a former housing minister and has been prominent in campaigning for many long years for better housing, not only in Edinburgh but throughout Scotland. He, too, was

scathing in his analysis of the impact of the reforms.

The first thing that I make clear to members is that, although housing is meant to be a wholly devolved issue, the Scottish Government was not informed or consulted by the UK Government about any of the reforms at any time prior to their introduction. Had we been consulted about the reforms, our strong advice would have been not to proceed with them because they are devastating to individuals and the wider economy.

As the minister said in his opening speech, if we add up the effects of not just housing benefit reform but the totality of the welfare reforms that are being implemented by the coalition Government in London, the annual impact will be to take £2.5 billion out of deprived communities in Scotland and £25 billion out of deprived communities throughout the UK. By any measure—

**Margaret Mitchell:** Will the cabinet secretary take an intervention?

**Alex Neil:** Sorry, but I do not have time.

By any measure, that is a devastating blow to the people who live in those communities.

In today's budget, it was announced that the 50p tax rate for those earning more than £150,000 will be reduced and, in the same breath, that, over the next few years, an additional £3 billion will be cut from the UK welfare budget. That equates to about £300 million in Scotland. By any measure, the reforms will make the poor poorer and, combined with the tax measures, make the rich richer. I have never understood the Tory argument—

**Alex Johnstone:** Will the cabinet secretary take an intervention?

**Alex Neil:** No, not at the moment.

I have never understood the Tory argument for cutting tax for the rich to create incentives while devastating the living standards of the poor. When will the poor get an incentive and a decent standard of living? It is bad enough to get these reforms from the Tories—we expect it from them after the Thatcher and Major years and, clearly, we have the most right-wing Tory party in recent history. However, many people, particularly in Scotland, will be disappointed, to say the least, that these measures are being actively promoted by people who call themselves Liberal Democrats.

**Willie Rennie (Mid Scotland and Fife) (LD):** Will the cabinet secretary give way?

**Alex Neil:** The member has not been in the debate.

There is nothing liberal or democratic about the tax reforms or the welfare reforms. The Lib Dems thought that they had got a bad result in the elections to this place last year, but it will be nothing compared with the doing that they will get in the local elections in May. It will be a well-deserved doing indeed, for doing the Tories' dirty work for them on welfare and taxes.

**Willie Rennie:** Will the cabinet secretary give way?

**The Deputy Presiding Officer:** Order. The cabinet secretary is not giving way.

**Alex Neil:** The member was not in the debate, Presiding Officer—obviously, he was not interested enough.

Many members have pointed out that the practical impact of the measures is extremely dehumanising. Take the example of an old person who has been living in the same house for 40 or 50 years and who has brought up two or three children in that house. The family have all gone, perhaps the spouse has died, and the old person is living alone in the family house. The Tories and the Liberal Democrats will come along to take away a large chunk of that old person's housing benefit.

**Margaret Mitchell:** Will the cabinet secretary take an intervention?

**Alex Neil:** No, I will not.

That old person will be forced out of the family house and will probably be unable to find the right kind of housing in the same community with their friends and family. That is the kind of country that the Tories and the Liberal Democrats are creating—inhumanity of the worst kind.

As Malcolm Chisholm and others rightly said, there has been no regard whatever to the impact on homelessness. Indeed, the reforms do not even make financial sense because the cost of making someone homeless is more than £5,000. I do not know of many people on housing benefit who are getting £5,000 in their pocket. The cost to the public purse in Scotland of the impact of the reforms will be devastating. It is no exaggeration to say that some people will literally be driven on to the street as a result of the housing benefit reforms. They are ill thought out, costly, cruel and not the kind of 21st century policy that we should be promoting.

Of course, it is not only people who are out of work who receive housing benefit. In Scotland, 42,000 people who are in work receive it. One consequence of the reforms will be that, in many cases, people will be worse off staying in work than they would be receiving welfare. That defeats the purpose of the policy.

The DWP estimates that a fifth of single homeless people in Scotland will lose the prospect of a home as a result of the reforms. The DWP's own assessment of the impact of the reforms points out that they will lead to increased rent arrears; increased homelessness; an increase in the number of children being forced to change schools, with adverse effects; a greater adverse impact on the rural communities that Alex Johnstone claims to represent; additional costs for councils, including increased pressure on services; and, of course, an adverse impact on the provision of housing in both the private rented and social rented sectors.

**Willie Rennie:** Will the cabinet secretary give way?

**Alex Neil:** By any measure, these ill-thought-out and inhumane reforms are utter madness. They will create in our society ghettos of people who cannot afford to live a decent life. We expect that from the Tories, as it is part of their philosophy to make the poor poorer and the rich richer, but the people who will never be forgiven by the Scottish people are Willie Rennie and the other so-called Liberal Democrats. Lloyd George must be turning in his grave at the betrayal by the so-called Liberal Democrats.

We will continue to fight these reforms and argue for a humane welfare policy that keeps people in work, puts people in work and takes people out of poverty rather than putting them further into it.

## Public Bodies (Abolition of the National Endowment for Science, Technology and the Arts) Order 2012 [Draft]

17:28

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of motion S4M-02400, in the name of Michael Russell, on the draft Public Bodies (Abolition of the National Endowment for Science, Technology and the Arts) Order 2012, which is United Kingdom legislation.

*Motion moved,*

That the Parliament consents to the making of the Public Bodies (Abolition of the National Endowment for Science, Technology and the Arts) Order 2012, a draft of which was laid before the UK Parliament on 19 January 2012 and which makes provision that would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament.—[*Michael Russell.*]

## Business Motions

17:28

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of business motion S4M-02424, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

*Motion moved,*

That the Parliament agrees—

(a) the following programme of business—

Wednesday 28 March 2012

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Ministerial Statement: Planning Reform, Next Steps

*followed by* Stage 1 Debate: Agricultural Holdings (Amendment) (Scotland) Bill

*followed by* Scottish Government Debate: UK Government Budget

*followed by* Legislative Consent Motion: Financial Services Bill – UK Legislation

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

6.00 pm Decision Time

*followed by* Members' Business

Thursday 29 March 2012

9.15 am Parliamentary Bureau Motions

*followed by* Scottish Green Party Business

11.40 am General Question Time

12.00 pm First Minister's Question Time

2.15 pm Themed Question Time  
Health, Wellbeing and Cities Strategy

2.55 pm Scottish Government Debate:  
Consultation on the New Tribunal  
System in Scotland

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 18 April 2012

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Scottish Government Business

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 19 April 2012

9.15 am Parliamentary Bureau Motions  
*followed by* Scottish Government Business  
 11.40 am General Question Time  
 12.00 pm First Minister's Question Time  
 2.15 pm Themed Question Time  
 Culture and External Affairs  
 Infrastructure and Capital Investment  
 2.55 pm Scottish Government Business  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time  
*followed by* Members' Business

(b) that the period for members to submit their names for selection for Question Times on Thursday 19 April 2012 ends at 12 noon on Wednesday 28 March 2012.—[*Bruce Crawford.*]

*Motion agreed to.*

**The Presiding Officer:** The next item of business is consideration of three business motions. I ask Bruce Crawford, on behalf of the Parliamentary Bureau, to move motions S4M-02425, S4M-02426 and S4M-02427, which set out stage 2 timetables for various bills.

*Motions moved,*

That the Parliament agrees that consideration of the Alcohol (Minimum Pricing) (Scotland) Bill at Stage 2 be completed by 4 May 2012.

That the Parliament agrees that consideration of the Land Registration etc. (Scotland) Bill at Stage 2 be completed by 11 May 2012.

That the Parliament agrees that consideration of the National Library of Scotland Bill at Stage 2 be completed by 27 April 2012.—[*Bruce Crawford.*]

*Motions agreed to.*

## Parliamentary Bureau Motions

17:30

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of two Parliamentary Bureau motions. I ask Bruce Crawford to move motion S4M-02428, which is on approval of a Scottish statutory instrument, and motion S4M-02429, which is on substitution on committees.

*Motions moved,*

That the Parliament agrees that the Budget (Scotland) Act 2011 Amendment Order 2012 [draft] be approved.

That the Parliament agrees that George Adam be appointed as the Scottish National Party substitute on the Scotland Bill Committee.—[*Bruce Crawford.*]

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

## Decision Time

17:30

**The Presiding Officer (Tricia Marwick):** There are eight questions to be put as a result of today's business. The first question is, that motion S4M-02388, in the name of Christina McKelvie, on European Union priorities for 2012, be agreed to.

*Motion agreed to,*

That the Parliament notes the European and External Relations Committee's 1st Report, 2012 (Session 4): *The Scottish Parliament's EU priorities for 2012* (SP Paper 93).

**The Presiding Officer:** The next question is, that amendment S4M-02407.3, in the name of Elaine Murray, which seeks to amend motion S4M-02407, in the name of Keith Brown, on housing benefit reform, 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)  
 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)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stewart, David (Highlands and Islands) (Lab)

### Against

Adam, Brian (Aberdeen Donside) (SNP)  
 Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Gavin (Lothian) (Con)

Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Carlaw, Jackson (West Scotland) (Con)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Davidson, Ruth (Glasgow) (Con)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Goldie, Annabel (West Scotland) (Con)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hume, Jim (South Scotland) (LD)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alex (North East Scotland) (Con)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McDonald, Mark (North East Scotland) (SNP)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McLetchie, David (Lothian) (Con)  
 McMillan, Stuart (West Scotland) (SNP)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 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)  
 Urquhart, Jean (Highlands and Islands) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 32, Against 84, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** In relation to the debate on housing benefit reform, I remind members that if the amendment in the name of Alex Johnstone is agreed to, the amendment in the name of Liam McArthur will fall.

The next question is, that amendment S4M-02407.2, in the name of Alex Johnstone, which seeks to amend motion S4M-02407, in the name of Keith Brown, on housing benefit reform, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Davidson, Ruth (Glasgow) (Con)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Johnstone, Alex (North East Scotland) (Con)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McLetchie, David (Lothian) (Con)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, John (Ayr) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)

#### Against

Adam, Brian (Aberdeen Donside) (SNP)  
 Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)

Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hume, Jim (South Scotland) (LD)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)  
 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, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Malik, Hanzala (Glasgow) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Urquhart, Jean (Highlands and Islands) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine)



(SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

#### Abstentions

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

**The Presiding Officer:** The result of the division is: For 15, Against 97, Abstentions 4.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that amendment S4M-02407.1, in the name of Liam McArthur, which seeks to amend motion S4M-02407, in the name of Keith Brown, on housing benefit reform, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

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

#### Against

Adam, Brian (Aberdeen Donside) (SNP)  
 Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)

Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Malik, Hanzala (Glasgow) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Urquhart, Jean (Highlands and Islands) (SNP)

Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**The Presiding Officer:** The result of the division is: For 20, Against 95, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S4M-02407, in the name of Keith Brown, on housing benefit reform, 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)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)

Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Malik, Hanzala (Glasgow) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Park, John (Mid Scotland and Fife) (Lab)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Urquhart, Jean (Highlands and Islands) (SNP)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

**Against**

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

**The Presiding Officer:** The result of the division is: For 96, Against 20, Abstentions 0.

*Motion agreed to,*

That the Parliament notes the UK Government's plan for housing benefit reforms that will have a devastating impact on tenants, especially in some of Scotland's poorest communities, and, as a result, on social and private landlords, local authorities and support agencies; regrets that, despite significant, well-evidenced and considered lobbying by Scottish stakeholders against the reforms, the UK Government pushed through the Welfare Reform Bill largely unchanged; notes that the UK Government's housing benefit reforms cut across devolved responsibilities, compromising the Scottish Government's capacity to deliver on its housing ambitions for Scotland, and acknowledges that, now that the Welfare Reform Bill has gained Royal Assent, the Scottish Government, local authorities, landlords and others must work together to minimise as far as possible adverse impacts on some of Scotland's most vulnerable people and to develop thinking on the Scottish delivery of housing support costs under any changed future constitutional arrangements.

**The Presiding Officer:** The next question is, that motion S4M-02400, in the name of Michael Russell, on the draft Public Bodies (Abolition of the National Endowment for Science, Technology and the Arts) Order 2012, which is United Kingdom legislation, be agreed to.

*Motion agreed to,*

That the Parliament consents to the making of the Public Bodies (Abolition of the National Endowment for Science, Technology and the Arts) Order 2012, a draft of which was laid before the UK Parliament on 19 January 2012 and which makes provision that would be within the legislative competence of the Scottish Parliament if it were contained in an Act of that Parliament.

**The Presiding Officer:** The next question is, that motion S4M-02428, in the name of Bruce Crawford, on approval of a Scottish statutory instrument, be agreed to.

*Motion agreed to,*

That the Parliament agrees that the Budget (Scotland) Act 2011 Amendment Order 2012 [draft] be approved.

**The Presiding Officer:** The next question is, that motion S4M-02429, in the name of Bruce Crawford, on substitution on committees, be agreed to.

*Motion agreed to,*

That the Parliament agrees that George Adam be appointed as the Scottish National Party substitute on the Scotland Bill Committee.

## Rail Services (Berwickshire and East Lothian)

**The Deputy Presiding Officer (John Scott):**

The next item of business is a debate on motion S4M-01799, in the name of John Lamont, on local rail services to Berwickshire and East Lothian. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament commends the Rail Action Group, East of Scotland and what it considers to be its hard-working volunteers on campaigning for many years for improved rail services for Berwickshire and East Lothian; understands that there is strong cross-party support for the reintroduction of local services from Edinburgh to Berwick-upon-Tweed and the reopening of stations at Reston and East Linton; notes the September 2011 feasibility study commissioned by Transport Scotland, which concluded that there is a positive economic case for local services and the reopening of the proposed stations; notes that the study also highlighted the latest East Coast Main Line Route Utilisation Strategy, which said that there is no capacity constraint to reinstating local services on the existing line; understands that there is strong support from residents in all of the communities that would benefit from the reintroduction of local rail services and the improved access that this would confer on employment, education and leisure opportunities; welcomes the support and collaborative, proactive approach from East Lothian Council, Scottish Borders Council and partners SEStran to move this project to the next stage in completing the final elements of the Scottish Transport Appraisal Guidance Part (STAG) 2 appraisal, and would welcome consideration of such a service should the STAG appraisal conclude that this would have positive economic, regeneration and environmental impacts for East Lothian and Berwickshire.

17:38

**John Lamont (Ettrick, Roxburgh and Berwickshire) (Con):** The purpose of the debate is to highlight the case for the reintroduction of local rail services between Edinburgh and Berwick-upon-Tweed, but more particularly for the reopening of Reston and East Linton stations for local train services.

Before I get to the substance of the debate, I thank those members on all sides of the chamber and from all political parties who have supported my motion to allow the debate to take place. I know that a number of MSPs hope to speak in the debate, and I look forward to hearing their contributions.

I put on record my admiration for the rail action group east of Scotland—or RAGES as it is known locally—for its tremendous work and relentless campaigning to bring rail services back to Berwickshire and East Linton. Particular recognition should be given to its chairman Tom Thorburn, vice-chairman Barrie Forrest and secretary Russell Darling. I doubt that the campaign would have had the impact that it has

had were it not for their hard work, which has been supported by the RAGES committee.

That work has also been supported by the wider community, in the form of Coldingham community council, Eyemouth town council, Reston community council and Joyce McLean from Reston. I do not have time to name everyone who is involved, but I am delighted that many of them have been able to join us this evening in the public gallery.

My motion refers to the need for rail services for Reston and East Linton. However, for the purposes of the debate, I will focus on the case for Reston, as it is in my constituency. I am sure that Iain Gray and others will focus on the case for East Linton.

The eastern Borders and Berwickshire area does not have good transport links and I believe that that is now having a serious impact on the economic viability of the area. Indeed, a recent study highlighted particular concerns around Eyemouth and suggested that it faces the danger of rural marginalisation.

It is estimated that a train station at Reston could serve a population of approximately 10,000 residents in the eastern Borders, giving those residents easy access to the economic powerhouses of Edinburgh and Newcastle. Young people would be able to stay in the area while commuting to access further education and high-quality, skilled jobs. By offering improved public transport links, those communities would also be able to attract new families who would look to take advantage of the Borders' quality of life. Crucially, retaining people and attracting new residents would have a knock-on effect on the overall viability of Reston, Eyemouth and other Berwickshire communities. There would be more families to use local schools, spend money in local shops and more generally support the life—the existence—of the local community. New businesses would be attracted to the area and there would undoubtedly be huge potential for the untapped local tourism market, not just in Berwickshire but across the Borders, to be exploited.

We all know that we live in tough economic times and that public money must be spent wisely to ensure good value and maximum public benefit. However, there is no doubt in my mind that extending local train services to Berwickshire and Berwick-upon-Tweed from Edinburgh would be money well spent. I hope that that was evident to the Minister for Housing and Transport during his recent visit to East Lothian and Berwickshire.

In the limited time available to me I would like to make the following points to the minister. Those who have been involved in the campaign are

frustrated by the fact that it will now be necessary to pursue the Scottish transport appraisal guidance 2 appraisal process. The minister's predecessor—with whom we had positive engagement and who visited Reston and East Linton—made it clear to me, Iain Gray, and the other campaigners that a STAG 2 appraisal would not be necessary and that, instead, Transport Scotland would pursue an alternative study into the viability of reintroducing local train services. Frankly, there is no point trying to work out the rights or wrongs of the current position or the reasons for it; I mention the issue only to record officially the frustration that was felt by the campaigners when they were told that much of the work would have to be repeated, and that that would have to be done in a very short timescale.

To that end, I would be grateful if the minister could give two commitments when he winds up the debate. First, I would like the Scottish Government to give a commitment that it will ensure that Transport Scotland meets the costs of the STAG 2 process. Secondly, I would like a commitment to be made that, within the new rail franchise agreement, the possibility of local rail services returning to Reston and East Linton will be kept open.

I also say to the minister that it is clear that, unless the project has the political backing of the Scottish National Party Government, it is going nowhere. If the minister believes that the money cannot be found or that the business case cannot be made, I urge him to come clean and say so. Frankly, it is better that the campaigners know where they stand rather than be given false hope.

The Scottish Government should not fall into the trap of thinking that the Borders railway will be the answer to all the public transport problems in the Borders. I was particularly concerned when the Minister for Housing and Transport stated recently in this Parliament that the Borders railway was the SNP's number 1 priority for improving public transport in the Borders. The reality is that the Borders railway will go to Galashiels. It will arguably improve public transport to residents living in and around the central Borders, but it will do nothing to assist communities further afield, such as those in Berwickshire. I hope that the SNP Government understands that every resident in the Borders should be able to access good-quality public transport, not just those living in and around Galashiels. I hope that the minister will also acknowledge that the delivery of local train services to the eastern Borders and East Linton could be achieved at a fraction of the cost of the Borders railway.

I will finish where I started. I again thank colleagues for supporting my motion and those who will speak in the debate. The motion and the

campaign have strong cross-party support. We now need the political muscle of the Scottish Government to make the project happen.

17:45

**Iain Gray (East Lothian) (Lab):** As one of the initial signatories to John Lamont's motion, I congratulate him on securing the debate. The motion itself reflects what is a powerful cross-party, cross-community and cross-council campaign in the south-east of Scotland. I have supported the introduction of a local rail service between Edinburgh and Dunbar and on to Berwick for a number of years, and I echo John Lamont's commendation of the work of RAGES. In fact, I should probably declare an interest as a paid-up member of the group.

Although Dunbar in my constituency is served primarily by a mixture of cross-country and east coast long-distance trains, the truth is that it is an afterthought in those timetables. There are gaps of up to an hour and a half between trains during the day and of more than two hours at some points in the evening. Even worse, my constituents in East Linton, where the station closed in 1964, have to watch trains pass through their village all day without stopping. The recent addition of a few ScotRail services to Dunbar is a welcome, if slight, improvement, but the service remains inadequate to the town's needs and does nothing to address the demand for train services from East Linton.

Given that East Lothian's population is projected to rise by 33 per cent by 2035—the biggest projected increase in any part of Scotland—and that in Dunbar itself planning permission has already been granted for 500 houses that we expect to be built in the near future, it is clear that there is huge potential for rail services to grow in this part of Scotland. The proposed service would link young people directly to Queen Margaret University and job opportunities in Edinburgh; after all, we must bear in mind that this is the part of Scotland where youth unemployment has risen fastest in the past two years. It would also get commuters out of their cars, cut carbon emissions and thereby contribute to the Scottish Government's emissions reduction efforts in the transport sector.

Over the years, successive transport ministers of all political parties—including, I fear, me—have met the RAGES campaign with warm words but lots of hurdles. However, the group's persistence has overcome those hurdles one by one. For example, some years ago, a STAG appraisal produced a positive business case; East Lothian Council has safeguarded land and committed funding for a station at East Linton; and ScotRail has begun to train drivers to go beyond Drem on the east coast main line. Most recently, the MVA

Consultancy feasibility study showed that a station at East Linton improves the benefit-cost ratio for the Edinburgh to Dunbar service and finally laid to rest the argument that a Dunbar local service would impact on the mainline timetable.

As Mr Lamont has explained, a multimodal STAG 2 study has now been demanded. We will also get over that hurdle, because the journey on the so-called express bus from Dunbar to Edinburgh takes around an hour longer than the train; in any case, its frequency has just been halved. Constituents in East Linton are often left standing by rush-hour buses that are already full before they get to the village.

Like Mr Lamont, I was very pleased that the transport minister took the time last month to visit the site of the old East Linton station. However, I worry about the fact that, on that visit, he emphasised that, at closer to £2.5 million per annum rather than £1 million, the operating subsidy required would be at the upper end of projections. We know that other new stations such as Laurencekirk and new services such as those to Bathgate and between Stirling and Alloa have attracted passenger numbers way beyond expectations, and the MVA study assumes that there will be new rolling stock, which I think would not be necessary. We have every reason to believe that the subsidy required for the service will be less than predicted; in any case, it would be marginal in the overall ScotRail budget.

South-east Scotland is looking only for its fair share of rail services. The time has come for a transport minister to say yes, not maybe. That challenge now falls to Mr Brown and I hope that he will rise to it this evening.

17:50

**Paul Wheelhouse (South Scotland) (SNP):** I refer to my entry in the register of members' interests. I am a member of rail action group east of Scotland—I welcome fellow members to the gallery and associate myself with John Lamont and Iain Gray's comments on their hard work on behalf of the project.

I support the motion and I am grateful to John Lamont for securing the debate on behalf of the four MSPs who have been closely involved with the issue. I am also grateful to him for accepting my amendments to his draft motion. I thank the minister for coming to both station sites and to Eyemouth, at my invitation, and for the two ministerial meetings that he has had. I know that he has a keen interest in the project.

The minister faces a 32 per cent capital funding cut over the spending review period. Funding is scarce and it behoves us all to demonstrate the value of investment, as John Lamont said. There

is also an equity issue, given that since Reston station closed the region has helped to subsidise rail services elsewhere in Scotland while receiving nothing in return. As I said in my submission to the “Rail 2014” consultation, subsidy should be allocated to ensure that Government objectives for cohesion and solidarity, which are the characteristics of growth that we seek in Scotland, are delivered.

Glasgow City Council and Highland Council each have 58 or more stations in their areas and receive considerable subsidy. I am not suggesting that those areas’ subsidy be reduced, but the case for levelling up areas such as my area needs to be recognised.

Eyemouth and the surrounding district are in great need of economic diversification and regeneration. John Lamont mentioned the Scottish Agricultural College study, which noted that of the 44 towns that were considered, Eyemouth was one of those most exposed to the impact of the cuts that arise from UK spending cuts. According to analysis by Scottish Borders Council, the area has one of the oldest age profiles in Scotland. The retention of young people in the area is a key problem. There are virtually no private sector graduate jobs and precious few skilled or technical posts in the area. Job density—if I may use a technical term—is low and the employment rate has traditionally been significantly lower than the Borders and British averages.

Further education participation is particularly low. The overall student participation rate for FE in east Berwickshire is below 50 per cent of the Scottish average; it is also below East Lothian and Scottish Borders comparators. The overall participation rate for all levels of post-school education is between 50 and 70 per cent of the average. Access to university and college courses in Edinburgh would help enormously.

Social housing is badly needed in the area. Berwickshire Housing Association has more than 110 applicants for every new social rented house that is built in Eyemouth and between 60 and 80 applicants for every existing social rented house that becomes available. The railway would unlock investment in open-market housing throughout Berwickshire, with 552 units in the local plan for Eyemouth alone, releasing land for social housing in the process. The project provides a strong fit with the Government’s economic strategy, in that it would increase solidarity between income groups and improve cohesion by increasing economic growth in an area that traditionally underperforms in that regard. It would support the achievement of rural development objectives and climate change targets, in the context of the report on proposals and policies. In many ways, the project would

contribute strongly to the Government’s wider agenda.

The advent of local rail services would also bring the possibility of establishing jobs in the tourism and knowledge sectors in the region. It would improve connectivity and drive business and tourism investment in East Lothian and Berwickshire.

Like any rail service in Scotland, the service would receive a degree of subsidy, but the returns to Government would demonstrate good value for money. I am confident that the STAG 2 study, when it is commissioned, will demonstrate that the assumptions that MVA used were overly pessimistic.

Many community councils have made strong submissions to RAGES and to me. Eyemouth town council said:

“The benefits of a station in Reston are huge both to the economy and to the wider community as a whole. It would mean that our youngsters, the new generation of voters and workers, would be able to remain in the Borders. They could travel for college and University courses. Young people are leaving the area as they cannot afford the travelling costs or the time it takes to commute. This leaves us with an aged retired population, which is not ideal.

Businesses in the area would also benefit with a quick means of travel to the Capital. Reinvestment may then be attracted to the area”.

17:55

**Jim Hume (South Scotland) (LD):** I congratulate John Lamont on securing the debate, which is on a matter that is of significant interest to the people of East Lothian and Berwickshire. I will talk as a South Scotland member and as the Liberal Democrats’ transport spokesman.

The Transport Scotland feasibility study confirmed the overwhelming desire in both communities for passenger rail services to be reinstated. It is evident that that desire exists across the political spectrum. The motion refers to the “hard-working volunteers” who have campaigned on the issue for decades. Members have paid tribute to them, and I pay tribute to them, too—particularly those who are associated with RAGES. I congratulate them on their good work; it is good to see them all here this evening.

The study said:

“There is therefore no doubt that there is a local desire for improved services and this has been fully expressed throughout the study.”

Figures from the Office of Rail Regulation show a 49 per cent increase in rail travel in East Lothian between 2005 and 2010. I would like to provide members with similar stats for the Borders railway, but we are still not quite there. We look forward to the Borders railway being delivered soon.

I note that, although part of Berwickshire is in the Borders, it could take about an hour and a half to drive from Reston to Galashiels—of course, that depends on how someone drives.

I have been present at meetings that RAGES has arranged, when much has been made of the compelling socioeconomic benefits of constructing the new stations. However, we should not overlook the potential environmental benefits. The General Register Office for Scotland has projected that, as Iain Gray said, the populations of East Lothian and the Borders will grow by 33 and 16 per cent respectively. It is clear that the people there will need to travel—often up to Edinburgh—for jobs.

We should ensure that people who settle in the Reston and East Linton areas have a choice other than their car for their journey to work, to reduce carbon emissions. The 2001 census revealed that, of the significant number of adults from East Linton who were employed in Edinburgh, 87 per cent drove the 24 miles to Edinburgh. We need to encourage such people on to the rail network.

Much of the study is good work, but I and many campaigners dispute some of the points that it makes. For example, it estimated that just 8,700 people would form the drive-in catchment for a new Reston station, whereas the south east of Scotland transport partnership and others around the RAGES table estimate that the figure would be at least 14,000.

Such estimates in the study do not take into account the untapped potential for tourism from opening up this corner of Scotland to the rail network. Who would not want to follow the many visitors—some 70,000 annually—to St Abbs cliffs, or those who enjoy the James Hutton trail or diving off the coast at Eyemouth, which is a popular activity? We should not forget the efforts of the Eyemouth Harbour Trust to diversify activities—it even has proposals to receive cruise liners. I imagine that a nearby station would make such an initiative much more attractive.

There are few barriers to proceeding with the projects, which have overwhelming support from local stakeholders, elected officials and—crucially—the public, East Lothian Council and Scottish Borders Council. Both stations are supported in the local plans for both authority areas, and appropriate provisions have been made. I was with the minister when he made a recent site visit, and he will know that a landlord in Reston who has land next to the track is willing for it to be used for a station.

I look forward to the minister's response to this vital transport proposal.

17:59

**Alex Johnstone (North East Scotland) (Con):**

I welcome the opportunity to speak briefly in favour of the motion in the name of my colleague John Lamont. We have an interesting situation in Berwickshire. I have raised before with the minister the links to and through Berwickshire, particularly in relation to the A1, which is conspicuous by its absence from the minister's long-term road development programme.

Tonight, we are talking about an opportunity to deal with some of the problems that need to be addressed—specifically the process that we are going through in relation to the build-up to the refranchise of ScotRail in 2014. The Infrastructure and Capital Investment Committee discussed with representatives of the industry earlier today the principle of using feeder and hub services as a way to give more people access to the main centres of population and to trains moving between the those main centres. Has the minister any views on whether the main line between Edinburgh and Berwick could be considered as a feeder service at some point in the future? That would not only get more people into the centres, but would give them greater accessibility to the mainline service in areas where the train does not stop.

The main thing that I want to talk about was mentioned earlier by Iain Gray: the opening and development of the station at Laurencekirk. Laurencekirk is in the north-east of Scotland in my back yard. It is on the east coast main line and lies approximately midway between Montrose and Stonehaven, the distance between which is a considerable distance on which to have had no stop for mainline trains. The station was reopened a few years ago: after a great deal of consideration, it was hoped that it might actually justify the investment that was being made in it. The Government funded the station at considerable cost, but it came in on schedule and well under budget, and went on to amaze everyone in the rail industry throughout Scotland by achieving passenger numbers that so exceeded those that were predicted that everyone wondered why it had not been done years earlier.

**The Deputy Presiding Officer:** I remind the member that the debate is about the Borders rail link.

**Alex Johnstone:** Indeed. That example is why the minister needs to take seriously the proposal to reopen stations at Reston and East Linton. He should take the experience of Laurencekirk into account and realise that sometimes the appraisals that we receive turn out to be wild underestimates.

18:02

**Chic Brodie (South Scotland) (SNP):** I rise to support the motion not with any sense of parochialism, but by welcoming the cross-party initiative to support the motion that has been brought to the chamber by John Lamont.

First, I recognise the work that has been done locally by RAGES in support of the reintroduction of the local rail service between Edinburgh and Berwick. Secondly, I acknowledge the economic case not least because of the likely population increase by—as Iain Gray said—one third during the next 20 years. That will have a knock-on beneficial effect on employment, and on social and leisure activities. Thirdly, I recognise that such growth will require a robust customer service where it will be increasingly needed.

As the minister said during last month's debate on the Rail 2014 consultation

"we will continue to invest in rail services."—[*Official Report*, 23 February 2012; c 6469.]

The Government intends to continue to invest in our rail services, which have been fragmented in the past. It will invest to improve them more for everyone.

We welcomed the decision on the Borders rail link. As far as the rest of South Scotland is concerned, we must consider two other arteries. One—I would say this, wouldn't I?—is the upgrading of the Stranraer to Ayr line on the west coast, and the other is the east coast line between Edinburgh and Berwick, which we are debating tonight.

I acknowledge and welcome the fact that the Government is putting more money into the railways than previous Governments did. I also recognise that investment can take place only when funding is available and we can construct a real rate of social and financial return. It is on the back of such parameters that we should develop the case of the Edinburgh to Berwick line.

The recent MVA Consultancy report accepts that the introduction of rail services and stations on that connection would be in line with Scottish Government policy and with its economic, social and environmental objectives. There has to be a balance between cost and benefits to new and existing passengers, and that will prove to be the case in this case. Although the MVA Consultancy report drew out some negativity and weaknesses with regard to Dunbar and Berwick services, with a benefit to cost ratio of less than 1 in the former, and a declared weakness in the latter, those positions would change with the proposed reopening of the facilities at Reston and East Linton.

The Berwick service might—indeed, it would—incrementally benefit connectivity from south Edinburgh, but sustaining the financial case requires confirmatory strategic and financial analysis that goes further and deeper. That is why I will particularly welcome the proposal that we hope to see from SEStran, with the undoubted and strong support of both East Lothian Council and Scottish Borders Council, as well as of the local community. That further and deeper analysis will secure recognition of the increasing suburban and interurban rail market on the east coast line, while providing a similar analysis of growing customer service needs and numbers along that line.

I welcome tonight's debate, which shows cross-party union that compels us to meet the challenge and the opportunity together. Although the debate is neither decisive nor conclusive, it raises the status and the profile of the issue as well as raising the bar. I hope that it will have a happy terminus—or, indeed, ending.

18:06

**Claudia Beamish (South Scotland) (Lab):** I thank John Lamont for introducing this debate on a subject that is close to my heart and which is important to constituents across South Scotland—a point that has been highlighted by speakers from all parties. The Cabinet Secretary for Infrastructure and Capital Investment and the Minister for Housing and Transport quite rightly said in their foreword to the 2014 rail consultation that

"an efficient railway, attuned to Scotland's needs, plays a key role in enabling delivery of ... a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth."

They also highlighted the point about linking our communities.

As well as developing sustainable economic growth, increased services between Edinburgh and Berwickshire and East Lothian would contribute to our efforts to reduce our carbon emissions and would provide a green way for people to commute in and out of the capital.

I, too, commend the work of the volunteers of RAGES who have done so much to keep these topics alive against all the odds. I must say that the group's acronym is particularly apt for the subject, since I, along with many other rail campaigners, know from experience the frustration for rural communities that are unable easily to link with a rail connection. The MVA feasibility study is useful in identifying the main issues and cost benefit analysis of both the new stations and the improved service provision. However, I want quickly to point out several key issues.

First, the proposal for the new stations, which has widespread local support, is essential to



opening up rail transport in the whole of East Lothian. The MVA study suggests that there will be a combined annual demand for both stations of about 108,000 people, which contrasts with the annual use of Dunbar by about 80,000 people and strengthens the case for the stations. Additionally, those figures do not include weekend travellers, neither do they take into account the potential increase in the number of commuters who will change their travel habits if a reliable rail service is available, as Iain Gray highlighted. For example, on the Airdrie to Bathgate line, passengers at Uphall have increased by 21 per cent, and there are many other examples that we all know of.

Secondly, the report states that the introduction of new services between Edinburgh and Dunbar and Edinburgh and Berwick-upon-Tweed resulted in a benefit to cost ratio of less than 1, as Chic Brodie pointed out, and that consequently the benefits that would be derived might not justify the outlay and operating costs. I would be very interested to learn of what that benefit to cost ratio consists. According to RAGES, the Minister for Housing and Transport stated in November 2011 that his main concern about East Linton and Reston stations was the £2.5 million subsidy that would be required. However, the benefits must not simply be seen in terms of potential revenue or even in simple expected demand figures, but within the wider context of reducing carbon emissions and changing personal attitudes.

Only by providing increased frequency and more accessible stations will we be effective in moving travel habits towards more sustainable modes. That will also have the combined benefit of reducing congestion on roads into Edinburgh and the surrounding areas, as has been mentioned, and could lead to further regeneration of communities, thereby contributing to sustainable economic growth.

I take on board John Lamont's remarks about the STAG 2 appraisal. I hope that, when it is published, we will get a good result. I commend him for bringing the debate to Parliament and I commend all those who are involved in the campaign to improve local rail services. I hope that the Scottish Government will see the investment in those services and stations in the wider context of the low-carbon economy, and that it will invest in our sustainable economic future and in communities across the south-east of Scotland.

18:10

**The Minister for Housing and Transport (Keith Brown):** I congratulate John Lamont on securing the debate, with the support of others. I do not want to be invidious, but I will mention Iain Gray and Paul Wheelhouse, who were involved in the previous discussions that I have had on the

issue. I recognise their efforts on behalf of the campaign. My site visit on 28 February confirmed that, as members have mentioned, there is strong cross-party support for the reintroduction of local services from Edinburgh to Berwick-upon-Tweed and the reopening of stations at Reston and East Linton.

The Scottish ministers recognise that the September 2011 feasibility study for enhanced rail services between Edinburgh and Newcastle, which was commissioned and paid for by Transport Scotland, demonstrates a positive business case, as has been said by several members, for new stations at East Linton and Reston together, to be served by Edinburgh and Berwick services. The point about the stations being provided together is important. However, the case is marginal. There is a benefit to cost ratio of 1.1 and an additional annual subsidy of £2.5 million. I take on board Iain Gray's point that that perhaps emphasises one side of the issue, which is why we have agreed to have a further evidence call and further input from community councils and others on possible additional benefits.

**Alex Johnstone:** Has there been any change in methodology in the assessments that Transport Scotland has used in recent years? As I pointed out earlier, the methodology that was used for Laurencekirk station, whatever it was, vastly underestimated the potential for that station.

**Keith Brown:** I was coming on to that point. Because of when Laurencekirk was completed, the figures have not yet come through the machine to show how much in excess of the projected figures the actual figures are. However, in my area, with the Stirling-Alloa-Kincardine line, we estimated—because we were told to—that there would be about 80,000 users, but there turned out to be 400,000 users. However, I have a list of stations that have performed drastically below the projected figures. That points to the fact that predictions of patronage are not hard and fast. Transport Scotland, with which I have raised the issue, and the Department for Transport recognise that more work needs to be done on proper projections. The figures for Laurencekirk and the Stirling-Alloa-Kincardine line have been substantially above the projected figures, although that has not been the case for many stations. I will get back to the member with information on whether the nature of the BCR calculation has changed.

We have encouraged local stakeholders to investigate whether other transport options might provide better value for money. SEStran is undertaking an additional study to complement the feasibility study. As requested, that will consider in more detail the main socioeconomic issues that affect the area, some of which Paul Wheelhouse

mentioned, such as tourism. It will also provide a proportionate appraisal of the coach and local bus feeder options, following Scottish transport appraisal guidance.

I know from experience that people who support new rail services often say automatically that buses are not the answer. I am just saying that we have to go through the process. We are duty bound to be diligent in considering additional investment. Therefore, it is important that we consider those options first and in a serious way. The study will establish whether options other than rail could provide a better value-for-money solution to the economic development, social accessibility and environmental needs of residents in the east and south-east of Scotland. It will help to build a robust business case for any option that is taken forward.

A decision on the proposal for local rail services to Berwickshire and East Lothian is not a prerequisite for the letting of the next franchise, which will commence in 2014. John Lamont raised that point. As I made clear at the site visit, the proposal could be added subsequently as a franchise variation.

Claudia Beamish said that the issue is not just about money. However, there is a real issue about money. I must be honest and say that there are at least 30 different cases for station reopenings throughout Scotland. If each one required £1 million or £2.5 million subsidy, the additional cost would soon add up. We are spending more on rail services—it is already about £775 million, for a service that is used by about 6 per cent of the population. Therefore, we have to consider carefully whether we make further investment. That is not even taking into account capital costs, but just the on-going subsidy costs. That is an important consideration, not least because—as members have mentioned—we have had a substantial cut to the budget and constraints have been placed on capital spend. Therefore, we need to consider money carefully.

For that reason, ministers are not in a position to commit to new investments, especially in projects that would require significant on-going annual subsidy payments. Due to budgetary constraints, we must focus on the strategic investments that will deliver the greatest benefits at the national and local levels. We must prioritise funding for those key transport projects. Even though John Lamont is—to put it kindly—somewhat lukewarm about the Borders rail line, there is huge support elsewhere for that line. The Government is taking it forward and it will improve.

Alex Johnstone mentioned that, when the station at Laurencekirk was opened, people asked why that had not been done before. I admit that, when I came into my present job, I kept asking

myself why many things had not been done before. However, it is not possible to do everything that the Government would like to do at once for all modes of transport, not least because of the current budgetary situation.

Nevertheless, we are keen to improve access to the rail network by local communities on existing routes through the provision of additional stations. New stations or services will be considered favourably by the Scottish ministers, subject to the STAG appraisal of other transport options and rail being identified as the best option. Where the surrounding population is sufficient to generate a high level of demand, whether through workplace or visitor needs, we will support new stations. However, even then any funding for the construction of the stations and the subsidisation of services would have to be identified and prioritised relative to other national and local investment priorities. Where local funding sources can be identified, that can greatly help in bringing a project up the priority list.

The proposal for the local rail services to Berwickshire and East Lothian is progressing to the next stage of development, but I caution John Lamont about trying to get a definitive and conclusive response now. He should do that when the best possible case has been made for the additional services or stations. If the additional study can improve the business case and the affordability of the proposals, the Scottish ministers will be in a better position to consider whether and when the proposals can be implemented.

We are keen to consider proposals for new stations where there would be clear benefits. As I said when I made my site visit, there is an awful lot of pressure just now—whether through the high-speed rail proposals or the Edinburgh to Glasgow improvement programme—to concentrate on journey times alone, but I have said that we will not do that. Connectivity with communities that are not otherwise connected to the rail network should be taken into account, even if that is sometimes at the expense of journey times.

A number of transport projects around the country are already shovel ready but, as I have said, if the promoters of the new stations and services can identify local funding sources to contribute to the project, that could help greatly in bringing them up the priority list.

*Meeting closed at 18:18.*

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