



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 22 December 2011

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

Welfare Reform Bill

The Presiding Officer (Tricia Marwick): Good morning—and I am delighted to see that so many of you have made it on time. The first item of business is a debate on motion S4M-01638, in the name of Nicola Sturgeon, on the legislative consent motion for the Welfare Reform Bill, which is United Kingdom legislation.

09:15

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): This is a really important debate and I very much welcome the opportunity to lead it on behalf of the Government. Parliament debated this issue back in October and, since then, there has been a great deal of activity on the UK Welfare Reform Bill, not least in this Parliament. At the outset, I want to say how grateful I am to the Health and Sport Committee, the Local Government and Regeneration Committee and the Infrastructure and Capital Investment Committee for their detailed examination of the proposals and for their thorough report. I am also grateful to the range of organisations and individuals who gave of their time and expertise in giving evidence during the scrutiny process. It is no surprise at all to me that the outcome of that scrutiny process chimes closely with the views expressed in our October debate and with the views expressed by significant sections of wider Scottish society.

In outlining our position on legislative consent today, I want to touch on the following issues: first, the Scottish Government's position in principle on welfare reform; secondly, why we are so concerned about the impact of the proposals as they stand; thirdly, notwithstanding the fact that welfare is reserved, why it is vital that this Parliament take the stand that I am asking it to take today; and last, what the implications are of our withholding legislative consent in relation to the provisions on universal credit and personal independence payments, and how we intend to deal with those implications.

I will begin by outlining the Scottish Government's position on welfare reform in principle. We agree with the simplification of an overcomplicated welfare system and support the principle that those who can work should be supported to do so. However, we also believe that

those who cannot work should be entitled to live a life of dignity. In short, we recognise that the welfare system is broken and needs to be fixed, but we will not endorse proposals that seek to fix it at the expense of some of our most vulnerable people. We have real concerns that these welfare reforms will hit the poorest and most vulnerable the hardest.

To a large extent, that concern stems from the fact that—whatever the motivations of the Department for Work and Pensions—the clear motivation of the Treasury is cost cutting. We have seen that already in the form of arbitrary reductions in benefit levels—such as the move to link the uprating of benefits to the consumer prices index instead of the retail prices index. The DWP official who gave evidence to the Health and Sport Committee confirmed that benefit receipts in Scotland would be reduced by £2.5 billion by 2015. Inclusion Scotland has estimated that perhaps £1 billion of that could come from disabled people and their families. Indeed, much of the evidence that members will have heard on this bill relates to the real concerns expressed by disabled people and their representative organisations. The proposed replacement of the disability living allowance with personal independence payments—against a backdrop of 20 per cent cuts—has left many disabled people genuinely frightened. We will all have heard in our constituency surgeries, and read in our constituency mailbags, powerful personal stories about what the changes in the definition of disability will mean, in human terms, for disabled people, their income and their ability to secure the services that they need to lead a full and active life—the kind of life that so many of the rest of us take for granted.

We all know already about the problems associated with the migration of incapacity benefit to employment and support allowance; and we know about the waiting times, the level of appeals and the often intrusive and impersonal medical assessments. There is real concern that the proposed changes will exacerbate those problems and run counter to this Government's commitment to personalisation and self-directed support.

There is also huge concern about the impact of housing benefit changes both before and as part of the introduction of universal credit. For example, the proposed cuts to local housing allowance rates could affect more than 60,000 tenants and see their households lose an average of £40 per month. The knock-on effects of those and other changes on rent arrears and on the Scottish Government's efforts to tackle homelessness could be immense.

It is against the background of genuine concern about those and other issues that the Scottish

Government has reached its position on legislative consent.

Mary Scanlon (Highlands and Islands) (Con): Will the cabinet secretary acknowledge that Professor Malcolm Harrington has made significant changes since the pilots of the work capability assessment, including changes for fluctuating conditions, and that Atos Healthcare is constantly reviewing and changing its assessments?

Nicola Sturgeon: I certainly accept the Harrington report recommendations and acknowledge that some changes have been made, but I have to say that from my constituency experience, I retain significant concerns about that process and the real impact on vulnerable people who need the support that they seek. The process has not gone far enough.

I move on to the issue of reserved and devolved responsibility. Some will say—I suspect that we will hear this from certain quarters in the debate—that welfare reform is a reserved matter and that the Scottish Government and Parliament have no business in getting involved to this extent. I accept that, as things stand, the matter is reserved. Of course, I do not agree that it should be reserved. I believe that this Parliament should be the decision maker on vital matters, such as welfare, that have such a huge impact on the living standards, health, wellbeing and employability of so many of our people.

Jackson Carlaw (West Scotland) (Con): Will the cabinet secretary take an intervention?

Nicola Sturgeon: In other words, I believe that this Parliament should be independent. On that point, I am happy to take an intervention from Jackson Carlaw.

Jackson Carlaw: It is entirely within the Government's gift to put that question to the test with the people of Scotland and to resolve it. It should get on with doing that rather than meddling in Westminster's affairs.

Nicola Sturgeon: We will put the question to the Scottish people in exactly the timescale that we laid out in the election—in which, I remind Jackson Carlaw, we won a majority in the Scottish Parliament.

I want to come on to the point about meddling. In the spirit of being charitable, I accept that welfare reform is a reserved matter, but—this is the key point—it is a reserved matter that has enormous implications for devolved services and responsibilities. If an already struggling family finds that its income is reduced as a result of UK action, whom will it turn to? It will turn to information and advice services and local authority social work services, all of which are devolved. If a

lone parent with children suddenly finds themselves in a benefit conditionality regime whereby they are forced to prepare for and enter work, whom will they turn to? They will turn to childcare services that are funded by Scottish local authorities and the Scottish Government, to local employability services and to colleges, all of which are devolved.

If someone who is struggling with alcohol or drug addiction needs help in making the transition to work, where do they turn? They turn to the range of services that are provided by local authorities and the third sector to help them to get out of the cycle of addiction and back on their feet. All those services are devolved.

Members will be aware of the strong, compelling evidence from the Convention of Scottish Local Authorities and individual local authorities on what the welfare reforms might mean for the planning and delivery of their services. It is beyond doubt that, in times of crisis, people expect their local services to be able to help them, and they are right to do so.

We have also heard about the impact on the demand for services provided by the third sector. People on benefits are often some of the most vulnerable and isolated members of our community, and small, local community projects provide a vital, safe and effective space for people to address their problems. The reforms will inevitably place additional demand on all those devolved services, and at a time when money is tight and keeping within our budgets is a challenge even without those extra demands.

The Scottish Government takes its responsibilities to support the vulnerable very seriously. The fact is that, although the reforms are not of our making, we and the people of Scotland will be paying the price of them for a long time to come.

Jackie Baillie (Dumbarton) (Lab): If the Scottish Government takes its responsibilities seriously, why is there not one word on the matter in the Scottish budget?

Nicola Sturgeon: I will come on to the Scottish Government's preparations, but Jackie Baillie knows about some of the work that we have been doing. For example, we have been consulting on the successor arrangements to the social fund. The Government is preparing to the best of our ability and we will continue to do so. It is vital that we do so and that the Scottish Parliament take a central role in considering the reforms.

The Scottish Government has sought to work constructively with the UK Government and will continue to do so. The constructive approach is reflected in the fact that we are recommending that the Parliament give legislative consent in

three areas: data sharing, industrial injuries disablement benefit and the social mobility and child poverty commission.

We have also made positive suggestions during the course of the bill's consideration. For example, we have repeatedly raised the issue of kinship carers. Many organisations agree that the bill offers a perfect opportunity to right a wrong and rid the child support landscape of the anomaly that affects kinship carers, which has been allowed to continue for too long. Unfortunately, the UK Government has failed to respond with positive proposals.

Perhaps the central point is that we also tried hard but without success to get UK Government agreement to an amendment to the bill that would have required Scottish Government consent to the content of future regulations in so far as they affect Scotland. There is precedent for such an approach. If we had reached agreement on that, I might well have felt able to recommend legislative consent today. Without that agreement I cannot do so, because I would be asking members to endorse something about which we do not know the crucial details.

For example, we do not yet know the levels at which universal credit will be paid or the rate at which it will be withdrawn in certain circumstances. We do not know how it will interact with child benefit or carers allowance. We do not know the eligibility for personal independence payments or the rates of benefit to be paid. It is not just the Scottish Government that has raised the lack of detail; the issue has been raised by almost every stakeholder. It has hindered our assessment of impact and our ability to furnish the Parliament with sound advice on the implications.

Of course, that has not stopped us preparing where we can do so. I am grateful for the work of the welfare reform scrutiny group, which we chair with COSLA, and I appreciate the group's efforts to work with my officials to navigate a better understanding of the proposals and what they might mean. That work will continue. We have also consulted on successor arrangements for the social fund, as I said. We will shortly consult on our approach to devolution of council tax benefit, which is a move that we welcome in principle, although we oppose the 10 per cent cut that will accompany it.

However, the fact is that we are without adequate detail on a package of reforms that could affect hundreds of thousands of Scots. That is why an amendment in the terms that I described would have been appropriate, and it is why, without such an amendment, I do not believe that the Parliament can give consent.

On the implications of our position, I accept—and I have always been open about this—that by withholding legislative consent on the issues, we cannot stop the UK Government implementing its proposals. Welfare is, unfortunately, a reserved matter, as I have said. Our approach will mean that the Scottish Government will be required to take powers by way of primary Scottish legislation rather than through Westminster legislation, to enable us to make the necessary consequential amendments to secondary legislation that will ensure access to passported benefits. Let me be clear: we will take whatever steps are necessary, in the timescale required, to ensure that we protect access to passported benefits when universal credit is introduced.

Our doing that through primary legislation, and indeed with the establishment of a new parliamentary committee, will give the Parliament the opportunity to scrutinise more fully the implications of the changes and, within the obvious and severe financial constraints that we have, consider what mitigation measures are possible.

For all those reasons, it is right that this Parliament take a stand today. This will be the first refusal of legislative consent in the lifetime of the Parliament. The fact that it is not a blanket refusal shows that we do not take the matter lightly. However, it is right that we in this Parliament stand up for the most vulnerable in our society. That is what I ask the Parliament to do, by agreeing to the motion in my name.

I move,

That the Parliament supports the principle of a welfare system that is simpler, makes work pay and lifts people out of poverty but regrets that this principle, insofar as it is reflected by the introduction of universal credit and personal independence payments, is being undermined by the UK Government's deep and damaging cuts to benefits and services that will impact on some of the most vulnerable people in Scotland; on the matter of legislative consent, agrees that the relevant provisions of the Welfare Reform Bill, introduced in the House of Commons on 16 February 2011, in respect of data sharing, Industrial Injuries Disablement Benefit and the Social Mobility and Child Poverty Commission, so far as these matters fall within the legislative competence of the Parliament, or alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament; further agrees that the provisions in the Bill that give the Scottish Ministers the power to make consequential, supplementary, incidental or transitional provisions, by regulations, in relation to the introduction of universal credit and personal independence payments, so far as these matters fall within the legislative competence of the Parliament, or alter the executive competence of the Scottish Ministers, should not be considered by the UK Parliament but that the necessary provision should be made instead by an Act of the Scottish Parliament; also agrees that an ad-hoc welfare committee should be convened and that this committee should continue to meet for the duration of the current parliamentary session; while agreeing the above position, urges the UK Government to reconsider the Welfare

Reform Bill and, more broadly, its welfare reform agenda, which the Parliament considers will adversely affect vulnerable people across Scotland.

09:29

Jackie Baillie (Dumbarton) (Lab): As members will know, I am not often given to quoting David Cameron, but he was right when he said:

“It’s fair that those with broader shoulders should bear a greater load.”

Too true. He was of course talking in the context of the recession and the UK Government’s plan for recovery. What a shame it is that he did not really believe his own rhetoric. It took him less than a month to forget his promise of fairness when he embarked on swingeing public sector cuts of £81 billion, including £18 billion cuts to benefits. While the most affluent avoid paying taxes to the tune of £120 billion and bankers continue to award themselves huge bonuses, disabled people face the biggest attack on their rights in my lifetime.

So, the reality of David Cameron’s new Tory Britain is that those with the broadest shoulders are the poor, the disabled, the sick and the elderly; it is certainly not the millionaires that he has around him in his Cabinet. The new Tories will tell you that we are of course all in it together, but clearly some of us are more in it than others.

This is the single most significant attack on the welfare state in my lifetime. Let me be clear: I am not opposed to reform—the benefits system is overly complex and simplification is long overdue. However, the starting point for this reform is not fairness or supporting people back into work; it is purely about saving money, often from the most vulnerable in our communities. In Scotland, the cut amounts to £2 billion, which will have a direct impact on household spend and economic growth.

Murdo Fraser (Mid Scotland and Fife) (Con): If this is all such a bad idea, why did James Purnell, Labour’s former work and pensions secretary, say:

“Iain Duncan Smith’s universal credit, the plan to merge many current benefits into one, is a good reform ... I proposed a similar plan to Mr Brown ... But he was scared”?

Jackie Baillie: I thank the member for that intervention. Perhaps it was his Christmas party last night, too, and he is not firing on all cylinders, because if he had listened carefully he would know that we are not opposed to reform. Simplification of the benefits system is desirable. Helping people into work to make it much easier is desirable. However, what is being done is an attack on the poorest members of our society. There is no escape from that.

The welfare reform proposals will result in increased levels of poverty in Scotland—make no

mistake about that. I do not believe that the scale of that impact is fully understood yet, which is why I am so pleased that the Scottish Government accepted Labour’s amendment in the previous debate on welfare reform, because we explicitly rejected the legislative consent motion unless substantial changes were made to the UK legislation. Despite valiant efforts, even in the House of Lords, the shape of the bill, regrettably, remains largely unchanged.

However, it would be churlish not to recognise some of the amendments that have been brought forward—for example, restoring mobility allowance to those in residential care and redefining underoccupancy in relation to housing benefit, although there is a suggestion that that will not survive the final reading in the House of Commons. Those amendments are indeed welcome, but they are but small drops of water in a vast desert.

Therefore, we remain of the view that the legislative consent motion should not be supported. We accept the Health and Sport Committee’s view that in areas that are uncontroversial, such as data sharing and industrial injuries benefit, it would be appropriate to consider an LCM. However, for those areas in which there is devolved responsibility, we want to see primary legislation in the Scottish Parliament.

Can I at this stage fire a very gentle and friendly warning shot across the bows of the Scottish National Party? Just as the SNP was right to complain about the UK Government leaving everything to secondary legislation and not providing any detail, so would a similar approach be unacceptable to this chamber. Some voluntary organisations have questioned whether there is sufficient time for this chamber to legislate. They are worried about unintended consequences, and I acknowledge their concerns. Given what I know about the legislative process and the cabinet secretary’s determination, I believe that it is perfectly possible to legislate. However, the cabinet secretary may wish to provide reassurance about that when she sums up.

I confess to not being entirely convinced about the idea of an ad hoc welfare committee, but a debate about form rather than substance is a distraction. Suffice it to say I believe that, as the cabinet secretary acknowledged, the Parliament excelled itself in its scrutiny of the welfare reform proposals. No less than three parliamentary committees and 23 individual members pored over the details over a number of months, which is considerably more than a single committee with perhaps as few as seven members could have achieved. I also genuinely worry about breaking the link between tackling poverty and promoting wellbeing that rests in the remit of the Health and

Sport Committee. Ultimately, as the Presiding Officer knows, it is for the Parliamentary Bureau to consider the establishment of ad hoc committees, and with a Scottish National Party majority in the chamber and on the bureau, the proposal is likely to happen. However, ever the pragmatist, I hope that the SNP agrees that it is important for the Parliament as a whole to determine the remit of the new committee, hence Labour's very reasonable amendment.

We believe that the committee should consider the implementation of the Welfare Reform Bill and how we mitigate the impact where possible, what happens to passported benefits, and how those benefits that are now being devolved should be developed in principle and in practice. The implications that the ad hoc committee will need to consider are huge. The impact on social care is just one example. We know that local authority budgets are being squeezed. Many of them are, for the first time, cutting social care services and introducing charges. Many of the charges are determined by receipt of benefits such as disability living allowance. That very benefit will be cut by an arbitrary 20 per cent across the board. That will result in many vulnerable people, particularly those on the lower rate of DLA, no longer receiving benefit support and therefore being unable to pay for their services. The consequences will be felt by local government and by the voluntary sector, as they will be the ones to pick up the burden. Where is the money for that going to come from?

Capability Scotland also highlighted another impact of the changes to DLA on the national health service. As the minister will know, many disabled people use their benefits to purchase and maintain their own wheelchair. If their benefits are cut in the future, their needs will have to be met by the Scottish wheelchair service, which struggles as it is to meet demand. What about those with a learning disability, the majority of whom are on the lower rate of DLA, who are entitled to passported benefits such as concessionary travel? We all know the benefits of travel for quality of life and in encouraging participation in community and society, but will that benefit continue? It is entirely in the gift of the Scottish Government for it to do so, but there is no confirmation of intent. There will be an impact on a wide range of devolved benefits: the blue badge scheme; free school meals; clothing grants; the energy assistance package; and lots more besides.

The Welfare Reform Bill also proposes the devolution of some benefits to Scotland for the first time. Council tax benefit is being abolished, as we have heard, and responsibility is being transferred to Scotland, accompanied by a 10 per cent cut in the budget. I suspect that George Osborne and Danny Alexander might not be at the top of John

Swinney's Christmas card list, but Mr Swinney cannot simply blame the Tories and wash his hands of the matter; he needs to set out what he will do. Will he simply pass on the cut and leave local authorities to manage a diminishing budget, or will he meet the needs that exist in our communities? Will he find the money? Will the budget be ring fenced? Will it be available for local government to spend on other things if it chooses to do so? I have asked a number of parliamentary questions and I have yet to receive a straight answer—indeed, I have probably yet to receive any answer at all.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Does the member not accept that if this Parliament had control over all of Scotland's resources, we would be able to meet the demands that she is making?

Jackie Baillie: The SNP has control over those resources, and it has decisions to make on the essential character of how it intends to protect the most vulnerable in Scotland.

We come to community care grants and crisis loans, now devolved to Scotland too. Who will be responsible for running that scheme? Will it be local government? Will it be the voluntary sector? Will there be national eligibility criteria? Will the scheme even have statutory underpinning? A million questions are raised but not a single answer is coming from the SNP and, of course, there are questions about childcare too.

Let me touch briefly on housing benefit. We have witnessed reductions in allowances that have forced tenants, who are no longer able to afford the rent, out of their homes in the private care sector, with increasing homelessness as a result. Now substantial changes are proposed in the social rented sector, with the underoccupancy rule causing huge difficulty to housing and homelessness policies in Scotland. Many of the challenges that I have described are challenges for the Scottish Government. The decisions are its to make. It cannot blame anybody else; it is incumbent on the Government to live up to its responsibilities. When will the SNP bring forward proposals for the Parliament to consider? We have known about the Welfare Reform Bill for almost a year now, yet even the most basic questions have not been answered. What about the cost to the Scottish budget? Despite the protestations of the cabinet secretary, there is not one paragraph, not one sentence, not one word nor even a figure in the SNP Government's 500-page budget document on that.

The chamber well knows the SNP's fondness for talking about its aspirations of independence as some magical cure for all ills; yet, for the party of independence, which wants control over the welfare state, not to have a view on the key

aspects that are devolved to Scotland is, frankly, astonishing. Those who are more cynical than I am might suggest that it has more to do with the SNP playing its usual blame game. Because it is Christmas, and in the spirit of generosity, I will refuse to believe that and will set aside the desire to blame somebody else. However, I am left wondering about the Government's snail-like response and the SNP's competence.

I move amendment S4M-01638.3, after "should be convened" to insert:

"with a remit to consider the implementation of the Welfare Reform Bill insofar as it affects people in Scotland, in particular the impact on passported benefits and, where benefits are devolved, the principles and operation of these, complementing the work of other relevant committees in the Scottish Parliament, UK Parliament and devolved assemblies across the UK".

09:40

Jackson Carlaw (West Scotland) (Con): So, now we know it: today is Nicola Sturgeon's Santa stand. By happy circumstance, the amendment in my name reduces this extended whinge and stylistically incontinent motion to its conventional state.

Welfare reform remains the responsibility of the Westminster Parliament: that is part of the settlement that the people of Scotland voted for in the referendum that established the Scottish Parliament. The nationalist Government failed in the previous session of Parliament—and prevaricates in the current session of Parliament—to put any clearly defined alternative to the test. Instead of footering around with LCMs, it should have the courage of its convictions and give the people of Scotland the opportunity that they want to put the SNP separation dog out of its misery. Whether the SNP—or, for that matter, Labour, for reasons that are depressing if familiar—wishes it otherwise, we are not here today to debate any competence to legislate on welfare reform. Nothing that we do today will alter the course of the UK Welfare Reform Bill, and to suggest otherwise is to deceive those who are affected and to give false expectations to those whose circumstances will change.

All parties accept the need for welfare reform. I say to Jackie Baillie that Labour was elected in 1997 on a platform to deliver reform but failed to do so. Subsequently, the Prime Minister of the day, Tony Blair, then James Purnell and Frank Field, who has appreciated the issues and has campaigned for reform for a generation, all lamented their failure to act, characterising that failure as the great missed opportunity of a decade and more in government. So, to argue, as some do now, that the coalition is moving precipitously

is, in the context of a recognised need being unfulfilled for so long, quite ridiculous.

Jackie Baillie: Does the member recognise that reform accompanied by an arbitrary 20 per cent cut in disability living allowance is not the kind of reform that was envisaged by most decent-thinking people?

Jackson Carlaw: The reform has its own logic and motivation. I will come to the economic circumstance in which we must implement it, which is wholly attributable to the complete incompetence of the previous Labour Government, which failed to act.

In consequence and in real terms, there has been a £3.243 billion increase in the cost of welfare since Labour came to office in 1997. Then, there were 3.7 million households in which no one over the age of 16 had ever worked; yet, by June 2010, that had increased to some 3.9 million households. Astonishingly, some 1.4 million people have been on out-of-work benefit for nine or more of the past 10 years. As Lord Hutton, Labour's former pensions minister, pointed out:

"Nine out of 10 people who come on to incapacity benefit expect to get back into work, but if people have been on incapacity benefit for more than two years, they are more likely to retire or to die than ever to get another job."—[*Official Report, House of Commons*, 24 January 2006; Vol 441, c 1305.]

Reform is needed. The fact that that reform is taking place in the financial circumstances of the day was not planned by the coalition Government; it is an unenviable inheritance from the previous Labour Administration. I am proud of both the courage and the breadth of vision of Iain Duncan Smith who, far from paying lip service to the objective of welfare reform, is bringing about a simplification of the system, through universal credit and personal independence payments, that I believe will transform the lives of millions of people for the better. On the evidence of the pilot, some 660,000 people who currently receive the disability living allowance will return to work and to all the dignity and human reward that that brings. The alternative to that is the hollow, blank canvas of lurid rhetoric that we hear from the SNP and Labour, which they offer, moreover, in the face of a public who well understand that benefit reform is essential and believe that it is wrong that households on out-of-work benefits receive a greater income from the state than the average household receives in wages. That is the cause that the parties opposite champion. The lurid picture, conjectured by some, of severely disabled individuals being force marched to a tribunal is the definition of recklessly indulgent political scaremongering, given that the minister has made it clear that there will be many circumstances in which face-to-face consultations will not be necessary.

The LCM is—as LCMs always are—a device to assist the Scottish Government in the implementation of legislation. To be clever with it, as the motion seeks to be, is opportunistic, frankly pointless and potentially reckless if in consequence any unforeseen delay transpires in the parallel drafting of primary legislation in this Parliament, which will occasion delays in the payment of benefits to those who need them. As UK Opposition parties beat their chests and posture, individuals will pay the cost.

Scottish Conservatives point to the detailed and sustained contact between the DWP and the Scottish Government, which the cabinet secretary characterised as co-operative on both sides and—within the terms of reference at least—productive. UK ministers have listened with care to and been impressed by the arguments on kinship carers, supported by us all in this Parliament.

The responsible course is for this Parliament to acknowledge the concerns. The reality is that real progress can be made only through the extended consultation process in which the UK Government has made clear it is prepared to participate with Scottish ministers, as details are clarified through subordinate legislation. We should agree to the LCM.

Added to this situation, the heady determination of some ostentatiously to strut their majority is a further nonsense. The call is for an unprecedented standing committee of this Parliament to be established not to scrutinise the work and responsibility of any minister here but to maintain a running narrative on legislation for which it is not responsible. That call suggests that the tried and tested committee system of the Parliament is inherently flawed and that the MSPs serving on committees charged with responsibility for the scrutiny and investigation of the issues are somehow incapable.

With unashamed conviction, we reject the Government's motion and call for a clear and conventional passing of the LCM of which we are being invited by Westminster to dispose.

I move amendment S4M-01638.1, to leave out from “but regrets” to end and insert:

“and agrees that the relevant provisions of the Welfare Reform Bill, introduced in the House of Commons on 16 February 2011 to make provision within the legislative competence of the Parliament and to alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament.”

09:47

Liam McArthur (Orkney Islands) (LD): This is the second occasion since the autumn on which I have had the opportunity to move an amendment on welfare reform. As that is an

uncharacteristically high strike rate, I will start by moving the amendment in case its being selected is part of a pre-Christmas administrative glitch in the Presiding Officer's office.

As others have done, I thank the Health and Sport Committee and others who contributed to the report. It makes for interesting reading, although I note that it stops short of making any firm recommendation on the key issue of whether consent should be withheld from the LCM. I firmly believe that to refuse such consent, even partially, would be self-defeating and will harm the interests of many people whom those who advocate such a course profess to be defending. At best it seems to be a gesture, but it is one with potentially serious consequences. As Citizens Advice Scotland makes clear,

“Rejection of the LCM may delay universal credit and passported benefits for people in Scotland”

with the potential that

“Some vulnerable people could be plunged into further poverty”.—[*Official Report, Health and Sport Committee*, 15 November 2011; c 548.]

The issue of passported benefits is crucial. It seems fair to assume that moving to a new regime will, in any event, take a number of years, but in the meantime the immediate concern is to ensure that a range of benefits, from legal aid and blue badges to energy assistance and healthy start vouchers, continue to be available to Scots who need them. That is certainly the view of CAS, Children 1st and others.

Interestingly, the committee felt that, by going our separate ways, a review of passported benefits could be undertaken so as to “target support appropriately”. The cabinet secretary has also suggested that she is keen to look “innovatively” at those benefits. Is that perhaps code for cuts, or does innovative and appropriate targeting mean something different in this context? Either way, the need for primary and secondary legislation will be unavoidable, which will add further delay and uncertainty.

I presume that there would also be consequences for the timing of the proposed victims rights bill—which is a conspicuous absentee from the current legislative programme—and delays to the new bill to integrate health and social care, which is a reform that Ms Sturgeon has described as “badly needed” to improve care for older people.

As I observed during the debate in October, the emotive nature of exchanges on the Welfare Reform Bill is understandable—irrespective of what Jackson Carlaw said—because of the potential impact on the most vulnerable people in our society. As, perhaps, all members do, I have concerns—for example, in relation to proposals to

remove disability benefits from people who live in residential care. Like Jackie Baillie, I welcome the rethink on that and commend those who did so much to achieve it.

Similarly, Macmillan Cancer Support makes a compelling case when it highlights serious concerns about the impact that parts of the bill might have on people who are facing cancer treatment. Again, I understand that UK ministers have agreed to review the proposals, so I hope that a more sensible and proportionate solution can be found.

Other members will have other issues, I have no doubt. In a bill with the reach and significance of the one to which the LCM applies, and which seeks to introduce the most radical reform and overhaul of benefits in a generation, that is inevitable. However, if we start from the premise that radical reform is needed, it is incumbent on all of us not only to highlight where we have concerns, but to set out clearly the shape and extent of the reform that we want. In that respect, neither the Government motion nor the Labour amendment takes us forward from where we were in October.

The need for simplicity and fairness is self-evident, and the welfare system is one of bewildering complexity, which is precisely why proposals have been introduced to simplify and streamline the main welfare benefits under a universal credit—a measure that now commands widespread support. However, the notion that we can simplify without creating winners and losers is ridiculous. Anyone who believes that reform must ensure that work always pays, by removing barriers to getting people off benefits and into employment, must accept that that effect will simply become more pronounced.

Mike MacKenzie (Highlands and Islands) (SNP): Does the member not agree that, at a time when the UK Government's economic policy is manifestly failing, that policy represents a kind of cruel and unusual punishment, as it attempts to force people into jobs that simply do not exist?

Liam McArthur: I will turn to that point in a minute. As has been said, we have come through a period of pretty much uninterrupted economic growth, during which time our welfare benefits budget has ballooned. The reality is that the current system too often provides the wrong incentives. For too many people, it acts as a real obstacle to work. That is unfair to claimants, but—to answer Mike MacKenzie's point—it is also unfair to working families on low incomes who have to pay for a system that is patently not working. Over the period during which our economy enjoyed almost uninterrupted growth, the welfare budget increased by 40 per cent in real terms. That makes no sense and shows that,

although a strategy for job creation is certainly essential, it is not the whole answer.

In the UK, 5 million people are trapped on out-of-work benefits. We have one of the highest rates of workless households in Europe, and almost 2 million children live in homes in which no one has a job. The picture in Scotland is equally grim. In those circumstances, we simply cannot keep tinkering at the edges.

What are the alternative proposals that are being put forward? This week, Labour's shadow Chancellor of the Exchequer, Ed Balls, promised to get tough on spending, including taking a tough approach to welfare reform. He said:

"We will be taking a tougher approach to conditionality. If people can work, they should work."

He boldly concluded:

"we will show people how we will sort this out."

However, sadly, he will not do that until next year—just in time, I presume, for the Welfare Reform Bill to have made its way through Parliament.

Meanwhile, the cabinet secretary denounces the proposals as "a cash grab" that will be opposed tooth and nail by the Scottish Government—hence the threats of withholding legislative consent, which has been prompted, it seems, by the SNP's initially having been outflanked on the left by Labour. However, if reducing the welfare budget in Scotland by an estimated £2.5 billion is anathema to the SNP, can we assume that that is, in due course, to be added to the cost of independence? That seems to be the logical conclusion—although it is not one that is woven into Mr Swinney's stump speech for the rubber-chicken circuit of business board rooms.

It is right that we continue to press for appropriate changes and safeguards beyond those that have already been given. However, as I said in October, claiming to be in favour of reform but holding the view that any cuts to any benefits or any tightening of any of the demands that are placed on recipients is automatically unfair is no longer credible. Less credible still is the threat to withhold legislative consent, which puts at risk much-needed passported benefits. I urge members, more in hope than in expectation, to support the amendment in my name.

I move amendment S4M-01638.2, to leave out from "but regrets" to end and insert:

"and believes that radical reform of the current welfare system is required; on the matter of legislative consent, agrees that the relevant provisions of the Welfare Reform Bill, introduced in the House of Commons on 16 February 2011, in respect of data sharing, Industrial Injuries Disablement Benefit and the Social Mobility and Child Poverty Commission, so far as these matters fall within the legislative competence of the Parliament or alter the

executive competence of the Scottish Ministers, should be considered by the UK Parliament; further agrees that the provisions in the Bill that give the Scottish Ministers the power to make consequential, supplementary, incidental or transitional provisions, by regulations, in relation to the introduction of universal credit and personal independence payments, so far as these matters fall within the legislative competence of the Parliament or alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament; considers that this consent is necessary in order to give security to those individuals in receipt of passported benefits in Scotland, and urges the Scottish Government to work constructively with the UK Government on planning ahead for the implementation of the proposed changes."

The Presiding Officer: I call Duncan McNeil. Mr McNeil, as you are the convener of the lead committee, I can offer you a bit of latitude in your speaking time.

09:53

Duncan McNeil (Greenock and Inverclyde) (Lab): Before I deal with the committee's response, I should do the political broadcast and say that I appreciate the opportunity to record our thanks to the people who participated in the work of the committee.

I am delighted that Labour, in the Westminster Parliament and the House of Lords, is taking the Government to task by highlighting the unfairness of the proposals and questioning their impact, which is still unclear, on many families across the country.

In my constituency, as in the cabinet secretary's constituency, we are dealing with increasing unemployment at a time when we are threatening to use the big stick on people, including the poor. My experience is that the work ethic is strong in my constituency. In welfare reform, we are not talking about simply forcing people back into work and people chasing jobs that no longer exist. I accept that work is the best route out of poverty and that it has a higher value than does simple provision of an income, but I meet people who are in work in my constituency who are struggling with the system. Some of them have more than one job. They have part-time or temporary work and are not clear of poverty. Their children will suffer and the proposals will, of course, make their plight even more difficult.

We cannot answer questions against that backdrop of fear and apprehension. As a constituency MSP, I am unable to answer questions from kinship carers and from people who receive council tax benefit about how they will end up, and I am unable to confirm whether free school meals will continue. That is the case for all members in our constituencies.

The Health and Sport Committee began its work informally over the summer. Many of us engaged

with campaigning groups outwith the Parliament and listened to their concerns, and that work progressed to the committee inquiry later in the year, the report on which we have completed. I thank everyone who participated in the process, including our clerks. We gave ourselves increased time to ensure appropriate scrutiny by the committee. Members of the committee did not always appreciate the all-day sessions, but they stuck with it and were determined to give views a hearing.

We heard evidence from the Scottish Council for Voluntary Organisations, the Child Poverty Action Group in Scotland, the Poverty Alliance, Citizens Advice Scotland, Action for Children Scotland, Children 1st, One Parent Families Scotland, Inclusion Scotland, Capability Scotland and SAMH, all of which brought us stories of fear and apprehension. It was clear that they did not know how things would work out.

Unfortunately, we were not able to get a minister from the Department for Work and Pensions, and we expressed regret about that. We believed that it was important to have a UK Government minister at the committee, but it was decided that one would not be sent, and officials were sent instead. I thought that it would have been important to the UK ministers to come to the Scottish Parliament to defend the policy and the implications that it might have for many of our most vulnerable people. It would also have been interesting to get some insight into the discussions and negotiations that were taking place between the Scottish Government and the UK Government, but we were unable to get that.

Much of what we concluded has been put on the record today. We concluded that

"the legislative consent memorandum did not contain a draft motion, but rather set out in detail the five areas of the Bill, as it stands now, which would require consent from the Scottish Parliament."

We said that the committee was clear—as, I am sure, Parliament is—

"that voting against a motion which seeks legislative consent for the provisions of the Bill which fall within the competence of the Scottish Parliament would not prevent the Welfare Reform Bill from completing its passage at Westminster and receiving Royal Assent."

The committee considered that

"in respect of the provisions regarding data sharing and industrial injuries disablement benefit there is little controversy and consent should be given.

However, the Committee has heard from witnesses many strong criticisms"—

how could we ignore them?—

"about the changes ... proposed in the Welfare Reform Bill. These legitimate concerns centre on the proposals for Universal Credit and Personal Independence Payments.

The Committee acknowledges that many of these concerns arise from a lack of detailed information but, nevertheless, believes that they cannot simply be ignored. It is appropriate for the Scottish Parliament to scrutinise these changes, particularly where they will impact directly on areas of devolved policy.

The Committee notes that an alternative to giving consent in relation to Universal Credit and Personal Independence Payments would be for the Scottish Government to introduce a Bill to the Scottish Parliament. The Committee considers that this approach may be preferable as it would allow the Scottish Parliament time to consider more fully the implications of the forthcoming welfare reforms and the appropriate Scottish policy response to them. However, the Committee is uncertain whether—

and, obviously, it looks for reassurance that—

“such a Scottish Bill could be drafted, scrutinised and passed by the Parliament in sufficient time to ensure that the Scottish statute book reflects the changes introduced by the Welfare Reform Bill prior to their implementation. The Committee therefore invites the Scottish Government to consider whether this is a practical alternative to allowing the UK Parliament to legislate on behalf of Scotland in these areas and to report its view to the Parliament.”

We accept that that is unprecedented. It is the first time that a committee has recommended that course of action and we did not take that decision lightly. We reached that conclusion after a lot of consideration and really serious and impressive evidence.

I commend the report to Parliament.

10:02

Bob Doris (Glasgow) (SNP): I will follow on from the comments of the committee convener, Duncan McNeil. As the deputy convener of the Health and Sport Committee, I was privileged to take evidence from the voluntary sector organisations that represent many vulnerable citizens who will be affected by the UK welfare reforms. Whether they were representatives of single parents, of disabled people or of people who rely on social housing, they spoke passionately about the people whom they represent, and knowledgeably about the damaging impact of the proposed reforms to Scotland.

I want to find ways of supporting individuals back into employment and I want to identify anyone who unreasonably refuses an employment opportunity that is open to them and which would be affordable and of benefit to them. I want to ensure that the complicated web of welfare and benefits support that is given to individuals, whether they are in or out of work, is simplified. The same is true for the organisations that represent disabled people and other vulnerable groups. On that basis, the concepts of a universal credit and personal independence payments could have been welcomed. However, the reality of the proposed reforms bears no relation to those aims

and objectives, which is why Parliament must reject them.

The UK Government seeks to use welfare reform as a crude attempt to reduce the UK budget deficit at the expense of some of the most vulnerable groups in Scottish society. To mask savage cuts to the benefits of our most vulnerable citizens as an attempt to support people back into employment is fundamentally wrong. Both the UK coalition partners—the Conservatives and the Liberal Democrats—should be ashamed of themselves.

It is equally unacceptable that we, Scotland's Parliament, do not have the powers over welfare and benefits that would allow us to prevent such damaging Westminster reforms from sweeping across Scotland. However, I will move away from the constitutional element of the debate. I have spoken to many of those who will be affected and know that they want the parties in Scotland to work together to do all that they can to prevent such harmful UK reforms, so I am pleased that SNP and Labour members are in agreement that the UK welfare reforms are not fit for purpose. That is the message that Scotland's national Parliament sends this morning. The overwhelming majority of Scotland's democratically elected politicians will reject these damaging welfare and benefit cuts. Either the UK Government must listen to that voice or Scotland must be able to decide on welfare and benefits for itself.

I will look at the details of how the proposal to move from disability living allowance to personal independence payments, which will begin in 2013, will impact on Scotland. When a change in the payments system is proposed, it is reasonable to ask what its purpose is. Is it a change in name only, from DLA to PIP, or does it have substance? If we scratch beneath the surface, we find out that everybody of working age who receives DLA must be reassessed from 2013 onwards.

The UK Government has set a target of reducing the benefits bill by 20 per cent. The UK Government expects the bill to reduce by that amount as people who receive DLA are reassessed and moved on to personal independence payments. If assessments are conducted sensitively and appropriately, they can be fine. However, the UK Government is, in effect, saying that at least one in five disabled people of working age in Scotland will be impacted negatively by the reforms. That means that 230,000 of the most vulnerable people in Scotland are in the UK Tory firing line and might experience a damaging impact from the cuts.

The Tories and the Lib Dems have shown their hand, and the result will be a 20 per cent cut. They have predetermined the results of reassessment

of people who receive DLA, and have undermined any credibility in the process at any point.

Mary Scanlon: Will the member give way?

Bob Doris: I would like to give way, but I cannot because of time constraints.

The UK Government has form; we see alarming trends in appeals against detrimental decisions after employment and support allowance assessments for those who received incapacity benefit. The UK Government accepts as being accurate a 9 per cent initial assessment overturn rate—that means that money is returned to 9 per cent of those who have lost it. If we scratch below the surface of that, we find out that 40 per cent of people who appeal and turn up in person for their appeal win their appeal. If someone turns up at an appeal with a person from a citizens advice bureau, that figure rises to 70 per cent. Seven in 10 people are wrongly assessed, have decisions overturned on appeal and get their money back.

The UK Government should work on improving the deeply flawed assessment process for employment and support allowance rather than terrify an additional 230,000 disabled Scots in our nation. That is unacceptable.

The Welfare Reform Bill is not fit for purpose. I wish that when Parliament votes down the elements that relate to universal credit and benefits reform, it would kill the bill stone dead, but we in this place do not have the powers for that—although we should have.

10:08

Siobhan McMahon (Central Scotland) (Lab): I believe that the welfare system should be based on four pillars: respect for human rights, dignity, compassion and trust. I have studied the details of the Welfare Reform Bill and read the policy memorandums and briefings from the charitable and voluntary sectors. I am sure that my fellow members have done likewise.

The more I read about the bill and the more I consider its implications, the more convinced I become that it represents a huge backwards step for British society. I am alarmed and dismayed at the impact that it will have on the ill, the disabled and those who receive social housing benefit.

Back when he was peddling his detoxification agenda, David Cameron claimed that the Tories were committed to creating a compassionate society. When the financial crisis struck, he said:

“We are all in this together”.

As Jackie Baillie said, we may all be in it, but as the coalition Government has since made clear, some are more in it than others.

David Cameron tells us that 2012 will be the harshest year yet. There will be deep public expenditure cuts, an attack on pensions and a freeze on pay in the public and private sectors. The coalition Government tells us that we are broke and that there is no alternative to cutting benefits for the sick, the disabled and those who are in low-cost social housing. Such individuals will not be given a choice; there will be no leeway for negotiating comfy deals and cosy settlements.

The Tory-led coalition, in outlining its plans to replace the disability living allowance with the personal independence payment, talks of creating a welfare system that is affordable and sustainable. It may be affordable and sustainable for the coalition, but it will not be for the many disabled people who will be plunged into poverty because of the Government's determination—as Bob Doris has just said—to cut disability living allowance by 20 per cent.

Across the welfare state, those new checks and balances will operate as a process of exclusion. The 20 per cent cut to disability living allowance will not be achieved without a significant cut in claimants. Given that there are already more disabled people in the UK than are currently claiming benefits, that is very worrying indeed.

The Government hopes to save £1.45 billion of annual disability living allowance expenditure by 2014-15. To put that figure in context, the Scottish campaign on welfare reform states:

“annual expenditure on all those currently in receipt of lowest rate care ... is approximately £900m.”

In order to reach the target figure, all those people would have to lose their care, along with a significant number of those on higher rates.

Tellingly, the personal independence payment makes no allowance for those who are currently on the lower rate of care. In Scotland, it has been estimated that in order to reduce disability living allowance by 20 per cent, one fifth of the current 340,510 claimants will lose their entitlement in its entirety. That is 68,000 people, which amounts to a combined annual loss of benefits of £260 million.

Moreover, if the new assessment tests are restricted to those of working age, a staggering one in three disabled people aged between 16 and 65 will lose all his or her current entitlement. I listened carefully to what Liam McArthur said about the work assessments, and what went through my head was that there are cancer patients receiving treatment at this very moment who are going through work assessments. How can that be justified? There is no justification for it.

Mary Scanlon: Professor Harrington is currently reviewing cancer patients' payments; his review is either with the Government now or is due in the

next week. That is being looked at, along with many other changes.

Siobhan McMahon: I understand that there is a review, but the measure should not have been there in the first place.

It is not a case of simply weeding out the tiny minority who are making fraudulent claims—a figure that is estimated, despite the Government's pernicious rhetoric, at just 1 per cent. The decision as to who receives the payment will be based on money and not merit.

Last night, I was proud to lead a members' debate on UK disability history month. I spoke about the theme for this year's month, which is celebrating our struggle for equality. The struggle for equality continues, but it is shameful that the struggle is now with our own UK Government.

I am pleased to note that the coalition Government has seen sense in at least one area. On 1 December, Maria Miller, the UK Minister for Disabled People, announced that proposals to remove disability benefits from those who are living in residential care have been scrapped. However, although I welcome that concession, which would have led to 80,000 disabled people losing between £20 and £50 per week, it does not go nearly far enough.

Under the bill, the community care grant will be devolved to Scotland. The housing charity Barnardo's has identified a number of issues with the way in which the grant is currently being administered. In its current form, the grant is a crisis loan that helps vulnerable people with the costs of independent living by providing additional funding for a range of household amenities.

During the housing debate in October, I asked the Government to commit to restructuring the care grant by ensuring that the application process is made fairer and more transparent, and that it is applied consistently throughout Scotland in order to avoid a postcode lottery. I also asked the Government to guarantee that applicants will be given help with the forms in order to ensure that they are not unnecessarily rejected, and that the awards that are allocated will be sufficient to allow recipients to furnish their homes properly. Alex Neil, the Cabinet Secretary for Infrastructure and Capital Investment, promised to look seriously at those suggestions to see whether the Government could take them forward. I appreciated the cabinet secretary's willingness to engage on the issue, and would be extremely grateful if an update could be provided.

On Monday, I visited a school in my area. On the wall in the reception area, the school's philosophy is displayed for all to see. It says:

"Values are not just words; values are what we live by. They are about the causes we champion and the people we fight for."

Those are the words of Senator John Kerry. We in Scottish Labour live by the values of fairness and equality; we champion social justice, and fight for the rights of the vulnerable and disenfranchised. The bill constitutes a vicious and unprecedented attack on the welfare state, and we on this side of the chamber cannot and will not accept that.

10:14

Richard Lyle (Central Scotland) (SNP): I support a welfare system that is simpler, makes work pay, and lifts people out of poverty. I do not support a system that undermines the principle of taking care of people by using modernisation of the welfare system to cut their benefits in order to save money and—dare I say it?—to reduce the massive deficit that was caused by successive London Governments. Those damaging cuts to benefits and services will impact on some of the most vulnerable people in Scotland. The changes will take money from the poorest individuals and families, including lone parents, kinship carers, and young people who have left the care system.

Lone parents will be required to enter the workforce when their youngest child starts school. It will be interesting to see where they will find jobs. They will face having their benefits withdrawn if they refuse the childcare arrangements that are offered, even if they are unsatisfactory, inconvenient or costly.

In Scotland, £2.5 billion will be cut from the benefits system: the money will be taken out of the pockets of benefits claimants in Scotland. That figure has been confirmed by the DWP. Apart from the effect that they will have on claimants, the cuts will have a drastic effect on Scottish business. The introduction of the proposed legislation could reduce the Scottish Parliament's ability to deliver key policies such as the early years framework and the child poverty strategy.

Since the days of Mrs Thatcher, each Tory Government—now aided by their Liberal partners—has attacked people who live on benefits. Do they class them all as scroungers? They are not scroungers. Remember what Norman Tebbit, Tory minister in the 1980s, said about getting on your bike and looking for work? Many people on benefits are looking for work by sending endless CVs to employers who do not respond, or by going along to jobcentres that do not have many jobs on offer. I know of one person who has sent out more than 400 job applications and has received very few replies.

Do people who live on benefits get a fortune? No, they do not. Jobseekers allowance is £53.45

and the single person's allowance is £67.50 per week. Married couples get £105.95 per week, and a lone parent gets between £53.45 and £67.50 per week. Many of my constituents just survive from one giro to the next and how they do it is beyond me. Any reduction in their income will press them further into poverty. We should be helping people and not oppressing them.

Could Mr Cameron or any of his ministers live on those payments? I do not think so. I remember watching some years ago a television programme that asked members of Parliament to live on benefits for a week. My goodness, but they were very glad to return to their lifestyles at the end of that week. They could not survive on the money that they were getting.

Another reduction that the UK Government is considering is a reduction in housing benefit for people who live in houses that have more bedrooms than they need. The UK Government suggests that people should move to smaller houses. Several agencies have pointed out that that could be practically impossible. Citizens Advice Scotland said

"we are concerned about under-occupation proposals due to its impact on people and services and a lack of suitable one-bedroom properties".

Most people have brought up their families in bigger houses. Like many other members, I have elderly and disabled constituents who live in three, four or five-apartment houses on their own. Will they now be forced out or penalised because they want to live their lives in their favourite surroundings? Many elderly people have had disability adaptations made to their houses to meet their needs, and many councils have spent millions of pounds on implementing care in the community. Will we now be asking people to move? How crazy is that?

I want a fair society. I want to aid people who are less fortunate than I am. The UK Government says that it needs to improve the benefits system, but it should not reduce the benefits on which people just survive.

I am sure that my Labour colleagues will just bring up the usual ways of deficit reduction, and I will then suggest other ways to reduce the deficit that they caused, but that is for another debate.

I will support the SNP Government's motion, which seeks to defend the rights of the people of Scotland, and I will support the suggestion to set up an ad hoc welfare committee that should meet for the duration of the current parliamentary session to continue to examine this terrible bill. All benefits claimants need and expect our support during this, their hour of despair, and we cannot let them down.

10:20

Annabelle Ewing (Mid Scotland and Fife)

(SNP): I am pleased to have been called to speak in this important debate on the legislative consent motion on the UK Welfare Reform Bill. As the cabinet secretary made clear, the SNP Scottish Government welcomes welfare reform that leads to simplification, but only simplification through which work is made to pay and people are lifted out of poverty. The Scottish Government does not—and the Parliament should not—support simplification that is achieved by cutting support for vulnerable people while placing many additional pressures on devolved services, which we have heard about from several members.

Consequently, the Parliament must reflect carefully on the impact of the UK Welfare Reform Bill in Scotland, starting from the premise that a civilised society must have a safety net for its most vulnerable members. It is clear to anybody who has taken time to consider the UK proposals as drafted thus far that there is no safety net. The conclusion must be that we should accept the Scottish Government's proposal that the detailed provisions that govern the universal credit and the personal independence payment should be made in Scotland by Scottish Parliament primary legislation and not by the Westminster Parliament.

We have heard that an ad hoc welfare committee is to be set up, which is a welcome development. It will exist for the duration of the current parliamentary session so that provisions can be properly examined and developed in our Parliament. By proceeding in that way, the SNP Scottish Government is sending a clear signal that the important thing is to get the legislation right for the people of Scotland, to ensure that the particular circumstances in our country are duly taken into account and, importantly, to provide assurance to the most vulnerable members of society that they will not be marginalised.

As we have heard, this is the first time in the lifetime of the Parliament that it has been proposed to withhold legislative consent to a UK bill. The fact that the move has been proposed by the SNP Government reflects the recognition of the damage that the UK bill would do to Scotland, including damage to the principles of fairness that underpin our society. Support for the SNP Government's approach has come from various organisations, including Children in Scotland, Inclusion Scotland, Capability Scotland and the Scottish Federation of Housing Associations. The fact that the Government has garnered support across the board reflects the significant concerns about the bill throughout civic Scotland.

At the same time, the Scottish Government and Parliament should continue to urge the Tory-Liberal coalition in London to listen to the concerns

that have been raised and to reconsider the approach in its welfare reform agenda. I fully support the Scottish Government's efforts in that respect, because it is clear that, for people with a disability, the proposals are a draconian cuts agenda. The Tory-Liberal coalition seems to make no bones about it and seems proud of its target to cut the current disability living allowance by 20 per cent. The proposals are all about cuts and nothing to do with fairness or improving the operation of the system.

As I said in last evening's members' business debate on disability history month, which was secured by Siobhan McMahon,

"in a civilised society, the payment of a benefit to assist with a disability should be seen as an entitlement and not a handout".—[*Official Report*, 21 December 2011; c 4928.]

The UK bill, through the introduction of the personal independence payment, will result in spurious assessment tests being imposed. Bob Doris carefully went through the facts of the current situation and provided a devastating critique of the work capability assessment, which I must point out was introduced by the previous Labour Government in Westminster. Spurious assessment tests will be imposed, even where there has been, or could be, no change in the circumstances of the individual concerned.

Furthermore, when it comes to the carrying out of those tests, in many instances, the services of the general practitioner or the specialist of the person concerned will be dispensed with. The fact that the Tory-Liberal coalition in London seems to be deeply suspicious of those professionals sits ill with the remarkable service that they provide for our NHS day in, day out. The Tory-Liberal London Government has a naked and unabashed determination to strip disabled people of the help to which they are entitled. What an indictment of that Government and how shameful it is that we have to be associated with such an uncivilised approach. The London Government most certainly does not speak for our society or our values.

I congratulate the SNP Government on the bold move that it has suggested that we take, which signals to Scotland as a whole that we will not sit by and watch the Tory-Liberal Government in London dismantling the very principles that underpin our society. Of course, it is right to say that, with the powers that would come with independence, we in this country would have the power to set our own welfare agenda without any interference at all from the London Government. It will come as no surprise to members to hear that I very much look forward to that day.

10:26

Mary Scanlon (Highlands and Islands) (Con):

I, too, am pleased to speak in the debate on the legislative consent motion on the Welfare Reform Bill, which covers subordinate legislation, kinship carers, housing support and how the change to the new personal independence payment will work alongside our legislation on self-directed support.

At the last count, there had been more than 70 contacts and meetings between ministers and officials from the Scottish Government and their counterparts in Westminster. One would have thought that that would have helped to ensure the passage of the LCM, thereby assisting the people affected. That level of partnership, along with the representations of the 59 members of Parliament who represent Scottish constituencies, should help to ensure that issues that are raised here and elsewhere are addressed.

Since our previous debate on the bill, it has been amended, and the bill's third reading, which is due to take place in February, will provide another opportunity to make further amendments and changes. Since that previous debate, the UK coalition Government has amended the bill to retain the mobility component of the new PIP for care home residents, as Jackie Baillie mentioned. In addition, it has announced a review of the circumstances in which the housing element of the universal credit can be paid to landlords. That will be possible in situations in which tenants get into arrears, which I note was recommended by our Local Government and Regeneration Committee.

Alongside those changes, Professor Harrington has recommended that recognition of fluctuating conditions be taken into account, which will affect people with ME, multiple sclerosis, Parkinson's, mental health problems and many other conditions. That is welcome. Some of the recommendations that have been made on the Atos assessments are being implemented, while others are under review. I welcome last week's announcement that 50 Atos jobs will be based at RAF Kinloss, and I look forward to an increase in that number.

As Liam McArthur and Siobhan McMahon mentioned, Harrington is also looking at the situation of cancer patients, proposals on which are imminent. The point that I am making is that welfare reform is not a fait accompli. We must work constructively to ensure that the necessary changes are fed into the system. If the Scottish Government was more constructive in engaging in dialogue with Westminster, the need for more changes would be recognised and addressed.

Drew Smith (Glasgow) (Lab): Will the member take an intervention?

Mary Scanlon: If I have time, I will come back to the member, but my time is short.

I see no need for another committee. In my humble view, this Parliament's existing committees, the two Parliaments working in partnership and 59 MPs are more than capable of scrutinising welfare reform.

Nicola Sturgeon: Mary Scanlon talks about engagement between the Scottish Government and the UK Government, of which there has been plenty. Can she highlight a single change to the substantive proposals on benefit reform that the UK Government has agreed to make?

Mary Scanlon: If the cabinet secretary had been listening for the past three minutes and 21 seconds she would know that I have outlined a raft of changes. I am happy to send her a letter with a full list of them.

Given that around 44 per cent of incapacity benefit claimants have a mental health problem, it is appropriate to focus on that issue in relation to the legislation. Some years ago the Scottish Government set a target for a zero per cent increase in antidepressant use. Not only was the target not achieved but it has now been dropped. I imagine that one of the reasons why it was scrapped was that, last year alone, antidepressant use increased by 8 per cent; in the past 10 years, the defined daily dose has increased by more than 60 per cent. It is little wonder that people with mental health problems are worried about being faced with a work capability assessment, given that many of them have been parked on antidepressants and left isolated for years with no review of their condition.

Instead of grandstanding on the need for new committees, constantly criticising the UK Government and carping about the legislation, it would be so much better if the Scottish Government used its energy, time and existing responsibilities to help those in need of better mental health services.

Annabelle Ewing: Will the member give way?

Mary Scanlon: Certainly not. I do not want the member to tell us how much better things would be under independence, which seems to be all that her interventions consist of. If she is a bit more innovative in future I might take an intervention from her.

Surely the SNP would welcome the introduction over a four-year period of one benefit to replace six existing benefits. Surely we would all welcome simplification of the system, making it easier for people to get support and get back to work. Surely the SNP Government would welcome the reduction to £500 a week of the maximum housing benefit, which has reached £2,000 a week.

Following the pilots in Aberdeen and Burnley, not only did 36 per cent of people withdraw their claim when faced with the work capability assessment but 39 per cent were considered fit for work and 17 per cent were placed in a work-related activity group. The support provided is not just a tick-box exercise to get people into work. Under Labour, providers were given 53 per cent of the fee up front; now it is 5 per cent up front and support given over two years. I commend that, and I commend our amendment.

10:32

Fiona McLeod (Strathkelvin and Bearsden) (SNP): Given the ranting and hysteria that we have heard from the Tories today, I take this opportunity to bring us back to the information that we have heard from many people and organisations throughout Scotland.

We heard of the devastating effects that this UK legislation will have on some of Scotland's most vulnerable people. The Health and Sport Committee heard that evidence first hand from witnesses who represent a wide variety of groups—our convener, Duncan McNeil, detailed them for us. From all of them, we heard that we, as MSPs in our national Scottish Parliament, have a duty—a responsibility—to all those people to ensure that they will not, in the words of Dr Pauline Nolan of Inclusion Scotland, lose the

“ability to live independently and to participate in community life.”

The logical conclusion of all the evidence that we heard is that we cannot shirk our responsibility. We cannot consent to Westminster riding roughshod over those concerns. This is about community, not the constitution.

On 5 October, this Parliament voted that we were

“otherwise minded, subject to consideration by the appropriate committees, to oppose the forthcoming legislative consent motion”.

We have now had that committee scrutiny. According to paragraphs 216 and 48 of their respective reports, the Health and Sport Committee and the Local Government and Regeneration Committee could not recommend that we give legislative consent to the bill.

The logical conclusion of rejecting the LCM is that if we are to take legislative responsibility, we need to establish an appropriate committee. That is recommended in paragraph 196 of the Health and Sport Committee's report, paragraph 38 of the Local Government and Regeneration Committee's report and paragraph 33 of the Infrastructure and Capital Investment Committee's report. I remind members that the committees' recommendations followed the evidence of the witnesses that came

before them—and, more than evidence, the witnesses' pleas.

We are short of time in the debate, and I wanted to concentrate on the constitutional position, so I will conclude at this point to allow more members to talk about the effects of the bill on individuals in our society.

As a postscript, however, if any member is in any doubt about whether to support the Government's motion, all that they have to do is consider the UK ministers' refusal to come before the Health and Sport Committee to explain the rationale for their policy, which will lead, as a minimum, to a 20 per cent cut in spending on disability living allowance. They refused on two occasions—the opportunity for a videoconference was also refused—and I refer members to the evidence from the civil servant they sent to do their bidding. The offhand responses that the committee received did not give us faith that the Westminster Government will consider the effects of its legislation on the people of Scotland.

Let us stand up for all the people of Scotland, who are looking to us to do the right thing today.

10:36

Claudia Beamish (South Scotland) (Lab): I support the substantive points in the cabinet secretary's motion. We should strive to create a simpler welfare system, but UK Government's proposals would undermine the benefits system with potentially serious consequences for the most vulnerable people in our society.

I will highlight the concerns about the proposed personal independence payments, which would replace disability living allowance; the issues around work capability assessments; and the risks to the human rights of people with disabilities that will result from these scurrilous changes.

Recently, I took part in an interview with Insight Radio, which is the radio station of the Royal National Institute of Blind People, and we discussed some of the issues that people with visual impairments are facing. The RNIB estimates that 85 per cent of those who are registered blind or partially sighted—nearly 60,000 people—receive DLA. Under the proposed arrangements, people who have been blind since birth will be forced to undergo upsetting reassessment and transfer to PIPs. The assessments often overlook individuals' real needs and reduce complex care needs to a series of boxes to be ticked. Rather than understanding people's needs, they often miss the true nature of individuals' conditions and needs, underestimate the physical and emotional support that is required and trivialise important tasks such as people being able to dress themselves or make their way to the shops.

ACT NOW, the autism campaign group, has also raised with me serious concerns about the assessments, which are putting adults with autism under huge stress and anxiety. The group raises the very real concern that, although on paper an individual might be able to complete a simple task such as making a cup of tea at home, in reality, they might find that extremely difficult or impossible, and they certainly could not transfer that skill to the workplace. For an individual with autism, being able to understand the process and what is being asked is paramount, but the evidence that we have seen so far suggests that the employment and support allowance assessments do not fulfil that requirement.

Several of my constituents who are service users at Capability Scotland's Windmill Gardens in Carluke wrote to me last week and outlined in great detail their concerns about the change from DLA to PIPs. Far from increasing the independence of people with additional support needs, the reforms will curtail their freedom and their ability to lead active lives in our society. One of the residents of Windmill Gardens said to me:

"I already have to monitor my finances closely as money is already tight. Further cuts would make my life miserable and I would become a prisoner in my own home."

Under the reforms, one service user, Anne, who is in the public gallery today, and thousands of others like her, will lose the basic support that they require and the few recreational activities that they enjoy. Capability Scotland said that there is a risk that the reforms will

"turn the home into a prison".

However, the concerns go much further. There might be a case for saying that the reforms breach human rights. Capability Scotland and Margaret Blackwood Housing Association commissioned research from the University of Strathclyde, which concluded that many care home residents would be unable to carry out certain activities, in violation of their human rights. For example, many residents would not be able to visit family and friends, attend college and educational activities or attend worship and other religious activities. Such activities will be severely restricted if the reforms go ahead.

The pleas from Capability Scotland, the RNIB, Inclusion Scotland and autism campaigners demonstrate loudly and clearly the devastating impact that the reforms will have on the most vulnerable in our communities. Jackson Carlaw has done nothing to reassure my constituents. It seems that the changes are being introduced out of a desire not to make the benefits system better but to cut £2.5 billion from the Scottish benefits bill.

When simplification leads to “winners and losers”, as Liam McArthur put it, there is a moral imperative to protect the vulnerable. The changes will mean that people become prisoners in their own homes and lose the vital support that they need to enable them to function as full members of society. I urge the Parliament to oppose the changes. For those reasons, I support the amendment in Jackie Baillie’s name.

10:41

Kevin Stewart (Aberdeen Central) (SNP): I refer members to my entry in the register of members’ interests. I am a member of Aberdeen City Council, which will come up in my speech.

I thank everyone who provided MSPs with briefings and evidence on the Welfare Reform Bill. The Scottish campaign on welfare reform told the Scotland Bill Committee:

“It is critical that before they vote on a legislative consent motion all parties take the time to consider the bill’s impacts very carefully and think about whether we want such impacts in Scotland.”—[*Official Report, Scotland Bill Committee*, 4 October 2011; c 330.]

Citizens Advice Scotland wrote:

“CAS firmly believes that although this is a Westminster bill covering a reserved area, its impact on the people, services and economy of Scotland as well as the current devolution settlement, means the Scottish Parliament must scrutinise its proposals and assess its probable impact”.

Those comments lead me to talk about the ad hoc committee, about which there has been some debate. It is vital that the committee is put in place. I heard the evidence that was given to the Local Government and Regeneration Committee, of which I am deputy convener, and I read the evidence that was given to the Health and Sport Committee and the Infrastructure and Capital Investment Committee, and it is clear that lots of folk out there do not know what is about to hit. We need to ensure that we scrutinise the awful Welfare Reform Bill every step of the way.

Mary Scanlon said that there had been numerous meetings between the Scottish Government and Westminster about the issues. Numerous meetings do not always lead to answers and conclusions, in any way, shape or form, as the evidence that the Local Government and Regeneration Committee took from COSLA clearly showed. There might have been numerous meetings, but they have provided no answers and a huge amount is still up in the air.

At a very early stage, Aberdeen City Council instructed officers to investigate the impact that the proposed reforms would have in Aberdeen city. No one could even guesstimate the impact on the council and the economy, because the information is sadly lacking.

We could take all day to talk about particular issues and look at the higher levels of the debate, but let me turn to individuals. Mrs Scanlon mentioned the pilot on assessment in Aberdeen. If that is how assessment is going to be carried out throughout the country, I have grave concerns. I will give members an example. A woman attended my surgery recently whose claim had been rejected. What troubled me was that the assessment was of a secondary condition and not the main condition—the condition that would have prevented her from working. If that is the kind of nonsense that will occur throughout the country and pass for assessment, I am sorry but that is not good enough, and nor is putting people through that sort of torture.

Many members have hit the nail on the head: the welfare reforms are about reducing the budget by £2.5 billion. They are not about the proper prior assessment of the impacts of that reduction. They are about Tory, and now Liberal Democrat, dogma.

I do not think that the reforms will lead to deficit reduction; in fact, I think that they will lead to deficit expansion as folk become more and more reliant on services when they reach crisis point. Whether members agree that there will be deficit reduction or, as I believe, deficit expansion, I think that most of us in the chamber agree that if the Government’s proposals are pushed through, they will lead to massive devastation in people’s lives in this country. In my opinion, that is unacceptable.

10:46

Helen Eadie (Cowdenbeath) (Lab): I apologise for missing a few speeches this morning, although I heard all the opening speeches. I had an important meeting with representatives of Unite and the GMB, together with legal representatives, regarding another devastating impact that disabled people will face as a consequence of the Liberal Democrat-Tory coalition Government; I refer to the destruction of supported businesses such as Remploy, in which 5,400 UK jobs are to be axed, with the closure of 54 factories. That is a consequence of the Sayce report, the author of which claims that she wants to be helpful to disabled people. No one can miss the contradiction in seeking to move disabled people from benefits into jobs and training when the factories that would give them much-needed training and support are those that the Tories plan to close.

The Scottish Government is making some progress, but I regret to say that it is just too slow and too little, and it may be too late. Jim Mather promised a great deal to us before he retired from the Parliament. I hope that all SNP members will

plead with their ministers to make an impact in this area, because they can make a difference.

How will the welfare changes impact on my constituents in Cowdenbeath? Professor Steve Fothergill and Christina Beatty produced an excellent report called "Incapacity Benefit Reform", which gives figures for across Scotland. In Fife, which is where my Cowdenbeath constituency is, 7,700 people will be removed from claiming incapacity benefits and 4,300 will be removed from benefits generally, which is very worrying. I have the figures for all other constituencies, if any member wants them.

I support the amendment in the name of Jackie Baillie. As members may be aware, I chair the cross-party group in the Scottish Parliament on industrial communities. At a recent meeting, Professor Fothergill likened the welfare changes to a Scottish tsunami in waiting, because of the forces that will be unleashed on claimants.

The impact will be felt most greatly in Wales, the north-east and Scotland. The areas from which coalition politicians are elected will scarcely notice the difference, because so few of their constituents will be affected. The coalition Government is therefore presiding over a national welfare reform that will impact principally on individuals and communities outside its political heartlands.

The benefits system has masked the real unemployment figures for decades. Murdo Fraser and Jackson Carlaw would do well to recognise that, by making these changes, they will move from having one problem to having massive unemployment figures, because the jobs that they think disabled people can move into simply do not exist. Anyone faces a real challenge in this day and age in being able to get a job, let alone disabled people. Disabled people have the principal problem.

Murdo Fraser: Does Helen Eadie not accept that the logic of her argument is that the Labour Party, in 13 years, should have introduced welfare reform at a time of growing employment and not left it to the coalition Government to sort out now when we are dealing with Labour's legacy?

Helen Eadie: The Labour Government led many reforms in that time, as was highlighted by Jackie Baillie. We spearheaded those reforms in a caring and compassionate way, at a speed and a pace that were manageable for the people of this country, not in the callous and utterly disregarding way in which the member's Government is doing it, with its coalition partners. It is to be lamented that the coalition is so uncaring. It just does not care about disabled people; it would rather see them out on the streets destitute and impoverished

than do something that really matters to our people.

I want to focus principally on one submission that we have received. We have had many very helpful submissions, but the one from SAMH on human rights and welfare reform was of particular concern to me. The Joint Committee on Human Rights, which published a critical report with various recommendations and key concerns, expressed disappointment at the UK Government's

"failure to carry out any detailed analysis of the compatibility of the proposals in the Bill with the UK's obligations under the UNCRC, the ICESCR and the UNCRDP."

The committee was extremely concerned about the lack of regulatory detail provided by the UK Government; that point has already been made by the Scottish Government, MSP colleagues and the voluntary sector in Scotland. Its report stated:

"The degree of risk to human rights standards posed by the operation of changes to the welfare systems will depend to a considerable extent upon the detail of how a particular scheme is administered. The traditional approach to welfare reform—which focuses on a framework in primary legislation accompanied by multiple regulation-making powers—can undermine parliamentary scrutiny ... Human rights scrutiny is made more difficult if the Bill is not accompanied by draft regulations, clear statements on the policy intention of the Government, and high quality impact assessments."

For many reasons that it sets out in its report, the committee was very concerned that the proposals

"could lead to a risk of incompatibility with Convention rights."

The committee reiterated its previous recommendation on what should happen when the Government's view on compatibility relies on safeguards to be provided in secondary legislation.

I hope that the Government, Jackson Carlaw, Murdo Fraser and their colleagues will read carefully the submissions that we have received from civic Scotland. They are very worthy of detailed scrutiny. There is far too much information in them to give to members this morning, but they demand our support and demand that we pay careful attention to what they have said.

10:54

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I welcome today's debate. It would have been very wrong, no matter the course that we take at decision time, if the legislative consent motion had gone through on the nod. Given that these matters affect many of the people whom we represent, it is absolutely right that we are having this debate.

As the deputy convener of the Infrastructure and Capital Investment Committee, I was very pleased to be able to take evidence as the secondary committee on the matter. I do not feel that we necessarily had enough time to do that, and on that basis it is right that an ad hoc committee is being established—I may turn to that later, if I have time.

I was glad that the committee was able to take evidence, and its position can be summarised as follows. Although we accept that reform of the welfare system is necessary, the reforms that are being proposed—on which little information has been provided—are wrong. It is rather like the debate that we had on public pensions reform a few weeks ago, in that the issue is being driven by the UK Government's determination for deficit reduction—Kevin Stewart was right to make that point—rather than reform of the welfare system.

This is the first time that the Scottish Parliament has potentially withheld its legislative consent. Surprise has been expressed about that, and I recently heard Jackson Carlaw on television expressing disappointment at that. However, we should probably be more surprised that, in the 12-year history of the Scottish Parliament, this is the first time that we have withheld our consent. All those who have talked about fights being sought by the SNP Government with Westminster should reflect on the fact that this is the first time that this legislature has potentially withheld its legislative consent—and only partially at that.

We have heard Conservative members say that this is a reserved matter. However, given that we are being asked to provide legislative consent, it is not entirely a reserved matter. In that regard, it is entirely correct that we consider whether we want to provide our consent.

This is an important issue, as can be judged by the volume of correspondence that we have received from the campaigning organisations. In my four and a half years as a member of the Parliament, I cannot remember ever having received such a volume of correspondence from such organisations. Broadly, the Scottish Government's position has been welcomed and backed by a number of organisations. Capability Scotland states in its briefing:

"We firmly support the approach outlined in the Legislative Consent Motion".

Inclusion Scotland says that it is

"supportive of the Scottish Government's position of giving only partial consent to this Bill."

Children in Scotland says that it supports the text of the legislative consent motion. The Scottish Federation of Housing Associations states that it welcomes the Health and Sport Committee's

recommendation, which has been backed by the Government,

"that Scotland introduces its own legislation relating to Universal Credit and Personal Independence Payments."

Shelter Scotland states clearly:

"We support the creation of an ad hoc committee of the Scottish Parliament which would continue to scrutinise ongoing welfare reform and review measures in Scotland to mitigate the impact of the cuts."

That is clear evidence, from organisations at the coalface that are working with the people who will be affected by the legislation, that the direction that is being pursued by Nicola Sturgeon and the Scottish Government is the correct one. It is incumbent on Jackson Carlaw, Mary Scanlon and Liam McArthur to explain why those organisations are wrong. Frankly, they have failed to do so in the debate today.

I do not want to focus on procedural matters, but I turn briefly to the creation of an ad hoc committee. Bob Doris was absolutely correct in saying that the message that we send out from the Parliament today should be about our opposition to the direction of travel that is being pursued by the UK Government. It is important that we talk about the ad hoc committee that we hope will be created when we agree to the motion tonight. Jackie Baillie set out her concerns about the creation of an ad hoc committee, but I think that it is the correct thing to do. The Infrastructure and Capital Investment Committee was pleased to take evidence on the Welfare Reform Bill, but, given the volume of work that comes our way, frankly, we did not have the time—

Jackson Carlaw: Hah!

Jamie Hepburn: I hear Jackson Carlaw scoffing. He will recall that we held one evidence session on the Welfare Reform Bill. If Mr Carlaw thinks that that is substantial enough, he is greatly mistaken.

Jackson Carlaw: Will the member take an intervention?

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

The Deputy Presiding Officer (John Scott): If you wish.

Jamie Hepburn: Of course I wish to: it is panto season, after all.

Jackson Carlaw: Having sat on the Infrastructure and Capital Investment Committee, I am happy to say to Mr Hepburn that I do not think that it is overburdened with work.

Jamie Hepburn: It is probably a good thing that Mr Carlaw is no longer on the committee if that is

his attitude to it. I was rather hoping for a better intervention.

It is right that we will have a dedicated committee to look at the bill in greater detail. I look forward to the committee's work and consideration of the impact of welfare reform. However, I look forward more to the day when this legislature does not have to give its legislative consent to Westminster and we can take such decisions for ourselves—Mr Carlaw included.

11:00

Margaret Burgess (Cunninghame South) (SNP): We have heard many fine contributions from members and compelling reasons why we must continue to persuade the UK Government to reconsider its Welfare Reform Bill.

We have heard from everyone that the bill is purely about cost cutting. However, although I appreciate the consensual approach from Labour this morning, I must point out that it started the welfare reform cuts. Labour's manifesto in 2010 talked about extending the

"use of our tough-but-fair work capability test"

to save

"£1.5 billion over the next four years".

We must remember that Labour started it, but I am glad that its members in this chamber appear to have changed their minds.

We have heard about the mountains of evidence presented to the committees of this Parliament from a huge number of Scottish national organisations, which Duncan McNeil referred to. Every last one of those organisations confirmed just how devastating the consequences will be for the most vulnerable people in our communities. Those organisations are at the coalface of Scottish society, and their evidence is based on real experiences of real people on a day-to-day basis. We cannot ignore their evidence. They are telling us that the UK welfare reform proposals will increase personal debt, unemployment, homelessness, discrimination and poverty.

We have heard about the additional pressure on advice services. They are already struggling, but the evidence tells us that their advice will be needed more than ever before if the proposals go ahead. Advice centres will need to be funded to provide those services, which is another burden on the Scottish Government.

Although welfare reform is a reserved matter, the cabinet secretary has outlined just how much it will impact on the matters that are the responsibility of this Scottish Parliament and the resulting effect on our local authorities in meeting

their statutory obligations and homelessness targets.

I want to talk about homelessness. A few members have mentioned it, but I do not think that we should underestimate the risk of increased homelessness. The Scottish Federation of Housing Associations estimates that more than 60,000 tenants will be affected by the rule on so-called overoccupancy. Many will simply be unable to pay the difference between the actual rent and the benefit that they receive, forcing them into homelessness as rent arrears accrue and local authorities do not have the accommodation to take them in.

Rent arrears in the social rented sector are likely to increase because, it is proposed, the payments will be made directly to the claimant as part of the universal credit and not to the landlord as happens at present. That is trying to fix something that is not broken. It is not necessary: the current system works. Has no one in London asked how people living in social housing want or need their housing benefit to be paid? The change will affect people who already have to juggle a limited income among items of essential expenditure; people who have no extra money and often have to make immediate but impossible decisions; and people who sometimes have to decide between a pair of children's shoes and a power card—and, now, their rent.

Incidentally, many people living on low income prefer using power cards—even though they cost more—because they can buy the card on the day they collect their benefit or wages and it is one less thing for them to worry about. It is a form of budgeting, as is the payment of rent direct to the landlord. It is a disgrace that fuel suppliers get away with charging more to vulnerable people who are trying their hardest to budget and keep out of debt, but it is also a disgrace that the UK Government, by paying housing benefit as part of the universal credit, will push people into debt and homelessness, putting more pressure on our local authorities and advice services.

Has the UK Government thought about the practicalities that are involved and how many people will have access to a method by which they can pay their rent? How many people have a basic post office account or a basic, cash-only bank account, with no facility for direct debits or standing orders? For many people on benefits and people who have experienced financial problems, that kind of account is a vital budgeting tool. Those people have taken responsibility for keeping themselves out of debt and they should not be forced to take a different route, which could leave them in financial difficulties. As we all know, few people live next door to the rent office and are able simply to walk in and pay their rent.

It is clear, from what we have heard today, that the matter of welfare reform requires continued analysis and scrutiny to assess the impact on our citizens and services. That is why I support the establishment of an ad hoc welfare and benefits committee for the duration of this session. I think that we should listen to the voluntary organisations that have asked for that.

I welcome the Government's stance on legislative consent.

Mary Scanlon: Paragraph 21 of the Infrastructure and Capital Investment Committee's submission to the Health and Sport Committee says that the committee is of the view that the current system of direct payment of housing benefit to social landlords should be retained. Does the member disagree with the Infrastructure and Capital Investment Committee?

Margaret Burgess: I am not disagreeing with that committee; I am saying that there should be choice, but there is no choice under the proposals from Westminster. Social rented housing benefit will be paid under the universal credit, and that will increase rent arrears.

I return to what I was saying.

The Deputy Presiding Officer: You have 10 seconds.

Margaret Burgess: Westminster needs to know that, if it introduces legislation without proper consideration of how it will affect issues that are the responsibility of this Parliament, the Scottish Government and the Scottish Parliament will take a stand and will not simply rubber stamp UK legislation. I support the motion.

The Deputy Presiding Officer: We move to closing speeches. I remind members that everyone who took part in the debate should be in the chamber at this point.

11:07

Liam McArthur: I agree with Jamie Hepburn about the value of this morning's debate. I probably owe Kevin Stewart a debt of gratitude, as I should have declared an interest at the outset. I am a board member of the Hearts and Balls Charitable Trust, which works with people who have suffered severe injury as a result of sporting accident.

I concur with Nicola Sturgeon's reference to the powerful personal stories that resonate around this debate. My brother was left quadriplegic as a result of a rugby accident in the mid-1990s. I know from my discussions with him that the proposals raise a great deal of concern because of the uncertainty and so on. Nevertheless, that is not an argument for ducking an issue that, as a number

of members have mentioned, has been around for a while and has been promoted by successive UK Administrations and now, unfortunately, has to be addressed in times that are less propitious than they were 10 or so years ago.

The debate has involved passionate speeches from members across the chamber, inspired by personal experience and the evidence that has been received by the various committees that took evidence. I take exception to Helen Eadie's suggestion that the issue is geographically confined. There is no doubt that the issue is raising concern and debate across the country, including in my constituency.

Helen Eadie: Will the member give way?

Liam McArthur: I do not have time. I might let Mrs Eadie in at the end, if I can.

I do not doubt the sincerity of the concerns that have been expressed—as I say, I share some of them. However, in the absence of practical, credible alternatives to what is being proposed, I cannot escape the feeling that there is a little too much political posturing in all this.

The outcome of this evening's vote is in no doubt, but the consequence of the votes of the SNP and Labour members will be to throw into uncertainty much-needed passported benefits such as free school meals, legal aid, energy assistance and blue badges for the many thousands of people in Scotland who rely on them.

The need for reform in some shape or form has been acknowledged in every speech without exception. Duncan McNeil set a very good tone at the outset, and I acknowledge the commitment that he has shown over many years to the issues that we have discussed, not least in his current role as the convener of the Health and Sport Committee. However, he recognises that work is the best way out of poverty; it is not just about making the system simpler.

Bob Doris started his speech with a number of demands of any reform programme. I certainly could not take exception to any of those demands. A similar sentiment was expressed by Annabelle Ewing, Richard Lyle and other members, who emphasised the need for greater simplicity. However, there seemed to be an underlying assumption that the process of simplification is pain free, or that making work pay can be brought about through reform that will not result in the removal or reduction of benefits that many people receive. I fully accept that reform needs to happen against the backdrop of proper safety nets, but it is nonsensical to suggest that the option is somehow pain free.

I appreciate that serious and detailed concerns remain in the debate and as a result of the work of

the three committees that have been involved in the process, and I would argue that more changes are needed. Mary Scanlon, Siobhan McMahon and the cabinet secretary at the outset have pointed to welcome changes that have already been made, whether in relation to mobility allowances, housing benefits or the Harrington recommendations. To respond to a point that Siobhan McMahon made, perhaps it is unrealistic to think that amendments will not be tabled to a bill of such a size. I cannot think of any such bill in respect of which that has been the case.

Passions will run high on the issue. Jamie Hepburn is absolutely right—I have said that twice in one speech; perhaps that is a record, or it may be something to do with Christmas. The volume of briefings and correspondence on the issue is testimony to the extent to which people feel passionately about it. However, Jamie Hepburn may need to explain why he believes that Citizens Advice Scotland, Children 1st and the Child Poverty Action Group in Scotland are all wrong on the approach that they advocate to this evening's vote.

It is not good enough for someone to say that they are in favour of reform without setting out its details. Murdo Fraser was correct. The issue was largely ducked in the good times while the welfare budget ballooned.

I do not agree with Jackson Carlaw that the Scottish Government has no right to meddle—he used words to that effect. Engagement is needed. That is not to say that every point on every issue will be conceded, but the Government has an unavoidable responsibility to set out the details of the reform that it wishes to see, particularly for those who are demanding more or absolute control over the issues.

We need to create a welfare system that is simple to understand, lifts people out of poverty, makes work pay and always includes a proper and effective safety net for those who need it, but we need to be realistic about all that that entails.

11:13

Murdo Fraser (Mid Scotland and Fife) (Con): When winding up a debate, it is customary to say how helpful it has been and to praise all the well-informed speeches from all sides. Sadly, I cannot do that today because too many speeches have been ill-informed, superficial and even hysterical in tone. It speaks volumes that I have hardly had to refer to the detailed rebuttals of specific points that I came armed with.

SNP members' speeches in particular seem to have focused on damning every single reform, misrepresenting their impact and repeating, like a pantomime audience chorus, that it would all be

better if only we had independence. As Jackson Carlaw said, if that is the proposition, why wait? Why not put that to the people and let them decide? There is a serious issue to be debated, but the tone that people would expect for a debate on such an important issue has rarely been reached.

The irony is that all the parties that are represented in the chamber appear to agree that welfare reform is a good thing. Despite what we have heard from the Labour members, senior Labour figures such as James Purnell, Frank Field and even Tony Blair—who is sometimes even booed by a Labour audience these days, although I noticed that that did not happen this morning—have admitted that, in government, Labour failed properly to reform the welfare system. As I pointed out to Jackie Baillie earlier, James Purnell, the former Secretary of State for Work and Pensions, is on record as saying:

“Iain Duncan Smith's universal credit, the plan to merge many current benefits into one, is a good reform.”

Jackie Baillie: For the third time—perhaps he is hard of hearing—does Murdo Fraser not understand that we are in favour of reform because the system is overcomplicated but we are not in favour of a substantial reduction that takes money from some of the poorest in our communities?

Murdo Fraser: Jackie Baillie repeats the point that other Labour members made during the debate: “Now is not the time to do it. Reform is right. Lord, make us righteous, but not yet.”

The problem is that Labour ducked the issue for 13 years. The time to deal with reform was when we had good years of economic growth and falling unemployment. However, the Labour Party failed that test and now it lectures us about the reform that it failed to address.

Everybody thinks that welfare reform is good. The current system is inefficient, creates incentives for people not to seek work and is hugely expensive, as Liam McArthur fairly pointed out. That is why the introduction of the universal credit has been so widely welcomed. A range of means-tested benefits is being removed and replaced with the universal credit, which will streamline and simplify the benefits system. The Government has ensured that no one will experience a reduction in the benefit that they receive as a result of that introduction.

We have heard the claim that welfare reforms will cost the Scottish economy £600 million and put 14,000 jobs at risk. That seems to be based on the rather bizarre assumption that the purpose of paying benefits is to provide economic activity. It completely misses the point that benefits can be paid only out of money that comes directly from

taxpayers and, therefore, is already being drawn out of the economy. Alternatively, it must be borrowed, and we are all aware of the problems that borrowing has created.

By not reforming benefits, we would add to the borrowing that future generations will have to pay back. The interest payments are themselves a burden on the economy. The Government's reforms are aimed at helping people to get back into work and become more self-reliant, and getting people back into work must be good for the economy.

The fundamental reform that the universal credit represents is that, in future, work will always pay. No longer will we see the nonsense of people being penalised by having to give up benefits when they take up jobs. The reform will help people to take on work, particularly part-time work initially, which is surely something that all members would like to encourage.

It has also been estimated that a simpler system will mean an increased take-up of entitlements. That, it has been estimated, will lift 900,000 individuals out of poverty, including more than 350,000 children.

Members have talked about the reform of housing benefit. To be frank, those reforms are long overdue. It is astonishing that, under the current system, the maximum housing benefit award was £104,000 per year or £2,000 per week. How could anybody possibly defend that figure? Those who are on benefits should never be put in a better position than those who are working.

Duncan McNeil: Will Murdo Fraser give way?

Murdo Fraser: Do I have time, Presiding Officer?

The Deputy Presiding Officer: No, you are in your last minute.

Murdo Fraser: My apologies to Duncan McNeil.

In the run-up to the debate, there were calls for the Parliament to oppose the legislative consent motion, as if that would exercise some right of veto on the Welfare Reform Bill. Those who make such calls demonstrate a complete misunderstanding of our constitutional settlement. Welfare is reserved to Westminster, and we have MPs there—including 59 from Scotland—who are well placed to consider the details of the reforms.

The legislative consent motion makes the life of the Scottish Government easier by leaving Westminster to deal with some devolved matters that are, in the main, detailed administrative issues. Opposing the LCM will not block the Welfare Reform Bill or any of its provisions. Nor will it even send a message, as all the matters that have been raised this morning have already been

raised ad nauseam at Westminster. It would be a pointless exercise in gesture politics.

We have heard a lot of grandstanding on the issue this morning. We have heard people say that although they support the principle of welfare reform, they do not support a single detailed proposal that has been made. I have no doubt that the Scottish people will quickly see through such double standards. I have pleasure in supporting the amendment in Jackson Carlaw's name.

11:20

Drew Smith (Glasgow) (Lab): The debate has been important for the Scottish Parliament. As Jackie Baillie consistently made clear, not least to Murdo Fraser, Scottish Labour supported many of the aims that the UK Government first set out on welfare reform. Like the Scottish Government, Labour saw merit in simplifying the system of support that is available to those who cannot work. In government, we started to ensure that welfare supported those who could work to begin to do so. It is interesting that Jackson Carlaw and Murdo Fraser accused us of doing nothing, while Margaret Burgess accused us of doing entirely the opposite. The truth must be in there somewhere.

We hoped that the proposed changes would represent an opportunity to improve rather than threaten the welfare state but, in common with the Scottish Government, we have serious concerns about what is likely to happen because of the bill. Unfortunately, the complex package of reform as well as cuts on which the agenda is predicated undermines the objectives that coalition ministers first advocated. Despite the amendments that were made in the House of Lords and which we welcomed—particularly those on underoccupancy—our view remains that the bill will fail to incentivise work for many and will make life harder and not easier for some of the most vulnerable in our society.

When we discussed the bill in the chamber in October, we agreed that we were not minded to support an LCM, because of the bill's many flaws, which members have again highlighted this morning, and because we wanted to provide time for the Health and Sport Committee as the lead committee to consider the implications for us. I gently remind Annabelle Ewing that that position was taken as a result of Labour's amendment but, as it is Christmas, perhaps we will let that go.

Annabelle Ewing: Will the member take a brief intervention on that point? Go on.

Drew Smith: Okay, Annabelle.

Annabelle Ewing: I am grateful to the member for giving way. Except for a handful of its members, the Labour Party did not vote against

the bill at second reading in the House of Commons. Drew Smith might want to remember that when he makes his comments.

Drew Smith: The key point is that we opposed the bill at third reading. We engaged with the bill, although Murdo Fraser and Jackson Carlaw accused us of not doing that.

In today's debate, members have drawn substantially from the Health and Sport Committee's report. I take the opportunity to pay tribute to its convener, Duncan McNeil, his clerks and all the members of the various committees involved for the detailed scrutiny that formed the basis of the Health and Sport Committee's report. I also pay tribute to the voluntary sector organisations with an interest in the bill, which have had a huge job to do to influence us here while keeping an eye on what has happened in the House of Lords. The position that the Scottish Parliament took previously concentrated minds and gave us a useful opportunity to consider the options while the committee undertook the detailed work.

Jackie Baillie made it clear that Labour agrees with the Scottish Government on the broad response to legislative consent, as outlined in the cabinet secretary's motion. We agree that consent can be given for data sharing and progress on other matters, and we agree that there is a need for a bill in this Parliament on other devolved aspects. Duncan McNeil spoke well and made clear the tests that we would apply in holding the Scottish Government to account and ensuring that any proposals that it came up with were appropriate and, of course, speedy.

I have listened to the argument that some in the sector and some members have made that there is a need for some form of on-going scrutiny of the impact of the changes on devolved services, passported benefits and other devolved competences. I made the point in the previous debate that Scotland has a higher proportion of claimants of every one of the benefits that will become universal credit. A fear is that the cuts element of the changes will have a detrimental impact on the Scottish economy as a whole, despite what Murdo Fraser said.

Jamie Hepburn: Will the member give way?

Drew Smith: I want to make a bit of progress, although I am about to mention Jamie Hepburn.

I understand why the Scottish Government has opted for the idea of an ad hoc committee, which Jamie Hepburn and Bob Doris encouraged us to have, to examine the impact of welfare reform in Scotland. That was suggested by a majority but not all of the Health and Sport Committee's members and was supported by some but not all of the groups that submitted evidence.

Scottish Labour believes that, in agreeing to such an ad hoc committee, the Parliament should be clear about the work that we expect it to carry out on our behalf. We do not need an alternative work and pensions committee that focuses on reserved benefits or constitutional changes and which would move responsibility for benefits around but do little to improve the lives of the people who are likely to be hardest hit by the changes. Fiona McLeod made that point very well when she said that today's debate is not about the constitution. Our amendment is therefore intended to be constructive and helpful to ensure that the Parliament has clarity about the committee's role, and to suggest that the model of working should be genuinely collaborative. We should ensure that we do not put the issues that are likely to arise from the Welfare Reform Bill in a silo. Rather, the committee's work should be drawn from the experience and expertise of our existing committees and it should provide a forum for a regular check on the bill's impact on areas in which this Parliament can direct some influence and in which the Government has some responsibility.

I say to Bob Doris, who made an excellent speech, that we accept that the Government takes a different view on who should have responsibility for our welfare state. It is the Government's right to hold and articulate that view, as it is our right to disagree with it.

As we consider the next steps, there is a job to be done in focusing on the devolved aspects. Alternative proposals for a way forward must be introduced quickly and in a manner that gives confidence to those who are at present deeply worried about how the changes will impact on them. Siobhan McMahon described the fear that exists out there.

I have followed the issue closely over the past few months and it has been a source of frustration to me that the Government did not go into detail in the spending review or in the local government settlement. I recently questioned ministers about whether those who are currently entitled to free bus travel as a result of receiving a disability benefit would keep their bus passes, and was reassured to an extent by the Government's statement that there were no plans to make any changes. I hope that that was not just a carefully worded reply, and that the Government indeed meant that all those who have a bus pass now will continue to have one. Jackie Baillie mentioned that again this morning, and perhaps the minister could confirm it in summing up. It may be a small issue with respect to the overall changes, but it is important for many disabled people and it is an indicator of the Government's intent.

My colleague Jackie Baillie and others raised concerns about the community care grant, the crisis loans and the devolution of council tax benefit, and again we would be grateful for some clarity from the cabinet secretary when she closes the debate.

I repeat our frustration with the UK Government's approach on welfare reform. I support the amendment in Jackie Baillie's name, and I urge members on all sides of the chamber to do likewise to ensure that we have on-going scrutiny in the Parliament that is targeted and useful to all those who have an interest in these vital changes.

If the Parliament should agree to withhold consent for the UK Government to legislate on all aspects, and instead instruct the Scottish Government to introduce a bill of its own, the Scottish Parliament and the Scottish Government will both face a very serious challenge to address some of the concerns that have been expressed and to achieve a fair and equitable solution in respect of the devolved aspects. That is a big challenge, but Scottish Labour will engage constructively with the Scottish ministers to find a way through.

11:28

Nicola Sturgeon: In contrast to Murdo Fraser's Scrooge-like demeanour, I think that this has been a good debate, as it has given many members on all sides of the chamber the opportunity to do something that I know makes many Tories squirm and instinctively feel very uncomfortable: to stand up for some of the most vulnerable people in our society.

Time does not allow me to respond to each individual point that has been made today, but I will respond to some of the key themes that have emerged from the debate. First, I will nail firmly the ridiculous notion put forward by the Tories that those who will support our motion this evening are somehow opposed to welfare reform. Most, if not all of us in the chamber support welfare reform that simplifies the system and genuinely helps people who can work into work. What we oppose—Richard Lyle made this point very well—is crude cost-cutting masquerading as a welfare reform agenda.

Jackson Carlaw, like most Tories, tries to characterise the bill as being all about benefit scroungers. I tell him that taking £2.5 billion out of the welfare budget in Scotland will have devastating effects on genuinely vulnerable people, and in particular on those with a disability. It will damage this Government's efforts to support real personal independence. Changes to local housing allowance rates will—as Margaret

Burgess rightly said—force too many families into homelessness or a position of rent arrears. Perhaps Mary Scanlon and Murdo Fraser should pay a bit more attention to the detail of the housing benefit reforms. The cap on housing benefit is not the issue in Scotland. Generally speaking, housing benefit does not get paid at those levels here. The issue is the change to the rates at which local housing allowance will be paid and there are also issues around underoccupation. Those are the damaging changes that stand to put many people into perilous positions.

Duncan McNeil was right when he said that, although we all accept that those who can work should work, to take a punitive approach at a time of economic difficulty risks putting vulnerable people into even more vulnerable positions. I am therefore glad that the Parliament is prepared to take a stand today.

I say to Murdo Fraser, who is so proud of Tory policies that he wanted to abolish the Tory party in Scotland, that this is not hysteria—it is fact. It is the opinion of not just the SNP, but almost every stakeholder organisation that has given evidence during the scrutiny process.

I am also glad that we have Labour's support for our motion. As some members said, in some respects Labour started down this road of welfare reform and I appreciate the support of Labour members today. In return, because it is Christmas and for many other reasons, we will support the Labour amendment. However, Labour's position smacks of more than a little bit of dishonesty. In many ways, it sums up perfectly why Labour struggles to connect with anyone in Scotland right now. It wants us to oppose UK welfare reform and it demands that the Scottish Government does something different, but it insists on standing in the way of giving us the power that would allow us to design our own welfare system.

Jackie Baillie: Will the minister give way?

Nicola Sturgeon: Not just now.

Labour members also want us to use our budget to mitigate the effects of the changes, but they insist on keeping us in a system that gives us a fixed and declining budget that is subject to cuts by the same Tories who are attacking our welfare system. Labour's position has no intellectual or moral coherence and, as long as that remains its position, Labour is likely to remain unelectable.

Jackie Baillie: I remind the cabinet secretary that it was her support for a Labour amendment in October that places her in the position that she now occupies. She certainly reflected a different view than her own back benches. I invite her to clarify her comments because she seems to suggest that she will pass on the Westminster

cuts. What is the point of having her in Holyrood if that is what she will do?

Finally, the cabinet secretary has the power. She should bring it on. Bring the referendum to the chamber.

Nicola Sturgeon: I thought that Wendy Alexander had left the Parliament. I was pointing out very clearly the illogicality and dishonesty of Labour's position. It is about time that Labour faced up to that. The real answer is for the Parliament to have the power of decision and not to be subject to the ideology of a Tory Government that Scotland does not support and did not elect. That is the answer.

Jamie Hepburn: Will the cabinet secretary take an intervention?

Nicola Sturgeon: I would be delighted.

Jamie Hepburn: Does the cabinet secretary agree that another reason for this legislature taking on the power is that we do a better job of scrutiny? Does she share my concern that the committee that I am on was told by the SFHA that when it wrote to ask the Scottish Affairs Select Committee to look at the issue, it did not even get a reply?

Nicola Sturgeon: I share Jamie Hepburn's concern about that and that is one of the reasons why I am pleased that the Parliament will support the setting up of an ad hoc committee. It is incumbent on us to do the scrutiny that is not being done elsewhere.

A number of issues have been raised today about the Scottish Government's response, which is in preparation. We are preparing and will continue to prepare to the best of our ability, but we have been and continue to be hampered in our ability to do so by the chronic lack of detail, which Kevin Stewart rightly talked about in the context of Aberdeen City Council.

Murdo Fraser said in his summing-up speech—although I am probably not quoting him exactly—that the reforms will ensure that all people will be better off as a result of work. With the greatest respect to Murdo Fraser, he does not know that. None of us knows that, because it depends on the rate of withdrawal, or the taper level, of the universal credit, which is one of the bits of detail that we simply do not have. Murdo Fraser simply cannot back up his assertion.

Murdo Fraser: The Secretary of State for Work and Pensions has been clear on the matter—there is no question of people being less well off as a result of the introduction of the universal benefit. The UK Government will make that clear.

Nicola Sturgeon: I have a great deal of respect for Iain Duncan Smith as an individual, but Murdo

Fraser cannot seriously expect us just to take the word of a Tory Government on whether people will be better or worse off. Let us see the detail, as it has been sadly lacking to date.

We will continue to prepare through the welfare reform scrutiny group and the Scottish Government housing benefit stakeholder group. The consultation on successor arrangements for community care grants and crisis loans is now completed, with the analysis to be published early next year. As I said, we will shortly consult on council tax benefit and we will consult on passported benefits, not for nefarious reasons, as Liam McArthur suggested, but because the universal credit will change the statutory basis on which passported benefits are paid and we therefore need to consider the issue in that context. We will continue to do everything that we can, but nobody should be under any illusion about the difficulties that the Parliament faces when we are trapped in the straitjacket of a fixed and declining budget. That is the reality.

The implication of our position is that there is a need for primary as well as secondary legislation. Regardless of our view on the legislative consent motion, there will be challenges ahead in aligning our changes with those of the UK Government. The reform is complicated because of the phasing of universal credit, which means that we are likely to have double running of systems. However, as I said in my opening speech, we will take all the necessary steps in the required timescales to ensure continued access to passported benefits. I confirm to Duncan McNeil, other members and the Health and Sport Committee that there is sufficient time in the parliamentary process for the necessary legislation to be implemented. Like other members, I understand the importance of securing access to those vital passported benefits.

I want to respond to one theme from the Tories and the Liberals, although I should make that singular because there was only one Liberal here for the duration of the debate. They asked what the point is of the motion that we are about to agree to. Unfortunately, it is correct that our vote tonight will not stop the reforms in their tracks because, as Bob Doris and other members said, independence is the only thing that could do that. However, introducing primary legislation will give us more time and space to consider the implications more fully. The Parliament faces an important issue of principle at decision time this evening. We have a choice: we can give our implicit endorsement to proposals that we believe to be wrong and damaging or we can take a stand against them. I think that we should do the latter and stand up for a welfare system that supports those who can work to do so, but which provides the crucial safety net for those who cannot. That point was well made by Siobhan McMahon.

When I first became involved in politics in Ayrshire at the tender age of 16, I did so partly because of my revulsion at Tory attacks on the poorest and most vulnerable people in our society and because of my belief that the best way to ensure that Scottish values govern our politics and society was for Scotland to be independent. Twenty-five years later, as a minister in the Scottish Government, I am not prepared to nod through Tory policies that attack the poor and the vulnerable. I ask the Parliament to agree to the motion in my name and to ensure that we stand up for the people who elected us and for decency in our welfare system and society. I urge members to vote for the motion in my name.

Scottish Executive Question Time

General Questions

11:40

Hospital-acquired Infections

1. Elaine Smith (Coatbridge and Chryston)

(Lab): To ask the Scottish Executive what action it is taking to prevent hospital-acquired infections. (S4O-00509)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): Reducing healthcare-associated infections is an absolute priority for the Scottish Government. To achieve such a reduction, we have put in place a comprehensive rolling programme of actions. That work is overseen by the national HAI task force and supported by a budget of more than £20 million for 2011-12.

In addition, we have established the healthcare environment inspectorate to provide assurance, by means of announced and unannounced inspections, not only that our hospitals are clean, but that infection control policies and guidance are being implemented effectively. The success of those actions is demonstrated by the welcome fact that the number of *C difficile* and MRSA infections has fallen by more than 70 per cent since the beginning of 2007.

Elaine Smith: I thank the cabinet secretary for her answer and for assisting me in getting information from NHS Lanarkshire about the norovirus outbreak at Monklands hospital.

Is she aware that Professor Hugh Pennington has said:

“A much higher number of ward infections in a single health board also raises the question about the effectiveness of norovirus outbreak control at that board”?

Given the massive scale of the outbreak at Monklands, which is not yet over, is she minded to order an inquiry into the cause of the outbreak and the effectiveness of the actions that have been taken?

Nicola Sturgeon: I take all such issues extremely seriously and I genuinely think that all members should acknowledge that. I have presided over a radical reduction in infections in our hospitals, so let there be no doubt about how seriously I take the matter.

As I said last week—or perhaps it was the week before—to Elaine Smith, norovirus is generally a community-acquired infection and it spreads

extremely rapidly, so its presence in a hospital does not necessarily mean that the hospital's infection-control procedures or cleanliness are in doubt. All the measures that I outlined in my initial answer have been put in place to assure us that infection control and hygiene and cleanliness in hospitals are up to scratch.

We continue to liaise closely with NHS Lanarkshire, and I am satisfied that it is taking the right steps to get the norovirus outbreak under control. I know that Elaine Smith received the most recent update yesterday, which was that one ward—ward 22—was still closed, but it was hoped that it was about to reopen following a deep clean; that one ward was open with restrictions; that all other wards were open and all previous restrictions had been lifted; and that there were no new symptomatic patients at that stage. We can therefore be hopeful that the outbreak is under control. I will certainly continue to give my support to NHS Lanarkshire and other boards in ensuring that they do everything that is required to deal with norovirus over the winter period.

The Presiding Officer (Tricia Marwick): Question 2 has been withdrawn by Roderick Campbell. He has provided me with an explanation and I am perfectly satisfied with the reasons for the withdrawal.

Year of Creative Scotland 2012

3. Clare Adamson (Central Scotland) (SNP): To ask the Scottish Government what it considers the benefits will be of the year of creative Scotland 2012. (S4O-00511)

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): The year of creative Scotland is a chance to spotlight, celebrate and promote Scotland's cultural and creative strengths on a world stage. We want to inspire our people and our visitors and to boost Scotland's key tourism and events industries and our wider economy by embracing London 2012 and building on Scotland's profile as a world-class tourism destination as we journey towards homecoming 2014 and beyond.

Clare Adamson: I welcome the cabinet secretary's assertion that the year of creative Scotland will put Scotland's culture and creativity in the international spotlight. I ask her to encourage organisations in the Central Scotland region to apply for money from the £6.5 million national lottery funding programme that is supporting the year of creative Scotland, so that they may take part in it fully.

Fiona Hyslop: A number of events have already been planned and funded using the additional £6.5 million of national lottery funding for the year of creative Scotland. I say to

organisations in Central Scotland and beyond that the final deadline for the culture and tourism opportunity and the first-in-a-lifetime award is 31 January 2012. More information can be found on the Creative Scotland website. I am sure that Clare Adamson and other MSPs will want to encourage local organisations to get the benefit of those opportunities during 2012.

Employment and Regeneration (Deprived Areas)

4. Margaret Burgess (Cunninghame South) (SNP): To ask the Scottish Government what steps it is taking to tackle high unemployment and stimulate economic regeneration in deprived areas. (S4O-00512)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Government's economic strategy sets out the actions that we are taking to accelerate economic recovery, create jobs and promote growth. It contains a range of measures to boost employment throughout the country. Additionally, our regeneration strategy builds on the Government's economic strategy and sets out the blueprint for tackling Scotland's areas of deprivation and poverty.

Local authorities also have a key role to play in delivering local economic development and regeneration. That includes work to create the right conditions locally to attract investment, create employment and support local people to access employment.

Margaret Burgess: The latest unemployment figures show that, after two areas in the city of Glasgow, Cunninghame South has the highest level of unemployment in Scotland. For North Ayrshire as a whole, the situation is no better and it has been steadily worsening since before the recession. We are consistently above the Scottish average for all the indicators of deprivation, so there is now a real concern in my constituency and throughout North Ayrshire that unemployment—particularly youth unemployment—has reached a crisis level and cannot be tackled purely by local measures.

What assistance can the cabinet secretary offer North Ayrshire to help to address the situation?

John Swinney: I acknowledge all Margaret Burgess's points on the challenges that are faced by the economy in North Ayrshire, particularly her points on the implications for employment and consequently the efforts to tackle deprivation.

The Government is concentrating on a range of interventions to support new investment and new opportunities in areas such as North Ayrshire. To maximise the effectiveness of Government intervention, we are in dialogue with the enterprise

agencies and the local authority. I assure Margaret Burgess that the Government will continue that and will find ways in which to support company and business development and create employment in North Ayrshire. Our support for the Irvine Bay Regeneration Company, which was recently confirmed by the Cabinet Secretary for Infrastructure and Capital Investment, Alex Neil, is an example of further effort to encourage regeneration in North Ayrshire.

John Scott (Ayr) (Con): The cabinet secretary will be aware that unemployment levels in Ayrshire are higher than the national average, as Margaret Burgess said. Will he consider favourably the possibility of creating enterprise areas in Ayrshire, particularly in Prestwick in South Ayrshire?

John Swinney: I am aware of the propositions for enterprise area status in Mr Scott's and Margaret Burgess's constituencies and those of my other colleagues in Ayrshire. Ministers are considering those proposals and I hope to be able to set out the conclusions of that decision-making process in the new year.

Neil Findlay (Lothian) (Lab): Does the cabinet secretary agree that, at a time of high unemployment, we need good-quality front-line careers advice? Does he share my concern that Skills Development Scotland is yet again cutting front-line staff and recruiting more senior managers?

John Swinney: I am aware that a voluntary severance scheme is under way in Skills Development Scotland. A number of such schemes have been operating in the public sector, and they are part of the orderly preparations that the Government must make in order to operate within the fixed budget. I am sure that even Mr Findlay would acknowledge the Government's important commitment that there will be no compulsory redundancies in the organisations for which it is responsible.

On careers advice, it is important that we move with the times. I have seen some impressive work that Skills Development Scotland has done to ensure that young people and others are equipped with accessible online information and the highest-quality careers development support. SDS's world-leading work to modernise the careers service is worthy of examination by all members.

Royal Alexandra Hospital (Children's Ward)

5. Neil Bibby (West Scotland) (Lab): To ask the Scottish Government what recent discussions it has had with NHS Greater Glasgow and Clyde regarding public consultation on the future of the children's ward at the Royal Alexandra Hospital in Paisley. (S4O-00513)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): Ministers and officials regularly discuss matters of local importance with national health service boards. NHS Greater Glasgow and Clyde is undertaking a clinical review of in-patient paediatric services at the RAH in Paisley, but no decisions have been taken. The board has assured me that any formal proposals will be based on the need to maintain and improve the quality of the service that is provided to local children and their families, and that it will ensure that its thinking is fully informed by meaningful engagement with local stakeholders.

Neil Bibby: Parents in Renfrewshire are rightly concerned about the potential loss of this highly regarded facility. I welcome the cabinet secretary's recent intervention to ensure the continuation of medical facilities at the Lightburn hospital in Glasgow. Will she give children and parents in Renfrewshire an early Christmas present and intervene to ensure the continuation of the children's ward at the RAH in Paisley?

Nicola Sturgeon: I would never question or criticise a member who comes to the chamber and stands up for the views of their constituents, but I ask Neil Bibby to listen to the answer that I gave. There are no proposals on the table. NHS Greater Glasgow and Clyde is undertaking a review. If proposals are forthcoming, they will be considered through public engagement and, ultimately, if required, ministerial approval in due course. As Neil Bibby said, I demonstrated again this week that I look closely and carefully at all proposals that come to me. Where I think that they are right, I approve them, and where I think that they are misguided, I do not. I will give due consideration to any proposal that comes before me, including in this case.

A75 (Dunragit Bypass)

6. Alex Fergusson (Galloway and West Dumfries) (Con): To ask the Scottish Executive when the Dunragit bypass on the A75 will be completed. (S4O-00514)

The Minister for Housing and Transport (Keith Brown): Significant preparatory work has already been completed on the A75 Dunragit bypass. In spring 2012, we will commence the next phase of land purchase and preparation of contracts in readiness for procurement and construction. The Government intends to proceed with this vital link as soon as capital funds become available.

Alex Fergusson: I am grateful for that response, and I think that we can now take it as read that the Dunragit bypass will be constructed. That being the case, I invite the minister to give

the people of Springholm and Crockettford the perfect Christmas present—this is a good time to do it—by assuring them that their communities will be bypassed within the lifetime of his Government's 15-year infrastructure plans, given that those two communities will be the only ones on the A75 without a bypass once the Dunragit bypass is complete.

Keith Brown: It is worth pointing out the gift that we were given by the Tory and Lib Dem Government at Westminster, which was a £1.3 billion cut, and a 36 per cent cut to our capital programme. That obviously limits the amount of work that we can do on capital projects. However, with the A9, the new Forth crossing, the M74 and the Borders rail link, we are making substantial progress on transport infrastructure in Scotland, which was let down for many years by Tory, Lib Dem and Labour Governments.

We will make progress on the scheme. Six projects were identified in the route action plan for the A75 in 1997, but it is worth bearing it in mind that nothing happened in the five years following that. We have made progress with the four schemes that have been completed in the intervening period, and we will make progress on and complete the Dunragit bypass as soon as funds become available.

Elaine Murray (Dumfriesshire) (Lab): The minister's Government stalled the Dunragit bypass at the same time as it stalled the Hardgrove to Kinmount improvement scheme on the A75. Can he advise us whether that scheme will be completed at the same time as the Dunragit bypass?

Keith Brown: I think that I tried to answer that point. Elaine Murray said that we stalled the project. It is worth bearing it in mind that, for five years after the route action plan was agreed in 1997, nothing happened, so it is hard for her to accuse us of stalling. We will proceed with the Dunragit bypass. We are about to move towards compulsory purchase and we will proceed as soon as funds become available.

Oil Industry

7. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government what it considers the impact will be on the oil industry of the United Kingdom's recent use of its European Union veto. (S4O-00515)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Following the United Kingdom veto decision, the First Minister wrote to the Prime Minister on 11 December to ask for an urgent meeting of the joint ministerial committee to assess the implications for Scotland. The economic implications of the UK veto are unknown

while discussions continue to evolve in Europe. However, the North Sea oil and gas industry makes a huge contribution to the Scottish and UK economies—it supports more than 200,000 jobs in Scotland alone—and we continue to work closely with the sector and its supply chain to attract investment, create jobs and grow the economy.

Maureen Watt: Given the oil and gas industry's strong expressions of concern about the impact of potential European Union regulations on the North Sea health and safety regime, does the minister agree that the United Kingdom Government's political grandstanding is not a backdrop against which to ensure that the future of a vital industry is properly safeguarded during the important negotiations?

Fergus Ewing: I am a stranger to grandstanding activities myself, as members know.

When I attended the energy council with Charles Hendry, we were in agreement that the proposed EU directive on health and safety in the North Sea is unwanted by the sector and by Aberdeen, and unnecessary, because we have extremely high standards of health and safety. We have learned lessons from difficult events over the years, and there is a rigorous and effective regime in Scotland and the UK. I am pleased to say that we are at one with our colleagues in the UK Government on the matter and that we will fight the cause together.

The Presiding Officer: I call Bill Kidd to ask question 8.

It appears that the member is not in the chamber to ask his question. I will expect Mr Kidd to explain later this afternoon why he chose not to be here.

Johann Lamont has not lodged question 9, for understandable reasons.

National Health Service Boards

10. Dr Richard Simpson (Mid Scotland and Fife) (Lab): To ask the Scottish Executive when it last met NHS boards and what was discussed. (S4O-00518)

The Deputy First Minister and Cabinet Secretary for Health, Wellbeing and Cities Strategy (Nicola Sturgeon): Ministers and Government officials meet representatives of all national health service boards on a regular basis. Meetings cover a wide range of matters of current interest that affect health services.

Dr Simpson: I draw members' attention to my declaration of interests.

Does the cabinet secretary remember resolving the dispute over the NHS consultant contract, at a

time when health boards were advertising posts on a split of nine clinical sessions to one non-clinical session, rather than 7.5 to 2.5? Although that advertising has stopped, is she aware that in some health board areas new consultants are being pressed to accept 9:1 contracts?

Does she recognise the dangers of requiring non-clinical elements, including service development and redesign, audit and appraisal, teaching, training and—not least—patient safety, to be delivered in only four hours a week? Does she agree that such an approach is disturbing and will she look into the issue for us?

Nicola Sturgeon: I am very aware of the issue. I will be a little modest and deny that I resolved the issue; it was resolved through the good offices and good sense of the British Medical Association and NHS boards, through the management steering group.

What was objected to, with some justification, was the blanket advertising of 9:1 contracts, which is no longer happening. Beyond that, it is appropriate for contract decisions to be taken on an individual basis and for an appropriate contractual arrangement to be reached. In some circumstances, there might be a reason why such a split of working time would be appropriate for more junior consultants, whereas it would not be appropriate for more senior consultants. However, it is critical to ensure that patient safety and quality are paramount. Those are the yardsticks by which I judge all decisions in the area that we are considering and others.

Elaine Smith (Coatbridge and Chryston) (Lab): When the cabinet secretary next meets NHS boards, will she impress on them her stated commitment to the need for the highest standards of cleanliness in our hospitals, to help to stop the spread of infections such as norovirus, which, although it is initially brought in from outside, quickly spreads if wards are dirty and control measures are not robust enough?

Nicola Sturgeon: I will resist the temptation to give Elaine Smith exactly the same answer that I gave her when she asked that question just a few questions ago. The matter is important, so I take no issue with her raising it again. I understand the seriousness with which she, as a constituency MSP, has reacted to the recent outbreak of norovirus in Lanarkshire.

I say again that I place the utmost priority and importance on the tackling of infections. We have put in place a range of measures to ensure that hospitals have the highest standards of cleanliness, hygiene and infection control. I say again that the success of those efforts is demonstrated by the reduction of more than 70 per cent in infections such as MRSA and

Clostridium difficile since 2007. We will not be complacent; we will continue to press forward and reduce hospital infections to the lowest possible level.

First Minister's Question Time

11:59

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab):

May I say how delighted and privileged I am to be here? Before I start, I wish the First Minister and everyone across the chamber and in the Parliament a happy Christmas and a peaceful new year. [*Applause.*] And now to business. [*Laughter.*]

To ask the First Minister what engagements he has planned for the rest of the day. (S4F-00368)

The First Minister (Alex Salmond): In this pre-Christmas edition of First Minister's questions, I congratulate Johann Lamont on her success in the Labour leadership election, welcome her to her place in the chamber today and say to her, as I said when we met yesterday, that she can be assured that, where the Opposition brings forward points of substance, the Government, notwithstanding our majority, will be prepared to take common cause. That is symbolised today in the fact that the Parliament will substantially unite in expressing concern about the direction of travel of the United Kingdom Government's welfare reforms which, instead of increasing employability, seem to be in danger of impoverishing further some of the most impoverished people in the country. Perhaps that is the shape of things to come.

Johann Lamont: Where it is possible for us to work together, I assure the First Minister that we will do that, but it is also our responsibility to oppose and challenge him.

It is Christmas, and a time when we are all looking forward to spending time with our children. Certainly, I have seen less of my own recently than I might want to. It is a time that belongs to children but, for some children, there is not much to look forward to—children abandoned and abused by their parents; children like Declan Hainey. What has the First Minister done in response to that tragic case?

The First Minister: All cases involving children are examined by the Government and the Government keeps things under action, but perhaps Johann Lamont will want to specify the action that she is looking for, and then I will be able to tell her what the individual minister has done.

Johann Lamont: I am rather concerned that the First Minister has not already indicated what he is intending to do in response to something that is very serious. We have to ensure that the rhetoric in the chamber reflects the reality of Scottish life.

When the First Minister was asked about a similar tragic case—the death of Brandon Muir—he said:

“we have the most systematic and strenuous inspection system certainly anywhere in these islands and perhaps anywhere in Europe.”—[*Official Report*, 25 June 2009; c 18904.]

Does the First Minister still believe that that is the case? Does he agree that the reality is that it was not good enough for Brandon Muir or Declan Hainey and that it is not good enough for scores of children whose names may never appear in the papers but who are suffering now?

The First Minister: I remember the Brandon Muir and Declan Hainey cases very well. The point that I made in the Brandon Muir case was that we have in place a systematic way of trying to identify children at risk. I also made the point that no system can be foolproof and that there will be individual tragedies almost regardless of what system is in place but that we have reinforced the support to local authorities and social work departments to enable that systematic way to be followed.

I reiterate another point that I made on the Brandon Muir case. I stressed that there was often a tendency to blame social work departments and see their failings. Of course, where there are failings, they must be examined and, in that case, they were systematically examined in the correct fashion. However, members must understand another point, which is that we have a substantial system and excellent social workers in Scotland who subscribe to the highest standards and are a professional group of people. However substantial we make our system and whatever the sincere efforts of our social workers, there will always be tragic cases—that is a certainty in society. Our job as parliamentarians is to give the maximum support to our social work departments and to their professionalism to ensure that our systems of inspection are such as to minimise the number of tragic cases and therefore minimise the effect on society.

Johann Lamont: I want to believe that that system is in place and that our children are safe, but we know that that is not the case. We cannot simply say that there is an inevitability about this. The responsibility of Government in this kind of case is to identify where the challenges are, where the problems are and what we can do to address them. It is not about blaming the workforce; it is about recognising that, for all of us, whatever systems are in place, they are not sufficient. Throughout Scotland, we have social workers who are overburdened, health visitors who are under pressure and the inevitability of children who have been abandoned by their parents being abandoned by a system that is supposed to care. We all know that budget cuts will only get worse,

so what is the First Minister going to do in his budget choices to ensure that the most vulnerable children in our country are protected?

The First Minister: The system of inspection has been substantially enhanced and improved. That has been validated by the reinspections that take place. In the substantial majority of cases in which there have been faults and difficulties in individual local authorities, there has been huge improvement on reinspection. The Government put those things in place to try to correct the failings of a system that was already in place, but parliamentarians and political parties have to understand that, however we attempt to improve such systems to protect every single child in Scotland, there will still be tragic cases. In terms of budget choices for disadvantaged children, perhaps Johann Lamont would like to welcome our initiative to give looked-after two-year-olds access to nursery education. It is the first time that that has been done in these islands. That is a budget choice that we have made and I am sure that Johann Lamont would like to reflect her support for it.

Johann Lamont: Of course, I support that kind of thing, but this child was not in care; that is part of the difficulty. The child was in the family home. The danger is that we have a counsel of despair that there is nothing that Government can do. We all know that, if we work together and are honest, we can get this right, but we cannot afford a gap between what we say we care about—our rhetoric in the chamber—and the reality in Scotland's homes. There has to be a connection between what we say and how people live, so I am asking the First Minister to have an independent inquiry into how our most vulnerable children are being affected by the budget choices that his Government has made. Surely it is possible, recognising the scale of the challenge, to test our budget choices by their capacity to protect the most vulnerable in our communities.

The First Minister: I am not certain that the direction in which Johann Lamont has taken her question reflects her aspirations at the start of the question session. In terms of budget choices, the settlement for local government has protected it against the average cut—the local government settlement is much better than the settlements for areas under direct Government control, for example—which indicates our view of the value and worth of social work and other departments. As for the inspection regimes and the improved system that we have established compared with the one that we inherited, most people across social work would say that, regardless of the fact that we will always have individual tragic cases, nonetheless the system is far better than it was some years ago and the system of inspection and reinspection is proving its worth.

I mentioned looked-after children and two-year-olds not because it was relevant to the individual case that Johann Lamont raised but because it was relevant to her question about how this Government looks on children within its budget priorities. The huge emphasis that we have given to early intervention, with a substantial transfer of funds even in this extraordinarily difficult time of great economic stringency, is an indication that this Government is concerned for every child in Scotland and wants to make the earliest intervention possible in order to establish an equality of opportunity that will do this country and this Parliament proud.

Johann Lamont: I am asking the First Minister this question as a mother. There are mothers throughout the country asking the same question. These children are hidden to the system and I am asking the First Minister what he can do. Can we have an independent inquiry into how the child protection system is working? Bits of it will be fantastic, as he says, but there is clearly a huge problem. If we can have an independent inquiry, we can work together to challenge this most awful of circumstances in our communities and make Scotland a better place for our most vulnerable children.

The First Minister: I point out that the improvements in the inspection regime came about as a result of such an inquiry looking at tragic individual cases and seeing how they reflected on the system throughout the country. Those improvements have been made and there is substantial evidence that, as a result of inspections and reinspections, social work departments are performing much better than they were before.

If Johann Lamont is asking for a guarantee that there will never be another tragic circumstance and that no child will ever be in that position, I cannot give that guarantee—no politician can. If she is asking what the Government has done, the systematic improvement in inspection regimes validates what the Government has done. If she is asking about budget choices, the huge input of resources into early intervention indicates that the Government cares—as the whole Parliament cares—about all of Scotland's children.

Prime Minister (Engagements)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when he will next meet the Prime Minister. (S4F-00358)

I add my and my party's welcome to Johann Lamont on her election as the first leader of the whole Labour Party in Scotland. I also offer my Christmas wishes to members.

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

Ruth Davidson: As the Scottish Trades Union Congress has revealed this week, eight of the 10 worst areas for rising long-term unemployment in the United Kingdom are here in Scotland. That news comes a week after figures revealed that the level of unemployment in Scotland is now higher than the UK average. Week after week, all that we hear is the First Minister claiming the credit when things look good but shovelling the blame elsewhere when things look bad. One ministerial job for one Scottish nationalist is not the same as thousands of jobs for the Scottish nation. Is it not time that the First Minister got his eye back on the ball and started doing the job that he was elected to do, which is delivering jobs for Scotland?

The First Minister: I read the STUC report and, unlike Ruth Davidson, I listened to what the STUC had to say about it. I quote Stephen Boyd, STUC assistant secretary, from the radio yesterday morning. Asked what should be done, he said:

"Well, I think we have to be very clear at this moment in time that Scotland is part of the UK economy suffering from a severe deficiency in aggregate demand. Now, that really demands a major counter-cyclical macroeconomic response, and that can only be implemented at UK level."

Given that that is what the STUC said, some people might think that Ruth Davidson—even at this pre-Christmas edition of First Minister's questions—has something of a brass neck to weep crocodile tears for the Scottish unemployed when her Government's policy has a direct responsibility for the employment conditions in Scotland today.

Ruth Davidson: I did listen to the interview with Stephen Boyd and to the interview an hour later, which involved the Cabinet Secretary for Finance, Employment and Sustainable Growth wriggling out of answering questions on the areas that come under Scottish Government control. I will tell the First Minister what the UK Government has done to help employment throughout the whole UK. It has reduced corporation tax, it has invested in renewables, it has established a youth contract, it has cut national insurance and it has reduced the national debt.

Let us remind ourselves of the awful facts that the First Minister is trying, once again, to run away from. Twenty-six thousand people face their second Christmas out of work, and that has happened on the First Minister's watch. He needs to take responsibility for his actions. He has the powers that he needs to make a difference. The First Minister could be properly funding our colleges instead of ripping £74 million out of them; he could be cutting the tax burden on businesses, not hitting the biggest employers with more; he could be renewing the town centre regeneration

fund instead of scrapping it; and he could be building the 6,000 social rented homes that he promised instead of cutting his own target by a quarter. The First Minister's policies are damaging the Scottish economy. Will he finally take responsibility for the consequences of his own actions?

The First Minister: I have done a quick calculation, and I have counted £250 million of additional expenditure in that list alone. I shall assume that Ruth Davidson, speaking with the full authority of the leader of the Scottish Conservative Party, will tell the chancellor to put the cheque in the post, as opposed to cutting our capital budget by 32 per cent over the next three years.

Ruth Davidson referred to the fact that eight of the 10 areas with the largest percentage increase in unemployment are in Scotland. Unemployment is a huge difficulty, but that statistic includes areas such as Aberdeenshire—my area. I would love it if there was no unemployment in Aberdeenshire, but the unemployment rate in Aberdeenshire is 3.7 per cent. In this chamber, we would be celebrating if the rate was 3.7 per cent across Scotland.

The way to measure the issue is to use the level of long-term unemployment. In long-term unemployment, Scotland has two areas out of the UK's top 30, and three out of the top 30 if long-term unemployment is measured by claimant count numbers. The first one comes in at 25, which is North Ayrshire.

That is not to say that unemployment is not a huge problem. Of course it is a huge problem, but Ruth Davidson should remember two things when talking about the Scottish economy. Proportionally, there are more people employed and more people in economic activity in Scotland than there are across the United Kingdom and, thanks to the actions of the finance secretary, the recession was shorter and shallower in Scotland than it was in the rest of the United Kingdom.

If we had the economic tools that the STUC was calling for, there would be no deficiency of demand in the Scottish economy and Ruth Davidson and her colleagues would be able to celebrate the investment that they call for but for which they are singularly unwilling to provide the means through their party at Westminster. If the Parliament wants this Government and this Parliament to have responsibility for the Scottish economy, let us unite in getting the tools to do the job for Scotland.

Jean Urquhart (Highlands and Islands) (SNP): Is the First Minister aware that the Office of the Gas and Electricity Markets has published its proposals to change the system of charging for electricity transmission? The proposed regime benefits the Highlands but not the islands. Will the

First Minister raise the issue with Ofgem and encourage it to model the impact of the proposals on Scotland's islands?

The First Minister: Yes. A constant preoccupation of many members for many years has been the huge discrepancy and unfairness of the present charging regime, which discriminates against many areas of Scotland and the islands in particular.

The Ofgem consultative proposals that were made this week show a move in the right direction. Although they offer fairly substantial change from the current unacceptable position for some areas of Scotland, there is no indication of any relief for our island communities so that they can mobilise the tremendous resource that they have in renewable energy. Just as the chamber has united in the past in pressing to end the discrimination against Scottish generators, I think that we should unite again to ensure that the islands of Scotland are included in the new settlement.

Liam McArthur (Orkney Islands) (LD): I associate myself with what was a fairly accurate analysis of Ofgem's statement. I know that the First Minister is on record as saying that if Scotland, or indeed the UK, is to achieve our renewables and climate change objectives, it will require the islands to play the fullest possible part. In light of Ofgem's recommendations this week, does he therefore agree that trying to create a charging regime for both mainland and island areas is perhaps not achievable? Does he believe that it is time to look at establishing an approach that recognises the unique challenges as well as the potential of renewables in and around Orkney, Shetland and the Western Isles?

The First Minister: We discussed the matter with the convener of Orkney Islands Council yesterday. The Scottish Government has asked the Scottish Council for Development and Industry to host a conference on 13 January to allow island councils and renewables developers to highlight their strong case for more equality of treatment and a more level playing field for our island communities.

Liam McArthur should know that the issue is a long-standing one. It is one in which we have received considerable support. For example, the UK energy secretary, Chris Huhne, has indicated that he has great sympathy for the arguments. However, it is frustrating that, in making the progress that it has indicated, Ofgem seems to have omitted to remember that the islands are part of Scotland. Our argument is for a charging regime that removes unfair discrimination against the islands as well as the mainland. I think that that could easily be done by capping the excess amount that any part of the country is charged, so that people can have certainty that the additional

amount is capped at a certain level. As Liam McArthur knows, in the current system, that is not the case, and the excess charge is subject to intense variability.

I hope that, as we go into the conference that I mentioned—no doubt with Liam McArthur's support—we will be able to make our case, which we have already presented, unanswerable both for Scotland and for the islands of Scotland.

Jackie Baillie (Dumbarton) (Lab): This week, the Cabinet Secretary for Health, Wellbeing and Cities Strategy decided to close the Christie ward at the Vale of Leven hospital, which is a decision that has caused considerable distress in my community, with the lack of bed capacity at Gartnavel hospital leading to patients being boarded in Ayrshire, Lanarkshire and even Livingston.

Is the First Minister aware that the cabinet secretary promised enhanced crisis intervention services, yet, in part of my constituency, those are available only in daylight hours? Will he agree to expand those services so that people who are suffering from acute mental illness are protected at all times?

The First Minister: The health secretary is aware of the protection that is required for all patients in Scotland. As Jackie Baillie knows, the Christie ward was closed previously for fire. That has been the current situation. She might have welcomed the decision to reverse the health board's recommendation on the Lightburn hospital, which was also made this week. Of course, the provision of patient care is uppermost in the health secretary's mind. In a pre-Christmas spirit, I say as gently as possible to Jackie Baillie that I do not think that hospital closures around Scotland are the Labour Party's strongest suit.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-00367)

The First Minister (Alex Salmond): Issues of importance to the people of Scotland.

Willie Rennie: I, too, welcome Johann Lamont to her position.

Last week, the First Minister promised that he was taking seriously the £1 billion youth contract to help young people into work. However, during a long radio interview that I listened to yesterday, the Cabinet Secretary for Finance, Employment and Sustainable Growth did not even mention it. Will the First Minister set out how many Scottish businesses and young people could benefit from the youth contract?

The First Minister: I gave Willie Rennie an answer to that question last week, saying that we will be delighted to co-operate with the youth contract. However, he seemed to suggest that our pointing out that the consequentials amounted to some £6 million a year was an unreasonable thing to do. I also pointed out that, in addition to the £18 million over the next three years, we had added £12 million to give Angela Constance additional resources and firepower to help with the youth employment initiative.

Willie Rennie should understand that he should take yes for an answer. I have been following his tweets on this matter. [*Interruption.*] All right, I am his only follower in the whole of Scotland. I am fully aware of his concerns. I said it last week and I say again today, for the third time—the cock is crowing—that the Government will co-operate with the youth initiative. We would like those powers to be with this Parliament, but we will co-operate in the interests of the young people of Scotland. Will he now take yes for an answer?

Willie Rennie: The First Minister must be judged by his actions. I accept that he says that he will support the youth contract, but will he actively promote it? The answer to my question is simple.

The youth contract can benefit 160,000 young people. The suspicion is that the Scottish Government is soft pedalling the policy because it was not its idea. By engaging with and promoting the policy, the Scottish Government can do something positive for young people. It also still has in its pocket £67 million from the UK Government. The First Minister can use that to reverse the cuts to colleges. He should take the steps that he can, rather than whingeing about the ones that he cannot.

The Presiding Officer (Tricia Marwick): Can we have a question, Mr Rennie?

Willie Rennie: The First Minister has had a great year.

Members: Yes!

The Presiding Officer: Order. Settle down.

Willie Rennie: Will the First Minister finish off the year with some good news for other people? Will he embrace the youth contract and save colleges?

The First Minister: In terms of the youth contract, yes, yes and yes again. In terms of colleges, Willie Rennie will have seen the wide welcome for the initiative and transformation fund in the college sector two weeks ago.

I confess that I have been a follower of Liberal Democrat tweeting—not just of Willie Rennie but of Andrew Page, the former Liberal candidate for Renfrewshire North and West. In looking at Willie

Rennie's attacks at First Minister's questions, Andrew Page said:

"Rennie's attacks on the SNP leadership have been weak and played directly into Salmond's hands while making our party appear small-minded, tribal and idiotic ... it is no surprise the public aren't attracted to our broader message."

In the interests of the Christmas spirit, I will disassociate myself from that Liberal candidate's criticism.

Willie Rennie: In the interests of the Christmas spirit, I think the First Minister should focus on the needs of the unemployed, rather than making cheap remarks about other politicians.

The First Minister: They were not my remarks; they were the remarks of a Liberal candidate.

In terms of youth unemployment, Willie Rennie will know that the 16-to-19 guarantee is unrivalled anywhere in these islands: a training place, an opportunity for anyone not in employment, full-time education or an apprenticeship; the mobilisation of contract power to enable us to look at contracts in terms of what they provide for Scotland's young unemployed; and, above all, the 25,000 apprenticeships—60 per cent more than the level we inherited—which I am delighted to tell the chamber have been fully contracted by Skills Development Scotland. That is something for the whole chamber to welcome.

Rural Communities (Online Delivery Charges)

4. Nigel Don (Angus North and Mearns) (SNP): To ask the First Minister what the Scottish Government's position is on the financial impact on rural communities of higher delivery charges for online deliveries. (S4F-00378)

The First Minister (Alex Salmond): This is a hugely important issue and one that obviously has great resonance at this time of year. The Scottish Government fully supports Citizens Advice Scotland's calls for online retailers to sign up to a three-point pledge: to comply with the law by clearly displaying delivery costs; to ensure that any charges are based on actual costs incurred; and to offer delivery via Royal Mail wherever possible, which offers a flat-rate service throughout the country for all parcels up to 20kg. People living in rural parts of Scotland are entitled to fair treatment and should not be penalised or discriminated against simply because of where they live.

Nigel Don: Improbably, constituents of mine in Stonehaven—a mere 15 miles from Aberdeen—are being charged extra despite the fact that the delivery stations are on the south side of Aberdeen. Is there anything that the Scottish Government can do to support trading standards

officers across Scotland to put an end to these unfair delivery charges?

The First Minister: Fergus Ewing has written this week to the responsible United Kingdom minister, Ed Davey, to ask him to review the current situation and see what measures can be taken to ensure that online retailers adopt a much fairer pricing policy across the country.

I noted in *The Inverness Courier* this week that our man in Westminster, Danny Alexander, the Chief Secretary to the Treasury, was calling for such an initiative. No doubt Danny Alexander will not just be calling for it but will be having a word with his parliamentary and Government colleague Ed Davey so that something is done about it, to help the rural communities of Scotland.

Access to Justice (Local Court Closures)

5. Lewis Macdonald (North East Scotland) (Lab): To ask the First Minister what impact the proposed court closures will have on local access to justice. (S4F-00376)

The First Minister (Alex Salmond): There are no such proposals to close courts.

Lewis Macdonald: That is a very interesting response. The First Minister will be aware of comments reported from within the justice system this week that the visible local delivery of access to justice is vital for local communities, witnesses and victims of crime and would be threatened if such court closures happened. As a pre-Christmas present to people living in rural Scotland and indeed in small towns such as Stonehaven and Haddington, will he give us an assurance today that local access to justice will be protected and that those communities will not face the threat of court closures, not just now but any time next year or in the course of this session of Parliament?

The First Minister: I know that Lewis Moonie—I beg his pardon; I mean Lewis Macdonald—is new to his current position, but he does not have to rely on information from within the justice department. He just needs to look at the evidence of the Lord President to the Justice Committee on 1 November. The Lord President confirmed that consideration of these issues is at the “very early stages”, that

“Implementation is some distance down the line”—[*Official Report, Justice Committee*, 1 November 2011; c 391.]

and that no final decisions about possible closures of sheriff and justice of the peace courts could be taken without local consultation and, ultimately, the approval of the Parliament. That was the evidence to the Justice Committee, which says that the Lord President is very much aware of the sort of concerns that Lewis Macdonald has expressed.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Further to that evidence from Lord Hamilton to the Justice Committee, will the First Minister confirm that the Lord President will also consider the costs of travel and practicalities for witnesses, police and sheriffs of any redesign of access to justice, particularly in rural areas such as Peebles?

The First Minister: I do not want to be drawn on the Peebles point, although I well understand why Christine Grahame should represent her constituency interest.

Access to justice is critical to our court system. It is critical in the location of courts, which is exactly why the Lord President expressed his views on the matter in the manner that he did. That evidence to the Justice Committee is a fair statement, particularly in saying that no decisions will be taken without local consultation and that any decision requires the Parliament's final approval.

European Fisheries Negotiations

6. Jamie McGrigor (Highlands and Islands) (Con): During yesterday's statement on fisheries—

The Presiding Officer: You need to ask the question, Mr McGrigor.

Jamie McGrigor: I beg your pardon. To ask the First Minister how Scottish fishermen will be affected by the outcome of the European Union fisheries negotiations. (S4F-00361)

The First Minister (Alex Salmond): The Scottish Government achieved many of its key priorities in tough negotiations. Crucially, we avoided the situation in which a recalculation of days at sea would have decimated the Scottish fleet, and there was progress on access to additional stocks. However, it is disappointing that the effort limitation plan and the widely discredited cod recovery plan are going ahead. That was not a success in the summit. As Richard Lochhead pointed out yesterday, the negotiations were a mixed bag. Some key priorities were achieved, but there was one substantial disappointment.

The Presiding Officer: Mr McGrigor, you can ask your next question now.

Jamie McGrigor: During his statement on fisheries, the Cabinet Secretary for Rural Affairs and the Environment, Richard Lochhead, said that “common sense was no match for the legal straitjacket”—[*Official Report*, 21 December 2011; c 4908.]

of the cod recovery plan and described his frustration at not being able to secure a pause in automatic yearly cuts in days at sea. He said that the United Kingdom delegation was supported by

France, Germany and Spain in its efforts towards achieving that. However, despite not being isolated in Europe, the result is bitterly disappointing to the Scottish fleet.

What will the First Minister do to help Scottish fishermen to cope with the cuts in days at sea? Will he specifically assure the Parliament that the Scottish nephrops fleet will be provided with additional support to help it to deliver the highly selective gear that will allow it to continue to catch white fish, which are an important element of the sector's income?

The First Minister: As Jamie McGrigor knows, we must all learn to say langoustine because nephrops command a greater price in the marketplace when we call them langoustines.

I wonder whether it would be useful for Jamie McGrigor to have a word with the UK fisheries minister, whose press statement I have here. It is entitled "UK secures victory in European Union fisheries negotiations", so there seems to be something of a cross-border impasse between Jamie McGrigor, who bemoans the lack of success, and his party's fisheries spokesman, who believes that he secured victory.

The truth is that vital things were secured, thanks to the negotiating talents of Mr Richard Lochhead. However, it is also true that there was a major disappointment in the days-at-sea limitation. I ask Jamie McGrigor to consider that the policy area in which there was a major disappointment is the one that affects the United Kingdom more than any other fishing community in Europe. Is it not significant that the failure in negotiations was in that area, in which we really needed friends to row in and support us?

With that answer, I hope that Jamie McGrigor will be able to reconcile the variance in Conservative Party fisheries policy and recognise that Scottish fishermen are perhaps paying the penalty for the Prime Minister's reckless behaviour.

The Presiding Officer: That ends First Minister's questions. The next item of business is a members' business debate. Members who are leaving the chamber should do so quickly and quietly.

Child Trafficking (Cocoa Industry)

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a members' business debate on motion S4M-01042, in the name of Jim Eadie, on child trafficking in the chocolate industry, 10 years on from Harkin-Engel. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges the 10th anniversary of the signing of the Harkin-Engel Protocol on 19 September 2011, signifying the chocolate industry's apparent commitment to abolishing the trafficking of workers in West Africa into deplorable conditions; condemns the industry's apparent failure to take the appropriate action as pledged in the protocol, thereby perpetuating some of the worst forms of child labour in the cocoa sector of Côte d'Ivoire and Ghana; understands from a report on the protocol by Tulane University that none of the six articles calling for action has been fully implemented and that the required industry-wide reform in the cocoa sector has not taken place; commends the 10 Campaign run by civil society groups across the world, including the International Labor Rights Forum, World Vision and Stop the Traffik, and would welcome widespread support for the petition to end the trafficking of children in the cocoa industry.

12:35

Jim Eadie (Edinburgh Southern) (SNP): I open the debate to mark the 10th anniversary of the Harkin-Engel protocol, which was signed on 19 September 2001. I thank colleagues in the Labour Party and the Scottish Green Party and my Scottish National Party colleagues for their support in bringing the debate to the Parliament.

Under international pressure 10 years ago, chocolate companies signed up to a voluntary non-binding document that set out concrete steps to eliminate the worst forms of child labour and forced labour from all cocoa farms by July 2005. As the report by Tulane University sets out, 10 years on, the industry has singularly failed to meet that deadline and to implement the protocol.

The protocol grew out of the concern expressed in 2001 about reports of human trafficking and physical abuse in west African cocoa farming in Ghana and Ivory Coast. It is named after US Representative Eliot Engel and US Senator Tom Harkin. The protocol is about growing and processing cocoa beans and their derivative products in a manner that complies with International Labour Organization convention 182.

I pay tribute to the organisations that have campaigned against the widespread use of child labour and child trafficking on cocoa farms in Ivory Coast and Ghana. In particular, I commend the 10 campaign, which is run by civil society groups around the world, including the International Labor

Rights Forum, World Vision and Stop the Traffik. I also pay tribute to members of the media. Good investigative journalism in the public interest serves our society well, and I have nothing but praise for the BBC's sterling work in that regard.

West Africa is the largest supplier of cocoa in the world—it accounts for 70 per cent of global cultivation. The US Department of State estimates that more than 109,000 children in Ivory Coast's cocoa industry work under the worst forms of child labour and that 10,000 or more are victims of human trafficking or enslavement. Such cocoa production is characterised by deplorable conditions, including child trafficking, the worst forms of child labour, labour-intensive production and harvest, poor health and safety measures, low incomes for cocoa farmers and the use of pesticides and fertilisers with damaging effects on public health and the environment.

Cocoa is traded through a local and international supply chain. Ivory Coast and Ghana are the two largest cocoa-producing countries. By 2012, it is estimated that global chocolate consumption will have increased by 15 per cent since 2006.

A handful of companies dominate the international cocoa trade and in some countries, such as the USA, that concentration is even greater. Three companies dominate grinding capacity in the cocoa chain and have 40 per cent of global cocoa processing. A further six companies dominate the chocolate market—they are the household names Cadbury, Nestlé, Mars, Ferrero, Hershey and Kraft Foods. This is big business: cocoa imports to the US are valued at \$4.3 billion.

There is a role for national Governments and the consumer, but the primary responsibility lies with the companies. Such global companies could and should meet their global corporate and social responsibilities, and their moral responsibility, but they have singularly failed to do so, despite signing up to the Harkin-Engel protocol.

The protocol was meant to address child trafficking and the worst forms of child labour in the industry in west Africa. Its signatories were to develop and implement a

"Key Action Plan and Steps to Eliminate the Worst Forms of Child Labor",

which would include a

"Public Statement of Need for and Terms of an Action Plan".

The protocol states:

"Industry has publicly acknowledged the problem of forced child labor in West Africa and will continue to commit significant resources to address it."

It goes on to say that

"the occurrence of the worst forms of child labor in the growing and processing of cocoa beans and their derivative products is simply unacceptable."

It remains unacceptable, but the promise to commit significant resources has not been realised.

We were promised action on

"the formulation of appropriate remedies"

for children who were removed from child labour, but little progress has been made. There was meant to be action to identify "positive developmental alternatives" for the children removed from the industry, but that too has failed to materialise.

There was meant to be

"a binding memorandum of cooperation among the major stakeholders that establishes a joint action program of research, information exchange, and action to enforce the internationally-recognised and mutually-agreed upon standards to eliminate the worst forms of child labor"

in the sector, and

"independent means of monitoring and public reporting on compliance with those standards."

That is probably the biggest failure of the industry 10 years on from the protocol. There was also meant to be a not-for-profit foundation with significant resources committed to it in order to help

"to eliminate the worst forms of child labor."

The fact that a few companies dominate the market gives them enormous purchasing and selling power, but it also gives them the opportunity to work to bring about a sustainable cocoa economy, as Oxfam and others have said.

Where there should have been action, there has been inaction. Where there should have been specific, detailed, concrete action to remove and protect children from the worst forms of child labour, there has been a distinct lack of good faith and a lack of will to make good on the pledges that were solemnly and publicly entered into in 2001.

What is the reality for children as a result of that inaction? The BBC's journalist Humphrey Hawksley, reporting from the Ivory Coast earlier this year, told us first hand about the plight of those children. He stated:

"I found a group walking along a muddy path towards trees where bright yellow cocoa pods hung ready for harvest. Silently the children squatted down and started work. They wore torn and grubby shorts and t-shirts. There was no laughter or play. On their legs were scars from machete injuries. There was no first aid kit around or any protective clothing."

That is life for those children, and such stories shame humanity.

The industry's direct connection to child labour, human trafficking and slavery is indisputable. It is, as the industry has itself stated, "unacceptable", and yet it continues. The situation is an affront to human rights and to standards of decency and the fact that such a manifest injustice can be perpetrated with apparent impunity in the 21st century is truly shameful.

Nelson Mandela said that to value our children is to value our future. The chocolate industry has shown by its failure to implement the Harkin-Engel protocol that it does not value the children of west Africa. That must change, and there are some signs—prompted by the media coverage to which I have referred—that that may at long last be beginning to happen, with the announcement by Nestlé that child labour will in future have no part to play in the supply chain.

Scotland as a nation can be a force for justice in the world. Let our collective voice ring out from the Parliament today on behalf of those children who have no voice, and let us demand justice on behalf of enslaved children and all children who are the victims of the worst forms of child labour.

12:43

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I congratulate Jim Eadie on bringing the debate to the chamber, and on giving the Parliament the opportunity to shine a light on some of the worst industrial practices in the world.

As we have heard, 10 years ago two American politicians, Eliot Engel and Tom Harkin, thought that the work that they had done to highlight the human rights abuses in the chocolate industry had finally had a result when the heads of eight major chocolate companies, two US senators and a member of Congress, together with the ambassador from the Ivory Coast, the director of the international programme on the elimination of child labour and other trade bodies and trade unionists witnessed the signing of a protocol bearing their names. It sought to establish a voluntary way to certify chocolate as being free from

"the worst forms of child labor",

and to confirm that the companies were not contravening ILO convention 182.

In 2009, global sales of chocolate totalled approximately \$100 million. Most of it comes from west Africa, as we heard from Jim Eadie, and particularly from Ghana and the Ivory Coast, as the cocoa tree grows only within 10 degrees of the equator.

Unfortunately, the report from Tulane University that Jim Eadie's motion mentions suggested that those companies, which make large profits, have

not adhered to the protocol and that children are still being used to work in the industry. Indeed, it is suggested that the number of children under 12 who work in the cocoa industry would not fit into the stadiums of Manchester United, Manchester City, Arsenal, Liverpool and Tottenham Hotspur combined. The children work in dangerous conditions that involve them in the use of chemicals and sharp knives.

Ten companies dominate the industry and, in Cameroon, it is estimated that three companies control 95 per cent of cocoa production. Those organisations are extremely powerful, while the farmers who work for them are impoverished and have little bargaining power. The lack of a stable government in the Ivory Coast in recent years has exacerbated the problem.

Companies do not use their power to avoid slavery, trafficking and child labour. That is demonstrated by the fact that only 5 per cent of chocolate can demonstrably be said to have been produced without recourse to such dreadful practices. Some of those companies originated in the UK, and some were originally established by members of the Quaker movement. They took enormous pride in establishing places in which their workers could work in safety and good health, where they could have a decent standard of living and they knew that their children would have an education. However, that was 150 years ago; today, we are seeing the exact reverse of that happening in the name of some of those companies, which are no longer in the hands of those Quaker families, and purely in the name of profit.

At a time of year when our thoughts turn to celebration and we rightly focus on the children in our families, it is entirely appropriate to pause and consider the children who produce the chocolate that we will no doubt consume over Christmas, and it is appropriate that we use our voice to put pressure on chocolate providers and suppliers to change those dreadful practices. Once again, I thank Jim Eadie for bringing the issue to the chamber.

12:47

David McLetchie (Lothian) (Con): As we all tuck in to our selection boxes during the Christmas period, we should give some thought to the producers of cocoa. This is a serious subject and I congratulate Jim Eadie on bringing it to Parliament's attention.

However, the motion is somewhat unbalanced and the problem requires less instant condemnation and perhaps greater understanding of its complexities. Ghana and the Ivory Coast, or Côte d'Ivoire, together produce 60 per cent of the

world's cocoa. More than 10 million people depend on the industry for their livelihood. The US Department of State estimated that more than 109,000 children in the Ivory Coast's industry work under the worst forms of child labour, and 10,000 are the victims of human trafficking and enslavement. That is clearly an unacceptable state of affairs so the initiative that was taken by Senator Harkin and Congressman Engel in the US Congress was commendable. It led to the establishment of the international cocoa initiative in 2002 that brings together Governments, non-governmental organisations, trade unions and the major corporations that are involved in the cocoa industry to work towards a resolution of the problem.

The motion refers to the report from Tulane University, but it does not say that the report commends the laudable efforts of the industry and recognises that more than 650,000 people have benefited as a result of the protocol and the initiatives and programmes that it has produced. The progress might be modest and it might not be as fast as we would like, but it is progress and, frankly, it is not helpful to characterise the failure to eliminate the problem as wholly the responsibility of the industry, given the many other factors that are at work.

There are many barriers to the implementation of the protocol and the elimination of the worst forms of child labour in cocoa farming, not least of which are the failures on the part of the Governments of the two principal countries concerned and the fact that a civil war is raging in one of those countries. All that is recognised in the Tulane University report but, regrettably, not in the motion.

The two major players in the United Kingdom chocolate industry are Cadbury and Rowntree's, although both are now owned by US corporations, as we have heard. As Patricia Ferguson rightly highlighted, Cadbury and Rowntree's have been distinguished by an approach to the welfare and wellbeing of their workforces that was truly revolutionary in its time. It might have been derived from the religious convictions of their Quaker founders rather than from a political ideology and, for some, it might smack too much of paternalism but, like Robert Owen and the co-operative movement, those companies were at the forefront of corporate social responsibility for more than 200 years and long before that term became part of the lexicon of modern business.

I dispute the assertion that those traditions have died. On the contrary, I believe that they are sustained in those companies, notwithstanding the change in ownership. For example, sales in the United Kingdom of fair trade chocolate confectionery grew from £18 million in 2005 to

£343 million in 2010, which is by a factor of 19. A lot of the recent growth is a result of Cadbury's Dairy Milk chocolate becoming the first mainstream confectionery brand to carry the Fairtrade mark. As a consequence, the amount of fair trade cocoa that comes out of Ghana has quadrupled.

Those are just a few illustrations of the progress that has been made. The motion highlights a major and serious problem, but I hope that we can recognise that it is a problem that has been recognised and is being tackled and that progress has been made. Therefore, the Parliament's approach should be to encourage and support the good work that is being done.

12:52

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): I support Jim Eadie's motion and congratulate him on securing the debate. One of the great things about the Parliament is that we debate serious humanitarian issues.

What is trafficking? Stop the Traffik, of which I am a supporter, says that it is

"to be deceived or taken against your will, bought, sold and transported into slavery for sexual exploitation, sweat shops, child brides, circuses, sacrificial worship, forced begging, sale of human organs, farm labour, domestic servitude."

In trafficking,

"victims usually suffer repeated physical abuse, fear, torture and threats to families to break their spirits and turn them into saleable commodities. A person can be sold and trafficked many times"—

sometimes for as little as \$20.

Over the past few years, Stop the Traffik campaigners have put pressure on the big chocolate manufacturers around the world to eradicate the worst forms of child labour in the cocoa farms of Ivory Coast in west Africa, where thousands of young children are trafficked, enslaved and abused to harvest the cocoa that makes more than a third of the world's chocolate.

Stop the Traffik tells us that, from January last year, four-finger Kit Kats have been fair trade, but Nestlé refuses to budge on its two-finger biscuits. Steve Chalke, the founder of Stop the Traffik and the United Nations special adviser on community action against human trafficking, recently said:

"We welcome the Nestlé announcement. We are relieved for the cocoa farmers and children in Ivory Coast. The surrender of Nestlé demonstrates that by making a simple consumer choice ordinary people can hold multinationals to account. Though we understand that it is hard to make all products ethical overnight, we want to see that this is more than a token gesture. So, we intend to keep the pressure on Nestlé until their commitment is global and product wide, like their competitor Mars. No chocolate

should have the bitter aftertaste of slavery. Therefore our campaign continues.”

I remain committed to that campaign. Maybe we should give two-finger Kit Kats a miss until Nestlé makes them fair trade.

The Ivory Coast is the top supplier of the world's cocoa and, as we have heard, the centre of chocolate slavery. Slave traders traffick boys between the ages of nine and 16 from their homes, which are mostly in Mali, but also in Burkina Faso, Ghana and Togo.

Some countries are transport points, while others receive and supply children. The main destination is the cocoa farms in Ivory Coast, where boys are lured by the promise of a salary for their hard work. Once they arrive, they are forced to work from 6 am to 6 pm or later without pay. They have to carry back-breaking sacks of cocoa and are often starved, beaten and locked up at night without toilet facilities.

Sometimes human stories are the best way to illustrate a situation. I will tell the story of Aly Diabate:

“When I was 11 years old, I was taken by a slave trader and sold to a farmer in the Ivory Coast. For 4 years, I worked 80-100 hours per week. I was beaten. At night we were locked into a windowless shed—18 boys in a 20' x 25' room. We had a bucket to use instead of a toilet. We were let out only to work.”

Aly Diabate was promised a bicycle and \$150 for his family in exchange for his work on a farm in Ivory Coast. Once he arrived at the cocoa farm of Le Gros—the big man—life was not as he had expected. He and the other children were forced to work in the fields for 12 and a half hours every day. He was forced to carry bags of cocoa that were taller than his 4ft frame. The others would help to hoist the heavy bag on to his head and when he fell down, the boss would beat him with a bicycle chain until he stood back up and lifted the bag again.

I ask members to think very carefully before munching into their chocolate Santa or their selection box this Christmas. I ask them to think about where it came from and whether children such as Aly were involved in its production. Were they abused to provide that chocolate Santa?

12:56

The Minister for Community Safety and Legal Affairs (Roseanna Cunningham): I welcome Jim Eadie's motion and congratulate him on securing the debate. One of the virtues of members' business debates is their capacity to highlight issues that might not otherwise get the political attention that they deserve, particularly in a Parliament in which powers over international

issues are not part and parcel of the powers that we have.

Jim Eadie has spoken eloquently, as have all the members who have participated, about the conditions that are experienced by children in the chocolate industry. We have seen the awful stories that the BBC journalist Humphrey Hawksley has recently recounted of the treatment of those children. The passion that we have heard today highlights the issues that lie behind the stories and shows the Scottish Parliament at its best.

As has been indicated, the Harkin-Engel protocol is not an agreement between states; it is a framework of ethical practice that the chocolate industry has voluntarily adopted. For that reason, we should welcome the inspiration that lay behind it, the good intentions that brought so many companies together and the self-recognition that those companies have a corporate responsibility to ensure that such exploitation of children is eliminated from their industry.

In addition, it is fair that we recognise what the protocol has achieved. Through the actions of industry, states have been spurred into action, and the Governments of Ghana and Côte d'Ivoire now have national agencies that are dedicated to addressing the worst forms of child labour.

However, inspiration and good intentions are not enough if they are not made real by action, and the report by Tulane University raises questions that we have an international duty to address. According to that report, more than 1.8 million children are estimated to be working in the cocoa industry in those two countries. How many of those children have the machete scars on their legs that we saw on the BBC reports? How many will be like the Aly whom Christina McKelvie spoke about?

We can all appreciate the challenges that are involved in combating child trafficking against the background of civil war and unrest that countries such as Côte d'Ivoire are experiencing but, ultimately, that cannot be an excuse. It is clear that the exploitation of children remains rife in the cocoa industry in those countries.

Although I welcome the recent statement from Nestlé that it will work with the Fair Labor Association to examine Nestlé's practices, like Christina McKelvie I think that we should all be careful about falling into further complacency, locally or internationally. That includes complacency about the notion of the abolition of slavery, on which we can be inclined to congratulate ourselves. The reality of life in many parts of our world today suggests that slavery is still very much with us.

It is ironic that we are having this debate at a time of year when our children will be particularly enjoying chocolate, perhaps rather more than we might wish. However, we cannot ignore the children involved in its making. Each of us can go back to our homes and look at what is in the stockings and the selection boxes and consider what it took to get those products to us.

The African countries that we are talking about may seem far removed from us. While to some—although not to people here—the issues may seem an oddly distant matter to concern the Scottish people, it is a mark of our approach to engaging with the world that we continue to focus on exactly these concerns.

I add a personal note. We as consumers have individual responsibility—it is not just about the companies or countries. David McLetchie is right to acknowledge and remind us about the successes of the fair trade movement and the growth in sales of fair trade chocolate. Ultimately, that growth will hit the unethical companies where it hurts most. Sadly, our ethical arguments with them may in their eyes be far less important than their bottom line. It is important that we continue to support the fair trade movement.

Patricia Ferguson: Would the minister agree, however, that the growth in the sales of fair trade chocolate and indeed fair trade products generally has been due not to any fantastic idea from manufacturers but to public pressure on manufacturers from people who have said that such conditions are not good enough?

Roseanna Cunningham: Absolutely, which is why each of us continues to have an individual responsibility. Although our own purchases may seem small, taken against the backdrop of the purchases that are made throughout the country, we have an enormous amount of power to wield to bring about change in industry.

At the heart of Scotland's international development policy is a deeply held, deeply Scottish sense of moral responsibility for tackling global issues. The purpose that the Scottish Government has set for itself is to create a more successful country, with opportunities for all to flourish, through increasing sustainable economic growth. We would not want any less for other countries, nor for the children of those countries.

Policies on child trafficking and child poverty are the cornerstone policies that we are pursuing in Scotland. Our work on child trafficking is grounded in our commitment to work together with partners at local and United Kingdom level to eliminate a terrible crime. That commitment should have no boundaries. The Scottish values that define our policies at home define how we work globally. For those reasons, we support the work to end child

trafficking and other unacceptable forms of child labour in the cocoa industry—indeed in any industry—in Ghana, in Côte d'Ivoire and in any country where such abuses take place.

13:03

Meeting suspended.

14:15

On resuming—

Scottish Executive Question Time

Rural Affairs and the Environment

The Presiding Officer (Tricia Marwick): Before we start themed question time, I say that Bill Kidd has sent me an apology for failing to be here for his question today. I have accepted the apology in the spirit in which it was given.

Recycling

1. Gil Paterson (Clydebank and Milngavie) (SNP): To ask the Scottish Government what analysis it has made of the latest recycling figures published by the Scottish Environment Protection Agency. (S4O-00519)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Scottish households are steadily increasing the amount of material that they recycle. Significantly, the new set of figures shows that for the first time they are recycling more than 40 per cent of their waste. In some local authorities that figure is approaching 60 per cent—a clear reflection of the efforts being made by local authorities and, of course, households across Scotland.

I am confident that our zero waste regulations will see Scotland's performance improve substantially in the years ahead.

Gil Paterson: Although some councils such as West Dunbartonshire Council are now recycling more than 52 per cent of household waste and are therefore recycling more than they send to landfill, others are still not over the 50 per cent mark. How can the Scottish Government, while taking into account any mitigating local circumstances, ensure that best practice is being shared among councils so that others can learn from good examples and achieve similar success?

Richard Lochhead: Gil Paterson raises a very important point about ensuring that best practice is spread throughout local authorities, given that some are doing much better than others—albeit that there are mitigating circumstances, including geography and other issues.

I spoke to the Convention of Scottish Local Authorities a couple of weeks ago about the issue and assured it that we will continue to work with all local authorities and to co-ordinate best practice.

Zero waste Scotland, the body that is responsible for recycling, is also actively speaking to all local authorities in Scotland.

Ultimately, what often makes the difference is local leadership in the council chambers. That is the most valuable ingredient for success.

Sarah Boyack (Lothian) (Lab): The cabinet secretary just mentioned leadership. What about funding, which is one of the issues that were raised in the recent Audit Scotland analysis of local government performance on waste management and recycling?

Richard Lochhead: Sarah Boyack will be aware of the very difficult financial constraints facing the Scottish Government due to cuts from the Westminster Government in London. Despite that, I am sure that she will welcome the fact that we rolled over the zero waste budget in the recent spending review, which will be debated in Parliament this afternoon. That shows our commitment to ensuring that appropriate funding is available to local authorities.

The most important point to make is that local authorities cannot afford to ignore recycling, because of the costs of not dealing with it—the cost of landfill tax and so on, as well as the cost to Scotland's environment.

Jamie McGrigor (Highlands and Islands) (Con): The percentage of waste that is being recycled in the island local authorities in the Highlands and Islands is noticeably below the national average. What support can the Scottish Government give those authorities, where economies of scale are much more difficult to achieve due to the low and dispersed populations there?

Richard Lochhead: As I said in a previous answer, the Scottish Government recognises that there are different circumstances in different parts of Scotland, particularly in terms of the island communities. It so happens that when I spoke to COSLA a couple of weeks ago, the islands representatives called in to the meeting via conference call, which was a good idea, and I gave them a commitment to look at some of the specific challenges facing our island communities. We will do more work on that with our island authorities.

United Nations Climate Change Conference

2. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the Scottish Government what impact the outcomes of the recent United Nations climate change conference will have on Scotland. (S4O-00520)

The Minister for Environment and Climate Change (Stewart Stevenson): The outcome at Durban represents a significant success for the European Union in that, for the first time, the major emitter nations have been brought together behind a timetable for a global climate treaty to be agreed

by 2015 and in force by 2020. There is an opportunity now to build on that success, which has boosted certainty about the global low-carbon future, in which Scotland, as the green energy capital of Europe, can have a competitive advantage. However, there will be many challenges for the global community in the years ahead in delivering on the commitments that were made at Durban.

Gordon MacDonald: With Scotland being a world leader in the climate change agenda, what lessons and experience was the minister able to share with conference delegates?

Stewart Stevenson: One of the key elements of my message in my meetings with other leaders was that despite being a developed modern nation we can set ambitious climate change targets. Our target of a 42 per cent reduction in emissions by 2020 is—with that which is now set in the United Kingdom—the highest legally enforced target in the world. Our agenda of creating new industry from the opportunity that is presented by renewable energy has attracted widespread interest, and we will continue to engage with as many people internationally as we reasonably can.

Claire Baker (Mid Scotland and Fife) (Lab): How, specifically, will the outcomes of the Durban conference impact on the Scottish Government's target of reducing CO₂ emissions by 42 per cent?

Stewart Stevenson: Under the land use, land-use change and forestry agenda, some progress was made in taking forward the inclusion of wetlands—or, in our case, peatlands—in the calculation for sucking in carbon dioxide and reduction in methane emissions. Early in the new year, we will host in Edinburgh a meeting of the Intergovernmental Panel on Climate Change's panel on wetlands. We have the specific prospect of improvement in that situation and reward for the work that we are already undertaking to restore peatlands.

Radioactive Contamination (Dalgety Bay)

3. Bill Walker (Dunfermline) (SNP): To ask the Scottish Government whether it will provide an update on the radioactive contamination detected at Dalgety Bay. (S4O-00521)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The Scottish Environment Protection Agency expects to receive from the Ministry of Defence a draft remediation plan by January 2012 and a final version by the end of February 2012. If the MOD fails to provide the plan, SEPA has stated its intention to designate the land, under legislation, as radioactive contaminated land, by the end of March 2012. I believe that the MOD still has an opportunity to take the lead and bring this issue to

a close without the need to designate the land, but to do that it must start to fulfil its obligations to the people of Dalgety Bay and deliver credible plans to remediate the contamination.

Bill Walker: Given the concern expressed by many of my constituents in adjacent Dunfermline and throughout west Fife, is the cabinet secretary confident that the MOD will properly address the matter, especially in light of the fact that, at a recent meeting in Dalgety Bay that was attended by local MP Mr Gordon Brown, it was claimed that under the previous Labour United Kingdom Government the MOD apparently accepted responsibility for the contamination but that that position had been reversed under the current UK coalition Government?

Richard Lochhead: Bill Walker highlights a number of good points and the best outcome for the people of Dalgety Bay and the other adjacent communities will be for the MOD to step up to the plate on this very important issue. Indeed, it is important that it does so. The member asks me whether I am confident that that will happen. Obviously, I would much rather give the MOD the benefit of the doubt, but my confidence—and, more important, the confidence of the local community—is being sapped. I hope that the MOD recognises the seriousness with which the local community treats the issue. The best outcome will be to avoid the land being designated as contaminated by radioactivity—we do not want to go there unless we really have to—but that decision ultimately lies not with me but with SEPA. However, I hope that the MOD takes the necessary steps.

Cities (Environmental Issues)

4. Humza Yousaf (Glasgow) (SNP): To ask the Scottish Government how it raises awareness of environmental issues in cities. (S4O-00522)

The Minister for Environment and Climate Change (Stewart Stevenson): On 28 November 2011, the Scottish Government and a range of partner organisations launched Scotland's environment web, which brings together information on Scotland's environment in one place and in an easily accessible format. The site provides straightforward descriptions of the state of the environment and key messages that highlight our progress in protecting it in a way that is relevant to all areas of Scotland.

Humza Yousaf: On the back of Gil Paterson's question, I wonder about Scotland's largest local authority, Glasgow City Council, which is among the poorest performers when it comes to recycling household waste. The Scottish Environment Protection Agency released figures at the tail end of last month that show that only 26.8 per cent of the more than 66,000 tonnes of household waste

that were produced in the second quarter of this year was recycled. How can the Scottish Government work with Glasgow City Council to ensure that recycling is given higher priority in our biggest city, and that much more of our household waste is recycled?

Stewart Stevenson: Zero waste Scotland is working closely with Glasgow City Council to give it every possible assistance. I am sure that the council will value that and that zero waste Scotland's assistance will help it to deliver on the ambitious targets that have been set for waste reduction across Scotland.

Drew Smith (Glasgow) (Lab): Raising awareness is an important part of promoting environmental sustainability in our cities and elsewhere, but funding is also an issue in relation to recycling rates. Does it remain the case that local authorities are funded on the volume of recycling that is currently taking place rather than according to the support that is required, in particular for the tenemental housing in Glasgow, which creates a logistical problem?

Stewart Stevenson: It is clearly important that councils throughout Scotland and everyone in industry and business step up their efforts on recycling. There is a financial benefit to everyone involved when they reduce the amount of waste that goes to landfill. I am sure that Glasgow City Council, to which the member referred, and other councils, have the necessary incentives to ensure that they raise their game.

Rural Priorities (Funding)

5. Claudia Beamish (South Scotland) (Lab): To ask the Scottish Executive how much it has committed to its rural priorities and how much it will commit for 2012 and 2013. (S4O-00523)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): The total funding awarded under the rural priorities scheme since 2008 is £480 million.

More funding will be committed throughout 2012 for a range of projects. The 2011 spending review allocated £97.9 million in 2012-13 and £89.7 million in 2013-14 towards our rural priorities budget.

Claudia Beamish: Can the cabinet secretary give an update on projects such as diffuse pollution catchments, including those in my region at Eyemouth? Will the reduced commitments—as I understand it—under the rural priorities budget mean a scaling down of that work, which supports farmers and is important to maintaining good water quality?

Richard Lochhead: I will be happy to send Claudia Beamish more details about the specific

issues in her region. I think that she refers to concerns about agri-environment funding, which she and other members have written to me about in recent weeks. I am confident that the demand for agri-environment funding will be met as we move forward. That is evidenced by the high approval rate in the September funding round, in which 82 per cent of applicants were successful. That is above the acceptance rate in some previous years, which I hope shows that demand is being met. Of course, I have already announced a full agri-environment round, which will take place in 2012.

Greylag Geese (Orkney)

6. Liam McArthur (Orkney Islands) (LD): To ask the Scottish Executive what assessment it has made of the impact of greylag geese in Orkney and the effectiveness of the measures to limit the damage to agricultural land that the birds cause. (S4O-00524)

The Minister for Environment and Climate Change (Stewart Stevenson): The impact of greylag geese in Orkney was examined in the report on the "Orkney Greylag Goose Feasibility Project", which was commissioned by Scottish Natural Heritage, and in the Scottish Government's "2010 Review of Goose Management Policy in Scotland", which was published in February 2011. The Orkney study concluded that, due to a number of factors, including the dispersed nature of wintering flocks, it would be premature to consider a standardised scheme across Orkney.

Following the 2010 review, Scottish Government and SNH officials are working with local farmers on goose-management issues to improve scaring techniques and to streamline the licensing procedure for the control of geese in the close season.

Liam McArthur: I thank the minister for his reply and for his letter of 11 December, which gave some helpful pointers. I would be grateful for clarification—if not now, then subsequently—on a couple of issues that he has not mentioned. He made no mention of extending the open season, which suggestion has been raised in the past. In a letter in July there was reference to consideration of sustainable harvesting of species. It would be helpful to know whether there will be sale of goose meat. The minister said in the letter of 11 December that the national goose management review group is considering a range of options for managing goose populations. More detail on that would be helpful for my constituents.

Stewart Stevenson: I am glad that Liam McArthur has had that letter, which is an extensive one.

On extending the open season, we would prefer in the first instance to rely on licenses to allow farmers to scare geese off by shooting some of them during the close season. That approach is available now and it is relatively straightforward. I acknowledge that there are particular and special problems in Orkney that do not exist on the same scale elsewhere because of the dispersed nature of the goose population and the fact that some 10,000 geese are now resident there all the year round. However, we certainly want to continue to work with local farmers and others to ensure that we have adequate numbers of licenses and trained people to continue shooting during what is currently the close season.

Jamie McGrigor (Highlands and Islands) (Con): Scaring techniques in an offshore archipelago like Orkney tend to result only in moving geese from one island to another. The island of Islay has a very good scheme to manage geese. Would the minister commit to further studies on the impact of the greylag geese in Orkney with a view to introducing an appropriate management scheme in the future?

Stewart Stevenson: Jamie McGrigor makes a perfectly reasonable point about the nature of the Orkney islands. In that respect, the techniques that are applied in Islay will not necessarily transfer readily to Orkney. The key will be the simplification measures that we are undertaking to ensure that it is easier to shoot geese, as appropriate. The programme of shooting could be co-ordinated so that movement of geese such as the member referred to is not simply a consequence with no real benefit.

Climate Change Delivery Plan

7. Marco Biagi (Edinburgh Central) (SNP): To ask the Scottish Government whether it plans to update or publish a progress report on its climate change delivery plan. (S4O-00525)

The Minister for Environment and Climate Change (Stewart Stevenson): The "Climate Change Delivery Plan: Meeting Scotland's Statutory Climate Change Targets" was published in June 2009 and it described four transformational outcomes that are necessary in order to achieve Scotland's long-term emissions reduction targets. The delivery plan was followed in March 2011 by "Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022", which is the Scottish Government's first statutory report on proposals and policies setting out specific measures for reducing greenhouse gases. The measures draw on the transformational outcomes described in the delivery plan. A second RPP will be published next year, describing how emissions targets to 2027 can be met.

Marco Biagi: I very much welcome that answer from the minister. A number of respected environmental groups have expressed concerns that the current RPP, although it is a fine document, does not necessarily set out which groups are responsible for which actions and how each of them will be funded. Can the minister give some insight into whether that will be addressed in the next RPP or in other statutory reports that are required by the Climate Change (Scotland) Act 2009?

Stewart Stevenson: Discussions on the next RPP are at an early stage. It is certainly true that the Government is not the sole source, or even the major source, of funding for many of the policies and proposals in RPP 1. I expect that in the next report on policies and proposals, that will be the case as well. It is important to realise that there is a break between policies that are committed to by the Government and funded appropriately, and proposals that will, of course, be dealt with at a later stage, which in the case of the next RPP will perhaps be after 2020. The absolute certainty that the member seeks might not be present in RPP 2, but we have listened and we will respond.

Waste Targets

8. James Kelly (Rutherglen) (Lab): To ask the Scottish Executive whether it expects all local authorities to recycle at least 70 per cent of their waste by 2025, with a maximum of 5 per cent being sent to landfill. (S4O-00526)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): I expect that all local authorities will have met the 70 per cent recycling target by 2025, and that many will have exceeded it. Scotland has already met the 2013 European Union landfill diversion target, with 12 local authorities now recycling over 50 per cent of the household waste they collect, and two thirds recycling over 40 per cent.

James Kelly: I thank the cabinet secretary for that answer. Building on some of the discussion on previous questions, what specific action does the Government take to monitor how councils are progressing against the targets? Where progress is slow, will the Government consider introducing specific local action plans in order to be proactive with councils in moving them towards achieving the targets?

Richard Lochhead: The Scottish Environment Protection Agency has responsibility for monitoring the progress of local authorities, hence its publication of the targets for levels of recycling for households and so on, and progress towards those targets.

As for specific issues that each local authority has to deal with, there is bilateral discussion

through zero waste Scotland and there are negotiations between that body and each local authority to help and advise them. Of course, the Convention of Scottish Local Authorities also plays a key role. The Scottish Government has many discussions—I referred to discussions that I had two weeks ago with COSLA on the progress that our local authorities are making.

I am always open to suggestions, if James Kelly has ideas about local action plans that COSLA, the Scottish Government and zero waste Scotland could sign up to that are not being done at the moment.

Alex Fergusson (Galloway and West Dumfries) (Con): Dumfries and Galloway Council made great strides in its recycling record when it built an Ecodeco plant—an energy from waste plant—in Dumfries some years ago. Since then, SEPA's reinterpretation of European Union recycling statistics has called into question the impact of the council's considerable investment. What action is the cabinet secretary taking to work with the council to address the situation?

Richard Lochhead: I very much welcome the fact that Dumfries and Galloway Council is committed to taking a lot of action in the coming years to help us to meet our national targets. I was told at a meeting with the leadership of the council two or three weeks ago that the council is very committed to that.

On interpretation of the statistics on household recycling rates, I am sure that members agree that, in order to ensure that they are accurate, we have to be very transparent about what the public sees about the rates in terms of what is published and in the public domain. We have also to abide by European legislation, which has helped to define effectively the recycling statistics, and to ensure that we are consistent not just within Scotland, but with what is happening elsewhere, so that there can be real and transparent interpretation of the actual situation for household recycling. I assure Alex Fergusson that we are working very closely with his local council, and in his constituency, to make progress.

Sheep (Electronic Identification)

10. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government how it advises livestock producers about their on-farm obligations regarding the electronic identification of sheep. (S4O-00528)

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Electronic identification of sheep was introduced to enhance traceability and enable efficient and effective disease control. Since its introduction in

January 2010, we have worked very closely with all stakeholder groups to keep Scottish sheep farmers and crofters informed of their regulatory requirements.

Angus MacDonald: The cabinet secretary will be aware of the call from NFU Scotland for reform of the regulations regarding sheep EID. Has he given any thought to the call for an approach that would accept a single flock tag from nine months, and which would require an upgrade only to double-tag EID when an animal leaves a farm? Alternatively, an opportunity exists to introduce to the proposed cattle EID regulations provisions that could be used to modify current sheep EID standards.

Richard Lochhead: This is an issue which I accept continues to cause a lot of anxiety for sheep farmers. The concession that the member suggests, which would be good for Scotland is, of course, something that we have attempted unsuccessfully to win over the past few years, although we have won other concessions that have made things easier. We met the industry on 7 December to agree a common agenda on some of the outstanding issues with the sheep EID regulations, so that we can go back to Europe and try to win more concessions.

Justice and Law Officers

Automatic Early Release

1. John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Executive what its policy is on ending automatic early release of prisoners. (S4O-00529)

The Cabinet Secretary for Justice (Kenny MacAskill): As set out in our manifesto, we remain committed to ending automatic early release once the criteria that were set by the McLeish commission are met.

John Lamont: On several occasions, we have seen how automatic early release allows some pretty dreadful crimes to be committed and how it fails the victims of crime. The cabinet secretary has been saying for some time that the Government wishes to scrap automatic early release—in fact, that was in the 2007 and 2011 SNP election manifestos. Notwithstanding what the cabinet secretary has said, can he give a commitment that it will be abolished before the end of the current session of Parliament?

Kenny MacAskill: As I said, that is part of our manifesto, but we are required to meet the criteria that the McLeish commission set out.

We should never forget that automatic early release was introduced by the Conservatives.

They frequently raise the issue, but they always forget that it was they who brought it in.

McLeish made it quite clear that three aspects would have to be addressed: the problems that the courts would face; the problems that the social work departments would face; and, especially, the problems that the prisons would face—at present, there are difficulties with prisoner numbers. The Government's commitment is to implement not just our desire, but the recommendations of the McLeish commission. We are required to meet the criteria that it set out, and it would be useful if, at some stage, the Conservatives in Scotland showed more sympathy for the direction of travel that we and Ken Clarke, the Lord Chancellor south of the border, have taken. It appears that, whether on Europe or on justice policy, Ken Clarke is the *bête noire* of the Scottish Conservatives.

Humza Yousaf (Glasgow) (SNP): What are the criteria for the abolition of automatic early release and when might the conditions for it be right?

Kenny MacAskill: The McLeish commission made it clear that there could be difficulties not simply for the Scottish Prison Service, in terms of prisoner numbers, but for the courts, in terms of the requirements for the judiciary and the shrieval bench, and for social work departments. We must ensure that the requirements are met across the board. We remain committed to that, and our commitment was echoed by the McLeish commission, which included not just a former First Minister but people of great talent and expertise from across the social and economic framework. We must ensure that the criteria that they laid out are met.

Lewis Macdonald (North East Scotland) (Lab): I am interested in the cabinet secretary's explanation of his conditional commitment to the abolition of automatic early release. Has he estimated the costs of meeting the criteria and has provision been made in his department's budget and other departmental budgets to meet those costs during the current spending review period?

Kenny MacAskill: The costs will vary depending on the number of people who are in prison. The Government requires to do what it is doing, which is to ensure that the prison estate is fit for purpose, whether in dealing with the consequences—in due course—of ending automatic unconditional early release or simply in meeting the criteria. The Government will bring HM Prison Low Moss on stream next year, and construction is beginning of HMP Grampian to alleviate the pressure at Craiginchies, which the member will know well. We are taking the appropriate steps to ensure that the prison estate is fit for purpose. Those two projects are just part of a longer term strategy to deal with the needs

and requirements of the Prison Service across the board.

The Presiding Officer: Question 2, in the name of David Stewart, has been withdrawn. The member submitted an apology.

Criminal Cases (Punishment and Review) (Scotland) Bill (United Kingdom Government Response)

3. John Scott (Ayr) (Con): To ask the Scottish Executive whether the UK Government has replied to the Cabinet Secretary for Justice's letter of 1 December 2011 regarding the Criminal Cases (Punishment and Review) (Scotland) Bill. (S4O-00531)

The Cabinet Secretary for Justice (Kenny MacAskill): The UK Government replied to my letter on data protection on 13 December. It has asked for further information on the type of personal data that is included in the Scottish Criminal Cases Review Commission's statement of reasons in the al-Megrahi case. I have responded and provided contact details to enable direct discussion to take place between the UK Government and the commission on the issues surrounding data protection.

John Scott: The Scottish Government was quick to publish the letter that the cabinet secretary sent to Kenneth Clarke, but it has failed for more than a week to publish the answer that it received. Given the foregoing answer, why was the cabinet secretary not clearer in his letter about precisely what he wants Her Majesty's Government to do? Does he seriously expect it to recast the data protection legislation entirely, or does he believe that there are provisions under existing legislation that would permit the release of the statement of reasons?

Kenny MacAskill: There are two aspects to the answer. First, I am rather surprised by the tenor of Mr Scott's question. As he correctly said, we have published our letter. It has always been the Government's view that we would be as up front and transparent as we could be on al-Megrahi. We have not published the response from Her Majesty's Government because it is for that Government to give its consent so that we can publish it. As soon as I receive that consent, I will be more than happy to publish the response.

I should say that I am not casting any aspersions about the delay; it is perhaps rather soon to expect Ken Clarke to have dealt with the issue. However, Mr Scott should have realised that it is not for me to publish a letter from HM Government without its consent. That is where matters stand.

Secondly, the data protection issues are fundamentally a matter for the Scottish Criminal

Cases Review Commission. We have made it clear that we are trying to broker discussions, and I am grateful to Ken Clarke for his willingness to engage so that officials from his department can meet the commission.

Mr Scott should realise that only the commission is privy to the information. It is not known by me or any other member of the Scottish Government. Accordingly, the discussions require to take place between Her Majesty's Government and the Scottish Criminal Cases Review Commission.

Kevin Stewart (Aberdeen Central) (SNP): Given the obstacles to the publication of the statement of reasons, such as data protection and the official secrets acts, why has the Scottish Government introduced a bill on the issue?

Kenny MacAskill: We are meeting our commitment to do all that we can to enable the release of information. However, we cannot legislate on reserved matters, which is why we have asked the UK Government to disapply data protection legislation so that the commission is further freed from other statutory obstacles in deciding whether to disclose information.

As a Government, we have always sought to act transparently. It is for other Governments to take their decisions and answer for why they refuse to make some information available or why they take action in court to restrict the availability of information.

The Presiding Officer: Question 4, in the name of Hanzala Malik, has not been lodged. Question 5, in the name of Rhoda Grant, has been withdrawn, and the member has submitted an apology to me.

Police Entrance Exam

6. Richard Lyle (Central Scotland) (SNP): To ask the Scottish Government how many applicants have failed the police force entrance exam in the past five years. (S4O-00534)

The Cabinet Secretary for Justice (Kenny MacAskill): The recruitment of police officers is an operational matter for chief constables.

Richard Lyle: I thank the cabinet secretary for his answer. What steps can be taken to equip applicants to achieve their goal of joining the Scottish police force?

Kenny MacAskill: I am grateful to the member for raising the issue. I can confirm that the Association of Chief Police Officers in Scotland is reviewing the standard entrance test and considering a number of ways of ensuring that it correctly assesses potential police officers' ability to cope with the demands of probationary training. ACPOS is considering the accreditation of prior learning, including academic qualifications from

outside Scotland, but it is also taking an holistic approach, looking at the use of assessment centres and situational judgment tests to allow applicants who do not have academic qualifications to join the service.

Violent Crime (Additional Police Officers)

7. Graeme Pearson (South Scotland) (Lab): To ask the Scottish Executive whether the additional 1,000 police officers it has recruited have been assigned to front-line duties, in light of the 2 per cent increase in violent crime in the last year. (S4O-00535)

The Cabinet Secretary for Justice (Kenny MacAskill): The Scottish Government is continuing to deliver on its target to maintain 1,000 extra police in communities across Scotland, and we are seeing the results.

Since 2006-07, there has been a 23 per cent reduction in total recorded crime, including a 19 per cent reduction in violent crime. Reoffending rates are at an 11-year low and there has been a significant rise in the clear-up rate for violent crime, from 67 to 72 per cent. At the same time, there has been a decrease in the risk of being a victim of crime in Scotland, with the result that the risk is now significantly lower in Scotland than it is in England and Wales.

None of that is a coincidence. Our investment in police officers is making Scotland's communities safer.

Graeme Pearson: Reports indicate that a single police force will attract VAT charges in excess of £22 million per year. Given that the Scottish Police Services Authority recently spent more than £100,000 on expert advice to seek an alternative to VAT, without success, will the minister confirm what the VAT position is, and confirm that he has plans to hand to avoid a knock-on effect of job cuts and an adverse impact on services across Scotland?

Kenny MacAskill: As the member well knows, there has been a long discussion on the matter between the Scottish Government and the Treasury, and the matter is on-going. As he knows from his experience in the Scottish Crime and Drug Enforcement Agency, the matter was dealt with and VAT was imposed on the SPSA. We felt that that was wrong, and we continue to lobby for a change.

Our view is that significant savings can be made from having a single service, irrespective of the VAT position, but it seems ridiculous that VAT is foisted on a fundamental and vital public service in Scotland. I assure the member that, in exactly the same way as I fought his corner when he was at the SCDEA, I will continue to fight the corner of the Scottish police service. There is something

fundamentally wrong, and it is for HM Treasury to review it.

Prison Visiting Committees

8. Margaret McDougall (West Scotland) (Lab): To ask the Scottish Executive what its plans are for prison visiting committees. (S4O-00536)

The Cabinet Secretary for Justice (Kenny MacAskill): I wrote to all visiting committee members recently to thank them for their hard work and dedication. As I wrote in my letter of 5 December to the convener of the Justice Committee, we stand to deliver better outcomes by replacing the current structure of 16 prison visiting committees with a new dedicated independent advocacy service for prisoners.

Margaret McDougall: Many people in my region have asked me to raise the issue and share their concerns about the development. Prison visiting committees should be independent local bodies, and they were widely praised in the consultation process, so why disband them? Who would be in charge of appointing the new independent prisoner advocacy service and monitoring its progress? Who would it be accountable to, and how would it be funded?

Kenny MacAskill: The requirement to protect prisoners and review on-going matters in the prison estate is why we have Her Majesty's chief inspector of prisons. Brigadier Monro does an outstanding job, as his predecessors did, and I pay tribute to him.

In a small country, we need to ask how many organisations we need to deal with a single matter. We do not currently provide an advocacy service to support the needs and welfare of prisoners, but I and the Scottish Prison Service believe that it is necessary to have one in order to tackle reoffending. We are discussing the matter with procurement, and it will go out to tender. Whether it goes to Sacro, Apex Scotland or some other organisation can be reviewed and discussed, but we will certainly seek to work with partners who already work in the sphere.

I put on the record that the proposal is not about making a cost saving. The cost of running the visiting committees is less than the cost of running an advocacy service. However, we have a responsibility to protect prisoners—Her Majesty's inspectorate of prisons, the European convention on human rights and a host of other matters are relevant in that regard—and we must do what is necessary to break the cycle of reoffending for people who have learning difficulties, those who are inarticulate and so on. We believe that an advocacy service will be fundamentally better placed to do that, which is why we are putting one

in place. It is not about the money; it is about doing the right thing.

Dennis Robertson (Aberdeenshire West) (SNP): Can the cabinet secretary confirm that the new independent advocacy service will make progress in reducing duplication?

Kenny MacAskill: I believe that it will. As I said, I envisage that the dedicated independent advocacy service will support hard-to-reach prisoners and prisoner groups, mentor and support prisoners appropriately and professionally, and improve prisoner links with the community. It will replace a service that was established before many of our current checks and balances were in place and it will avoid duplicating the work of HMIP. It will also enable third-sector organisations to work together to provide services, rather than compete against each other.

As I said, this is not about financial savings; it is about doing what will best provide for the needs and wants of hard-to-reach prisoners, who all too often become caught in a cycle of reoffending. If it works, it will be a good thing.

Margaret Mitchell (Central Scotland) (Con): Does the cabinet secretary recognise that the visiting committees undertake unannounced prison visits, that they often provide objective evidence to Scottish Parliament committees that is based on the wealth of knowledge that their members have gathered on their visits to prisons, and that that advice is sometimes at variance with the initial line from the SPS? In view of that, does he recognise that the two roles that he is talking about—the independent advocacy role and the prison visiting role—do not represent a duplication of work but are independent? In view of that, will he consider retaining both?

Kenny MacAskill: As I said to Nanette Milne last week, I will happily reflect on that. However, fundamentally, these matters are dealt with by Her Majesty's chief inspector of prisons, who also carries out unannounced visits. Equally, as the Government knows to its cost, we pay for challenges by lawyers who seek to defend the rights of prisoners and raise requirements around the ECHR. We think that one body should cover that.

Murder (Influence of Alcohol)

9. Joe FitzPatrick (Dundee City West) (SNP): To ask the Scottish Government what percentage of those accused of murder in Tayside in 2010-11 was under the influence of alcohol at the time of the offence. (S4O-00537)

The Cabinet Secretary for Justice (Kenny MacAskill): There were no recorded homicides in Tayside in 2010-11, but figures show that, across Scotland, nearly 80 per cent of those who were

accused of homicide were reported to have been drunk and/or on drugs when the homicide was committed. Most homicides were committed indoors by someone known to the victim. Those figures confirm what we know—that bargain-basement booze can have a fatal price. We will not shirk from taking tough action on alcohol abuse, and we cannot allow such mindless violence, which has devastating consequences for families and communities throughout Scotland, to continue.

The Presiding Officer: Joe FitzPatrick may ask a brief supplementary question. The answer should also be brief, please.

Joe FitzPatrick: Can the cabinet secretary give us an indication of the timescale for introducing a bill to set a minimum price for alcohol?

Kenny MacAskill: That is fundamentally a matter for my colleague the Cabinet Secretary for Health, Wellbeing and Cities Strategy, but she has made it clear that we are intent on doing that, and matters are progressing.

From a justice perspective, I simply reiterate that it is clear that the curse of home drinking has resulted in those murders. Alcohol abuse is taking place, and people are likely to be murdered in their premises or somebody else's private dwelling-house by people whom they know, who are under the influence of alcohol. Things have to change, and having a minimum price is a significant part of addressing that.

Spending Review 2011 and Draft Budget 2012-13

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-01561, in the name of Kenneth Gibson, on behalf of the Finance Committee, on its report on the Scottish spending review 2011 and the draft budget 2012-13.

14:56

Kenneth Gibson (Cunninghame North) (SNP): It is with pleasure that I open this Finance Committee debate on its consideration of, and report on, the Scottish Government's draft budget for 2012-13 and the 2011 spending review. This is the committee's first chamber debate in this session. It is also the final chamber debate this year, so the Parliamentary Bureau has saved the best until last.

I thank my fellow committee members past and present for their contributions and consideration throughout the process; our budget adviser, Professor David Bell, for his informed input; and the committee clerks for their hard work, support and professionalism.

The budget process works to a tight and at times demanding timetable, and things have been no different this year. Our scrutiny began two months before the draft budget document was published. We agreed to take forward the previous committee's work and consider the extent to which the Scottish Government is encouraging a more preventative approach to public spending and how that is being implemented and shared across key agencies such as community planning partnerships, national health service boards and local authorities. There is now strong recognition that spending to prevent negative social outcomes arising or to eliminate or lessen the impact of such outcomes is a better, more effective and efficient way of spending public money than reacting to the problem.

We are grateful to each organisation that responded to our call for evidence.

The Scottish Government highlights a 12.3 per cent real-terms reduction in the budget to 2014-15, with a 7 per cent fall in this financial year and the remaining 5.3 per cent falling over the next three years. The latter figure may not appear to be as dramatic, but it will be increasingly difficult to find savings as we progress. Difficult spending decisions have been made and will continue to be made, and continuing to produce a balanced budget is a significant challenge. I invite the cabinet secretary to respond to the point on efficiency savings that is made in our report and to

say whether the Scottish Government will give an assurance that public bodies will still be required to provide published evidence of their reported efficiencies. He may also wish to indicate whether such efficiencies will be retained by those bodies.

In addition to the resource reduction, the draft budget highlights a 36.7 per cent cut in the capital budget—now 32 per cent because of consequentials. The Scottish Government is responding by transferring £200 million each year from the resource to the capital budget, which will amount to more than £750 million by 2014-15. Such expenditure on capital projects is welcome, but it is unclear how that transfer will be implemented. I ask the cabinet secretary to provide clarity on that.

I also raise the point that has been made in our report and by the Infrastructure and Capital Investment Committee about the provision of detailed information on the resource-to-capital transfer plans. It is clear that it would be beneficial to Parliament if such details are provided as part of the draft budget document in future years to aid the scrutiny process.

The importance of capital project prioritisation was discussed with the David Hume Institute and is mentioned in the report of the independent budget review. We need better cost modelling and forecasting of individual capital project usage to inform long-term cost and need. There is a discussion to be had about that. The committee, and many of those with whom we engaged, would be keen to be involved in it.

The Scottish Futures Trust, the Auditor General for Scotland and others highlighted the importance of maintaining our existing capital assets. We must not lose sight of the need to identify and make better use of the assets that we already have, particularly when that is less expensive than building something new.

We must also keep our capital assets in good repair. Audit Scotland identified the significant cost of removing backlog maintenance in council-owned property to be around £1.4 billion, £376 million of which was described as urgently required. Almost one third of the NHS estate requires major upgrading, and more than £500 million is needed to tackle outstanding maintenance issues. The cost of eliminating all road defects is estimated at £2.25 billion.

The evidence clearly supports a preventative-spend approach. It is encouraging that public bodies recognise not only the clear financial advantages of such an approach but its social, economic, employment, educational and environmental benefits.

A shift is taking place across the public sector. However, concerns were raised as to whether the

£500 million in the change funds is new money for new projects or substitute funding for existing projects. The Scottish Council for Voluntary Organisations identified that only £260 million will come from the Scottish Government. We seek more detail about the make-up of the £500 million.

Concerns were also expressed about whether change funding to facilitate a preventative approach was being spent that way or diverted to other services. The Christie commission emphasised that change funding must be monitored and, in the light of the evidence, we re-emphasise that point.

Our preventative spend focus was on implementation. The benefits of the approach are recognised and accepted; the key is how it is implemented and embedded effectively across the public sector and how the Scottish Government delivers that decisive shift.

We discussed four key themes: resource prioritisation, collaborative working, financial challenges and leadership.

The evidence shows voices demanding leadership to assist and encourage a greater move to a preventative approach, particularly in early years. The Scottish Government must provide clarity to key agencies such as councils, NHS boards, community planning partnerships and organisations in the third sector. There must be understanding of what preventative spend is and what it will achieve if done effectively and with commitment.

The change funds will provide welcome financial encouragement. Financial leadership will help to decide where disinvestment can take place to shift money to prevention. The Scottish Government must clarify its strategy and approach. There may not be a one-size-fits-all policy, but consistency is essential in how preventative strategies are rolled out, implemented, monitored and measured.

We heard references to a silo mentality in parts of the public sector. That must be tackled or we will have inefficiencies, with some agencies ignoring preventative policies and strategies and failing to optimise benefits. There is a role for the Scottish Government not only in encouraging those who have not yet embraced a preventative spend approach to do so but in encouraging those who have embraced it and promoting the beneficial work that they do.

Not everything can be a priority. The challenge of how to allocate funding is acute. A number of bodies called for leadership from the Scottish Government on how resources are prioritised. Many decisions are rightly made locally, but there must be a clear national steer on the priorities for NHS boards and local government in particular, as they may compete against each other.

Budgets must achieve the maximum benefit. In some instances, a preventative approach will not achieve benefits for a generation or longer. However, we also heard about many immediate benefits and budget savings that can be secured quickly, easily and with little financial outlay.

Competing requirements are placed on local agencies—the national performance framework, single outcome agreements and health improvement, efficiency, access and treatment targets, for example. The financial priorities of a local authority differ from those of an NHS board. How do those requirements foster a shared vision and approach? We must untangle some of the demands that are placed on local agencies so that they can shift more readily to preventative spend.

There are many examples of successful local projects that demonstrate the sharing of time, money, people and belief to deliver positive outcomes. There was less evidence of collaborative working between councils and NHS boards, which have larger budgets to play with and where there is greater potential for effective preventative spending, budget savings and positive outcomes.

There can be cultural and structural difficulties. Competing statutory demands and expectations can be placed on different agencies, which may also have different budget cycles. Coterminosity may also be an issue. There may also be a lack of a shared vision of what preventative spend is and what it can achieve if the right mechanism and support exist.

We need a national evidence base that can share examples of best practice and roll them out across Scotland. Joint working exists, but not on the scale that we want or need. Highland Council referred to the “tortuous” nature of moving to joint working, while the Dartington Social Research Unit referred to “tribal” elements.

Encouraging and facilitating shared working may be the most difficult challenge for local agencies that move to a more preventative approach but, when it happens, other issues—such as the prioritisation of resources—should be easier to resolve.

We look forward to seeing the actions that the Scottish Government will take to facilitate the cultural and attitudinal change that is needed.

The fourth theme focused on the financial challenges that key local agencies face in moving meaningfully to preventative spend. A number of consistent themes emerged. Short-term budget allocations hindered effective long-term budget planning and project support. Pooling budgets to assist in encouraging a more collaborative approach appeared complex, which occasionally discouraged bodies from even attempting it.

We recognise that there is a role not just for the Scottish Government but for the Parliament and others, such as the Convention of Scottish Local Authorities. Parliamentary committees can monitor performance and the change to preventative spend outwith the annual budget process. A committee could ask the Scottish Government to demonstrate how a bill that it has introduced will support preventative spend.

The completion of our budget scrutiny and the publication of our report are not the end of the committee’s involvement. We recognise that preventative spend will inform our work programme throughout the parliamentary session.

We support the previous Finance Committee’s recommendation that draft budget documents should provide an assessment in each budget portfolio of the progress that is being made in shifting to preventative spend. That was not provided this year, but we are keen to hear from the cabinet secretary how the Scottish Government will deliver that.

We will hold a series of round-table discussions in early 2012 on demographics, inequalities and social deprivation, the provision and funding of universal services and additional funding sources. Those discussions will seek to build on accepted published evidence. We will build on the evidence that we heard from early years proponents such as Graham Allen MP, the Netherlands Youth Institute and the Dartington Social Research Unit. The committee will work with the Scottish Government as it takes forward policies that emerge from or are influenced by our on-going work.

In our report, we drew attention to the national performance framework, which provides a link or common alignment between reporting on policy progress and financial reporting. That message was reinforced through the Scottish Government’s revised economic strategy and programme for government. The Royal Society of Edinburgh wanted more linkage between the NPF, the budget document and the economic strategy, while others said that a joined-up approach between the NPF, SOAs and the NHS HEAT targets was needed.

We found it surprising that the draft budget did not mention the NPF or its five strategic objectives. We note the recent refresh of the national indicators and we will take evidence from the Scottish Government on that next month, but we and others would welcome the clarification that is needed on how the NPF integrates with and informs spending plans and policy priorities.

The potential savings that can be realised from the McClelland review of information and communications technology infrastructure are

significant. The review identified savings over the five years from 2012-13 of more than £1 billion through improved tendering, procurement and sharing of ICT resources across the public sector.

It is encouraging that the Scottish Government has moved swiftly to respond to that review and has set out its strategy to achieve the savings, which includes a £4.7 million annual budget to assist in that. The committee asked for an annual progress report on savings that have been achieved, with an explanation when savings have not been achieved. I am sure that any update that the cabinet secretary can give us on recent actions by the Scottish Government will interest the Parliament.

The largest part of the budget is public sector pay, which accounts for roughly 60 per cent of the Parliament's spend. As our adviser pointed out, control over pay is a key part of the budget. The cabinet secretary announced the continuation of the public sector pay freeze in 2012-13 but said that those who are on less than £21,000 per annum will receive a minimum pay increase of £250. It is important that the Scottish Government will continue its policy of no compulsory redundancies.

We acknowledge the potential for modest increases in public sector pay after 2012-13. The committee will consider the issue in more detail in January when we hear from Will Hutton about his review of fair pay in the public sector.

The committee took oral evidence from the Christie commission. Its report refers to the need to "achieve more with less", which is a reality and a challenge that must be tackled positively. Much of Christie transfers to the preventative spend agenda and the evidence that we received. We look forward to hearing what specific actions the Scottish Government will take in response to Christie and we seek six-monthly progress reports on that.

I am conscious that I have covered a lot of issues in the time allowed. Nevertheless, I have not had the time to mention non-domestic rates, climate change targets, equalities, level 4 issues or the Scottish Parliamentary Corporate Body and Audit Scotland budget proposals, all of which the report covered. I could have gone into greater detail on the matters that I raised, but I hope that what I covered demonstrated the thoroughness of the committee's budget examination. I am sure that colleagues from all parties will cover the other issues.

On the Finance Committee's behalf, I move,

That the Parliament notes the 3rd Report 2011 (Session 4) of the Finance Committee on the Scottish Spending Review 2011 and Draft Budget 2012-13 (SP Paper 48) including its recommendations to the Scottish Government.

15:09

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I thank the Finance Committee for its report and for arranging the debate. I record my appreciation for Mr Gibson's remarks, and I thank him for hosting with me the committee's detailed scrutiny session on the budget at its meeting in Largs—unsurprisingly, the meeting was held in the convener's own parliamentary constituency.

I welcome Ken Macintosh to his position as the shadow spokesperson on finance, employment and sustainable growth, and I look forward to working with him in the course of our parliamentary exchanges on those issues.

I read the Finance Committee's report with interest, and I welcome its balanced and thorough analysis. It recognises the positive steps that are proposed in our spending plans, but it challenges the Government to do more in certain areas. We will of course consider carefully the points that it has raised.

I will write to the committee responding in detail to its specific comments and observations before the budget bill is introduced in January. I will use this opportunity to reflect on some of the central themes that have emerged in the committee's consideration.

Our consideration of the budget proceeds in an uncertain and ever-changing economic and financial context. It is clear that there remains a pressing need to solve the debt crisis in Europe. Given Scotland's close trading and financial links with Europe, it is unlikely that its economy can expect to be immune from pressures. An orderly resolution is required, with a priority on delivering stability and continuity in the euro zone. The financial and market implications are significant for Scotland, because our approach to delivering economic recovery is at the heart of the Government's budget proposal.

The Government has made clear in its budget document that we will use every resource and lever available to us to strengthen economic recovery in Scotland. We have put on record on several occasions our call to the UK Government to strengthen investment in the economy to stimulate growth, which is a central part of the economic recovery message.

The Government's message in the budget is very clear. We will focus on making the resources that are available to Scotland work harder than ever to strengthen our economic recovery, and to build the foundations for future success. That is the right position for the Government to adopt, because in a time of acute financial constraint we must require the public pound to achieve more than it has been able to achieve in the recent past.

In that regard, I come to Mr Gibson's point about the efficiency savings that organisations will be required to make. The central assumption is a 3 per cent efficiency saving. Savings will not be claimed back to the centre: the budget is the budget, and it gives clarity for organisations about the resources with which they have to live.

The Government also sets out to organisations in the budget document some of the tools and instruments that they can use to deliver efficiencies. One of those will be the McClelland review, to which Mr Gibson referred. I warmly thank John McClelland for his report, which is an important opportunity for various public sector organisations to realise greater efficiencies by using resources in a more effective way through the use of ICT.

Gavin Brown (Lothian) (Con): As I understand it, the outturn report that was previously published will no longer be published. How will efficiency savings be verified—especially publicly—in the future?

John Swinney: I made clear in the budget in November 2010 that organisations would be required to publish an efficiency outturn report of their own volition. The Government will not collate it as we have done before, but there will be public scrutiny of those efficiency savings.

In most cases, budgets are not rising in the forthcoming period, and many of them are under acute pressure. One of the crucial elements of the efficiency agenda is that organisations are having to deliver more with the resources that are available to them. That is the challenge that the budget sets out for us.

Since the spending review was published, we have received Barnett consequentials from the autumn statement amounting to a £432.6 million capital departmental expenditure limit and a £68.6 million revenue DEL to 2014. Some conditions are attached, and we are discussing detailed implications with the Treasury. Those consequentials are welcome, but they should not obscure the fact that we face significant financial challenges in the years to come, with a real-terms reduction in our budget of around 11 per cent by 2014-15.

We have already decided to commit an additional £30 million to support youth employment and £15 million to a college transformation fund, thus responding quickly to help our young people to take their first steps into the workplace.

The budget will tackle barriers to equality of opportunity, support our firms to do better business and invest in infrastructure for the long term. Scotland remains the most competitive place to do business in the UK. We are matching the

English business rate poundage, offering a rates deferral scheme for 2012-13, and sustaining our wider rates relief package. The small business bonus scheme is the most generous relief that has been offered to small and medium-sized enterprises in the UK, and it is protecting local jobs.

Ken Macintosh (Eastwood) (Lab): Has the minister revised his optimistic predictions for business rate income, given the downgrading of the predictions for the growth of the UK economy?

John Swinney: I appreciate that Mr Macintosh has not been round the houses on these finance questions for the past few weeks but, as I said to Parliament last Thursday, the estimates that I made on non-domestic rates followed a warning from the Office for Budget Responsibility in August that the growth expectations that were made in March were unlikely to be realised. My estimates were set against that context.

Also, in 2008-09, despite the fact that almost all tax revenues were reducing in the UK, there was a 0.91 per cent increase in buoyancy in business rates in Scotland in that financial year at the height of the recession. Against that backdrop and against the pattern of business rates in recent years, I believe that the estimates are still sound. However, I will continue to monitor the performance of business rates on an outturn basis. I see that information every quarter and it enables me to form a view of whether our estimates have the correct perspective.

Economic recovery will be central to the budget process, as will the four pillars of public service reform, which focus on preventative spending, local service integration, workforce development and performance innovation. I will say a bit about each of those things in turn.

The preventative spending agenda is one on which I part company slightly with what Mr Gibson said earlier. It is widely endorsed by all public bodies and it is central to the relationship between national and local government through our focus on joint priorities. The preventative spending agenda has been supported enthusiastically by local government and is actively drawing in its participation. Local service integration involves drawing together more closely at local level the work of the health service and local government, and many other bodies, including those in the third sector.

On performance innovation, the national performance framework remains a central part of the Government's approach to the delivery of its agenda. The budget is set against the realisation of the outcomes that are implicit in the national performance framework. I note that the Finance Committee has acknowledged that the

Government has recently updated the national performance framework and we will be happy to give evidence to the committee on that basis.

There is a range of fundamental questions about the operation of public service finances in a time of acute financial constraint. The Government will focus on the achievement of better outcomes for the citizens of Scotland within that acutely challenging financial context. The Government will concentrate its efforts on delivering a balanced budget that meets the expectations of the people of Scotland.

15:19

Ken Macintosh (Eastwood) (Lab): I thank the finance minister for his earlier good wishes. My friend and colleague Johann Lamont assured me that, in asking me to take up this post, she was recognising my contribution over recent weeks. Speaking to a half-empty chamber on the final day of the term, I am trying to work out whether it is a reward.

In recent weeks, I have been talking about the importance of emphasising Labour's positive message and our willingness, where appropriate, to work with the Scottish Government. It is therefore only fitting that I begin on a consensual note. I can say in all honesty that I have a lot of sympathy for the finance minister and the difficult circumstances in which he finds himself.

It is not easy to make budget decisions with a tight funding settlement, particularly when the economy is so fragile. I would go further and suggest that Labour and the Scottish National Party share common ground in our concern about the economic approach of the Conservative Government at Westminster. To cut spending so dramatically and to reduce the public sector, and in particular to lay off public sector workers in the hope that the private sector will somehow make up the difference, strikes me as the triumph of ideology over experience and the pursuit of political dogma rather than an approach that is based on a practical appreciation of what might prove to be effective.

In these difficult times, it is even more important to take decisions that reflect and stem from our principles and values. In Labour's case, as people struggle with the cost of living or their gas and heating bills or worry about their employment or pension prospects, we would prioritise jobs, growth and education. The Scottish Government's spending review outlines a similar set of key economic objectives, but it is disappointing that the Government's actions do not yet match its words.

Finance and infrastructure ministers talk about the importance of capital spending but, last year

and this, capital spending has fallen or is planned to fall by more than in the UK under George Osborne. The front page of *The Scotsman* today reveals that another capital project, the M8 Baillieston interchange project, is to be delayed, for four years. That is hardly the boost to the construction industry and the economy that the Government says it supports.

The cabinet secretary talks about the importance of jobs. We are delighted that the Government has taken up Labour's suggestion of a dedicated employment minister to reflect that priority. However, unemployment is higher here than it is in the rest of the UK and we are shedding jobs faster. For the first time since devolution, the number of jobs in the health service has begun to decline and more than 13,000 jobs have been lost in local government in the past year alone. The draft budget outlines further cuts, in the civil service and the Crown Office and Procurator Fiscal Service. Each one of those job losses brings anxiety and upset to families across the country, and the net effect economically is to depress consumer spending and demand.

On top of my concern that the Scottish Government simply is not doing what it says it is doing, I make it clear that, overall, the budget does not reflect Labour's principles and priorities. To give just one example, the education budget is predicated on cutting the number of teachers, reducing their pay through a pay freeze and cuts to the rates that are paid to supply teachers. The budget fails to deliver a national school building programme of any scale and in fact takes capital away from local authorities, which will hinder their ability to deliver their own school building programmes.

Education is just one example, but I make the point to outline our overall approach to the budget and our contrasting priorities. In that context, we are of course willing to engage constructively. On that note, I highlight a number of decisions or proposals that need to be addressed and amended in areas such as housing, further education and local government. If jobs and economic growth are the priorities, as we appear to agree on the surface, why are the very areas that can deliver that growth—housing, further education and local government—bearing the brunt of the cuts?

The Finance Committee has touched on some of those issues, but in the view of my Labour colleagues on the committee, it pulled its punches, which is why they dissented from the report. The lack of transparency that the Government displayed over the annual budget is frustrating. It did not produce the detailed so-called level 4 figures in time to aid scrutiny; it refused to give further information on the supposed centrepiece of

its economic policy, the revenue to capital resource transfer; and it decided to stop producing outturn statements on efficiency savings. Rather than add clarity to the process, all those factors and more have hindered Parliament's ability to hold the Government to account.

I am certainly not trying to pin all the blame for the state of the economy on the Government. I simply want to clarify whether ministers' actions are helping to reduce unemployment, stimulate businesses or otherwise help create economic growth. I am sure that I have no need to remind members about the First Minister's enthusiasm to take the credit when things are going well but, as all the evidence in recent weeks and months has demonstrated, things are not going well. Is it not time for everyone in the Government to stand up and be counted for the decisions for which they are responsible?

The evidence to the Finance Committee certainly seems to back up that view. Professor David Bell and Professors Armstrong and Peat raised doubts over the Scottish Government's approach to supporting economic recovery. Professor Peat's comments in particular focused on the lack of evidence for that.

We need action now to reinstate the future jobs fund and to expand it to include the private sector. We must do more with local and national Government procurement to boost the economy. We must stop delaying capital investment projects and bring them forward now.

The Scottish Government could do worse than look to Glasgow City Council and the new graduate employment scheme that it unveiled last month, which uses pension funds to invest in local job-creating companies.

Our worry is not simply that the Scottish Government makes the wrong choices in the budget but that it has failed to link the budget to its own economic priorities. The Finance Committee's report goes some way to identifying those weaknesses, but what matters most is the response that the finance minister makes.

15:25

Gavin Brown (Lothian) (Con): Like the cabinet secretary, I begin by welcoming Ken Macintosh to his post as Labour's finance spokesperson. I, too, look forward to working with him in the months and years ahead.

Like our convener, I thank our adviser and all the committee clerks for their work on an excellent report, and I commend Kenneth Gibson on the statesmanlike manner of his speech, which suits him far more than bombast. His career will be in tatters following that remark.

I want to pick up on two points that have been made thus far, the first of which is about efficiency savings. The decision to abolish the outturn report that the Government has hitherto produced is a backward step that will make it more difficult for the public and, indeed, parliamentarians to understand what is happening on efficiency savings. The cabinet secretary responded by saying that organisations would be encouraged to publish on an individual basis, but that the Government would no longer collate the information.

There are two problems with that, the first of which relates to consistency. Will we get publications that are consistent? Secondly, the process of gathering information will become more difficult. The public and, indeed, parliamentarians will have to contact all 32 councils to find out about their outturn reports. Every health board and every public body will have to be contacted to find out what they are doing on efficiency savings, so it will be more difficult to get a national picture.

John Swinney: I refer Mr Brown to section 32 of the Public Services Reform (Scotland) Act 2010, for which, if my memory does not deceive me, he voted. It places a statutory duty on the public bodies that are listed in schedule 8 to the act to publish an annual efficiency statement. That statutory requirement should address some of the concerns that he has raised.

Gavin Brown: I am not sure that it does. It may help with consistency, but it does not deal with the point about someone having to contact every public sector organisation to track their performance on efficiency, instead of getting the information directly from central Government.

On the subject of memory, before he came into government, Mr Swinney said:

"we are being asked to accept performance on efficiency savings simply because that is what the minister asks us to do. In my view, that is not the substantial authentication that the Parliament should require."—[*Official Report*, 21 December 2005; c 22006.]

He was very keen on Audit Scotland verifying efficiency savings when he was in opposition, but he seems a little less keen on Audit Scotland doing that now that he is in government.

The second issue that I want to pick up on relates to non-domestic rates income, which Mr Macintosh asked about. The cabinet secretary said that it was a matter on which we had been round the houses. That is very true, but I am not sure that we are any closer to the light, despite our having gone round the houses over the past few weeks and months.

When the initial assumptions were made, the growth predictions for the United Kingdom and Scottish economies were far higher than they are

now, following the OBR's publication of its report. Although I am sure that there will be some form of buoyancy upturn, as the cabinet secretary suggests, it just does not stand the credibility test to say that significant growth downgrades will have no impact whatever on the amount that we collect in non-domestic rates.

John Swinney: Perhaps I can help Mr Brown by providing a comparison. In England, between 2011-12 and 2012-13, non-domestic rates income is projected to increase by 21.5 per cent. That is the figure that his colleagues in England have come up with. I would not sign up to such an assumption, but does it not demonstrate buoyancy in the business rates system?

Gavin Brown: As I said earlier, there will no doubt be a degree of buoyancy, but what I find hard to accept is that the significant growth downgrades of several weeks ago will have no impact on the amount that the Scottish Government and councils collect. I just do not think that that is credible.

I note that the cabinet secretary said that he sees this information on a quarterly basis. Does he think that the Parliament and the Finance Committee should see the very same figures on a quarterly basis? That is a direct recommendation of the committee—it came also from the Local Government and Regeneration Committee. Will he respond to that recommendation and publish those figures quarterly, so that we can see and track how those rates are coming across? I note that his colleague Mr Mackay signed up to the report in full—I am sure that Mr Mackay will agree that those figures ought to be published so that the Finance Committee and others can see them in future.

There are a number of other issues. I continue to be deeply sceptical about the movement from revenue to capital that we continue to hear about, but I will close on a consensual point. I acknowledge the efforts that the cabinet secretary has made in relation to preventative spend. Like others on the committee, I welcome the Scottish Government's emphasis on that; it is absolutely the correct direction of travel.

I ask the cabinet secretary to refer to one specific point, perhaps not today but in future. In its evidence, the SCVO suggested that only 18 per cent of the change fund last year went to preventative spend. I ask the cabinet secretary to investigate that claim and respond to it. If the figure is only 18 per cent, we will be disappointed in a couple of years' time.

The Deputy Presiding Officer (John Scott): We move to the open debate. As we are very tight for time, I would be grateful if members could please stick to six minutes.

15:31

Mark McDonald (North East Scotland) (SNP):

I welcome the report as the new boy on the committee, although I am soon to be joined by other new members, so I will not be the newest member for long. It is not necessarily fair for me to comment on the process behind the production of the report, other than to remark that the fairly comprehensive list of witnesses and evidence sessions at annex A indicates that the committee undertook a great deal of scrutiny during the course of producing the report.

Paragraphs 5 and 6 of the report make it clear that this is a challenging economic climate and that the Government is facing a challenging settlement. Paragraph 5 states that the budget will decrease by 12.3 per cent in real terms over the course of the spending review, with a 7 per cent reduction coming in this year alone. That makes this financial year extremely challenging. Even those who are wedded to a particular political ideology or a particular direction of political travel would accept the financial challenges that the Scottish Government is facing.

It is clear that, in these challenging times and within that difficult settlement, there need to be clear statements of priority from the Government. I welcome the fact that three clear priorities are being set: the acceleration of economic recovery and the creation of jobs through the low-carbon economy; public sector reform, with a dramatic shift to preventative spend; and the introduction of a social wage.

I will focus my remarks on the preventative spend agenda. The agenda that the Scottish Government is pursuing represents one of the biggest changes—if not the biggest—in the mindsets and agendas of Governments in my lifetime, which I realise has not been very long. In my time in politics, as a local councillor or working within the political system, I have always been frustrated by the short-termism that often dominates the political agenda and ignores the longer-term picture. The cabinet secretary has recognised that point in his shift towards preventative spend, which takes a longer-term view of the situation.

It is important to recognise the need to involve third sector partners in the shift to preventative spend, given their role in the agenda. The recommendations in paragraph 135 of the report are welcome in that regard, because they recognise the need to set the third sector in its rightful place as a key partner in the move to preventative spend.

Some concerns were raised during the course of the evidence sessions about the amount of money being directed towards preventative spend

over the course of the spending review. In that regard, I will make three observations. First, given that we have a fixed budget that is under increasing pressure from outside influences that this Parliament cannot control, I do not think that £500 million over the period is an insignificant sum to direct towards a preventative spend agenda and a change in focus.

Secondly, that £500 million is the direct allocation from central Government. Other budgets are controlled at local level by local authorities, NHS boards and other public bodies and it is up to them to prioritise within their own budget settlement how they want the preventative spend agenda to operate locally. It will be interesting to see how that develops and I am sure that the cabinet secretary and his colleague, the newly appointed Minister for Local Government and Planning, will have key discussions with those bodies, particularly local government partners, on how they deliver this agenda in their areas. In fact, there has been something of a transition to preventative spend in some places. For example, Aberdeen City Council has made efforts to redesign services and remodel them into a more preventative and early intervention approach. That mindset would be welcomed in other local authority areas; indeed, I am sure that members across the chamber will be able to highlight examples from their own areas.

Thirdly, I contend that the preventative spend agenda is just as much about the mindset as it is about the money. The redirection of resources and redesign of services can unlock significant savings and deliver real benefits to the public. If every pound spent on intervention can save many tens of pounds in other areas, that is simply a no-brainer to me. It unlocks potential resources not necessarily in the first year but in future years for reinvestment in and allocation to other areas.

I find it unfortunate that the Labour Party rejected the entire report in committee and I hope that its members will pause for thought and vote in favour of the motion tonight. It is the time of year when individuals can be visited by three spirits that attempt to show them the error of their ways. I know that the Labour Party had its Christmas party last night; I have no idea whether Mr Macintosh was visited by three spirits but I hope that he will consider changing his party's stance on this report to a more constructive one.

This robust report scrutinises in considerable detail the Scottish Government's budget. I welcome its conclusions and await the cabinet secretary's considered response.

15:37

Anne McTaggart (Glasgow) (Lab): I feel a "Ho, ho, ho" coming on—all in good spirit, I am sure.

Having been a member of the Economy, Energy and Tourism Committee since the start of the session, I am particularly interested in speaking in this debate. I am sure that all my committee colleagues will agree that we have gained a vast amount from the informative submissions that we received on the Scottish Government's draft budget—and at this point I must thank our previous convener, Gavin Brown.

Gavin Brown: I am blushing.

Anne McTaggart: Absolutely.

The foreword to the draft budget sets out the Scottish Government's commitment to use its powers, its energy and its abilities to maximise the value and impact of public spending for Scotland. However, a number of expert witnesses have told the Economy, Energy and Tourism Committee that the Scottish Government is not using its full powers to maximise the value of public spending in Scotland, particularly with regard to fuel poverty.

Fuel poverty in Scotland has grown at an alarming rate. Energy Action Scotland's alarming estimate that 40 per cent of Scottish households will be fuel poor by the end of this year has already been mentioned in debates in the chamber and I am sure that all members agree that the figure is shameful and fairly disturbing.

The households experiencing fuel poverty include some of society's most vulnerable individuals: the elderly, people with long-term illnesses and disabilities and those with young children. Under the proposals in the Welfare Reform Bill, households in fuel poverty stand to lose many of their current entitlements; indeed, the bill's policy memorandum states that local authorities and third sector organisations will be required to fill those gaps, placing in jeopardy their ability to offset the effects of fuel poverty at a local level.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Will the member give way?

Anne McTaggart: Yes, since it is Christmas.

Jamie Hepburn: Ho, ho, ho.

The member is talking about fuel poverty. Clearly, concerns about that are shared across the chamber. Given that rising energy costs are a key driver of fuel poverty, what actions does she think the Parliament could take to tackle rising energy costs? Or does she recognise that there is not much that we can do?

Anne McTaggart: May I answer that question throughout the rest of my speech, please?

Jamie Hepburn: Yes, I suppose so.

Anne McTaggart: If I have not answered it, I am sure that Jamie Hepburn will tell me at the end.

The target date for the elimination of fuel poverty is 2016. It is therefore imperative that any draft budget that is brought forward contains clear and detailed clarifications of how Scotland will achieve that goal.

I admit that the fuel poverty budget for 2012-13 shows a rise in funds to about £65 million, but we must put that in the context of the swingeing cut of about £14.3 million made to the fuel poverty budget for 2011-12. That is despite estimates that, by the end of this year, fuel poverty will have increased to approximately 40 per cent. In addition, the amount that has been earmarked for each year between now and 2015 fails to reach the figure of more than £70 million that was provided for 2010-11. That is just the tip of the iceberg. The Economy, Energy and Tourism Committee also heard that funding committed to the universal home insulation scheme and the energy assistance package this year is £54.5 million, which represents a reduction of almost a third from the 2010-11 budget.

In its submission to the Economy, Energy and Tourism Committee, Energy Action Scotland said that £200 million a year is needed to fight fuel poverty and that the Scottish Government should provide at least £100 million a year. The Existing Homes Alliance echoed that call.

When it reviewed the draft budget, the Economy, Energy and Tourism Committee heard that not all of the £18.7 million for domestic energy efficiency is going to fight fuel poverty. The Cabinet Secretary for Infrastructure and Capital Investment stated:

"I would not like to put a precise figure on it."—[*Official Report, Economy, Energy and Tourism Committee*, 2 November 2011; c 510.]

We must ask where the money will go and how much of it will go to combating fuel poverty.

In the light of those details, I believe that the cabinet secretary owes the chamber some answers. There is no room for fuel poverty in the 21st century. It is time that the Scottish Government backed up its fine words with actions.

15:43

Clare Adamson (Central Scotland) (SNP): I, too, welcome the Finance Committee's comprehensive and robust report. I am not a member of that committee, but I am on the Education and Culture Committee and the Equal Opportunities Committee.

It is welcome that the Finance Committee's report notes the fact that the convener of the Equal Opportunities Committee has asked all committees to detail how they will include equality issues in the conduct of their business. Mr Gibson referred to the HEAT targets in his speech. As we move towards more collaborative working, it is vital that HEAT targets and equality issues are mainstreamed into the restructuring of our services. That is nowhere more important than in collaborative working between the NHS and social work services in elderly care.

We have talked about some of the priorities. One of those is growing the economy and getting benefit from the opportunities that we have in Scotland. We have also talked a little bit about leadership. I will talk about some of the leadership that the cabinet secretary has provided on culture and reflect on some of the things that are being delivered in the context of the budget.

Scotland is a creative nation. We are rich in heritage and in contributions to the world and we are preparing to be an independent nation. In establishing our nation's identity, it is our creativity, culture and innovation that defines us as Scots. In the face of the deep cuts in public spending that the UK Government in Westminster imposed, the Cabinet Secretary for Culture and External Affairs and the Scottish Government have managed to minimise the impact on Scotland's cultural heritage and have tried to protect front-line services in the area.

The economic benefits of our creativity and the opportunities for cultural and genealogical tourism should be maximised. We have great assets, such as the National Library of Scotland and the National Records of Scotland, that offer a wealth of resources for education, leisure and research. As we move forward to our second year of homecoming in 2014 and the Glasgow Commonwealth games, it is vital that we make the most of our resources and ensure that our economy and tourism grow in Scotland.

The Scottish Government has continued revenue funding for the National Galleries of Scotland and National Museums Scotland, protected our world-class performing companies, delivered capital investment for the Theatre Royal in Glasgow, improving its front-of-house and disabled access, and committed to the extension of the Glasgow Royal Concert Hall in support of the Royal Scottish National Orchestra.

Our great commitment to early intervention, the commitment to 25,000 apprenticeships in every year of Government and the strategy for 16 to 19-year-olds are policies that will transform opportunities for people in our nation. I am delighted that we have also been able to protect the youth music initiative, which supports more

than 300 projects across Scotland, ensuring that Scotland's talented youngsters get the support and opportunity that they deserve to fulfil their potential.

The cabinet secretary has also committed an additional £5 million to the young Scots fund to invest in a national centre for our youth companies in Glasgow. The centre will ensure accessible rehearsal space, production facilities and an administrative base for the organisation. We are also continuing to fund the Edinburgh festivals expo fund, which showcases our young Scottish talent to the world. Within the 25,000 modern apprenticeships, we have apprenticeships in the creative industries and in the area of conservation, ensuring that traditional building and the maintenance of our heritage is secured for the future.

I welcome the fact that the Finance Committee has not only recognised equality issues in its report, but committed to continue to review and scrutinise some of the major developments in the area.

I will say a little bit about accident prevention in our local authority areas in the context of preventative spend. I am passionate about the issue, not least because I am vice-chair of the home safety committee of the Scottish Accident Prevention Council. It is vital that as we move to support elderly people in their own homes we continue to ensure that advice is given about trips and falls before people end up in the NHS and the care system. We could do a lot more education about such issues in local authority areas. I note that there is a commitment to look at statutory duties, but home accidents are not within the remit of statutory duties, even though more people are injured and killed in their own homes than on the roads. We could perhaps investigate that.

There have been a lot of jokes about Christmas today. I am afraid that I will lower the tone a little bit, because when we look at the finance settlement and the budget as a whole we cannot ignore the Grinch who stole Christmas. Unfortunately, we have had to take difficult decisions after inheriting a situation in which gold reserves were sold at a record low, our pension pots were raided, the 10p tax rate was abolished and there was a debt crisis of £19.9 billion. That is the context in which the difficult decisions have been made and we cannot ignore it.

15:50

Willie Rennie (Mid Scotland and Fife) (LD): I may have to tune in to Finance Committee debates and meetings from now on—it has been a revelation. Kenny Gibson, the soft man of Scottish politics. I might not tune in, so do not be

disappointed if I do not, but it was a great contribution; it was a great, measured start.

I have had a good read through the Finance Committee's report, which is a very thorough job that looks at all the details of the Government's plans. However, I was surprised by the report, too, because there has been some quite strong criticism in some areas and, considering that the committee is dominated by friendly faces and that it has taken some time for the plans to come together, I am surprised at the extent of the criticism. Thankfully, the UK Government has provided an additional £500 million since the autumn statement, so perhaps some of those issues can be addressed by the time that the Government publishes its full, detailed report and response.

I will start with the colleges and the Education and Culture Committee's contribution to the report. The committee provided a valuable contribution and helped the campaign that is trying to secure the additional funds to reverse the cuts. A £15 million additional pot has been provided by the Cabinet Secretary for Education and Lifelong Learning, but it is just not enough. The finance secretary is probably bored of me saying this, but it is important that we reverse the cuts. The £67 million is there and we should take the opportunity now—I want to press the finance secretary again today on whether he will reverse those cuts.

Mark McDonald: Does Mr Rennie accept that his efforts might also be worth while in persuading his colleague, Danny Alexander, to reverse his cuts to this Government's budget?

Willie Rennie: I think that Mark McDonald knows, as many have accepted, that this is a very difficult financial period. Everybody knows that it is difficult and we have to prioritise within the finances that are available. We cannot just wish money. However, the cabinet secretary has got money; he said that the colleges are important, but he is still withholding the money. The money could go to the colleges and remove the fear from students and staff about their futures. He should take the opportunity today to do that.

Jamie Hepburn: The member accepts that we are in a difficult funding settlement; does he not accept that that is a consequence of his Administration in London cutting the budget?

Willie Rennie: It is a consequence of the environment that we are in. It is a consequence of the economic recession that many countries in Europe and the world are facing. To pretend that Scotland is somehow isolated from that is to remove oneself from reality. The member has to face up to the challenges that we face.

The next issue is capital investment. It is important that we hear from the finance secretary

about which projects could be accelerated with the additional capital that has been received since he made his initial statement on the budget. We have had some contribution, in terms of the £430 million from the UK Government, but we also have the prospect of the Scotland Bill offering £2 billion in additional borrowing and the pre-payment facility that has again been offered by the UK Government.

We have not heard from the finance secretary which particular projects will be accelerated and it would be beneficial for members to hear about that, and to hear whether he is recommending to his back-bench colleagues that the bill be vetoed. That is the prospect; that is what the Scotland Bill Committee, as Linda Fabiani knows, is threatening. We need to hear whether that is a reality and whether Scottish National Party members are prepared to live with the consequences, which are that that capital borrowing—that extra £2 billion—would disappear.

Projects such as the A9, the A96 and electrification of the railways could be accelerated. We heard from Alex Neil that if he had £6 billion in the Scotland Bill—that is the SNP's desire, ultimately—he could prioritise the A9 and A96, so obviously work has been done on which projects are the most important. However, it would be good to hear which projects would go if the Scotland Bill were to be vetoed and that £2 billion borrowing power no longer existed.

I want to move on to preventative spending, because the committees have significant concerns about being able to identify where the money is and whether there is double-counting. As David Bell says,

“there is a danger of double counting.”

We need some clarity about whether the money is being prioritised for preventative spending and whether the £250 million saving from the Forth bridge contract will be spent on early intervention. It is important that we hear about those things; if we do not, we will not have clarity and confidence that, when the Government says that these are its priorities, they actually are its priorities.

The Finance Committee's report makes it clear that there is now no excuse for not stopping the cuts to Scottish colleges; that the Government should withdraw its threat to veto the borrowing powers in the Scotland Bill, which will speed up investment in transport; and that the Government needs to get its act together and sort out the answers to allow it to bring forward the truly transformational early intervention revolution that we support, which will set Scotland on a sustainable path for the future.

15:55

Paul Wheelhouse (South Scotland) (SNP): As a member of the Finance Committee, I am disappointed that consensus was not achieved in the report. I had believed—as witnesses were led to believe, time and again—that all the committee's members were signed up to the prevention agenda and the messages regarding its implementation. It was, therefore, something of a disappointment that the report that we produced—which was a challenging one for the Government and one that I commend to the chamber—was rejected in full. I am afraid that, unfortunately, partisan politics kicked in and our Labour colleagues decided to dissent from the report in its entirety despite being provided with opportunities by the convener to dissent only from the sections that they were uncomfortable with.

The minority annex that was proposed by my Labour colleagues bore little resemblance to the evidence that was presented to the committee. Indeed, paragraph 2 of the minority annex was particularly partisan, ignoring the fact that there is a new Government economic strategy that clearly sets out the Government's priorities for investment. When John Swinney, the cabinet secretary, attended our evidence session in Largs, little attempt was made to raise any concerns with him about the issues that subsequently appeared in the minority annex. I am afraid, therefore, that I must begin on a negative note by saying that I am disappointed at what transpired in signing off the report.

On preventative spending, I will not cover all the territory that the convener has covered in depth. Suffice it to say that witness after witness emphasised the importance of shifting resources to prevention and of spending now to save later, rather than spending more and picking up the pieces arising from acute health, social, educational and economic challenges. We heard especially passionate and compelling evidence from John Carnochan regarding the impact of early years intervention. Jo Armstrong stated in response to my questioning:

“As I said, any politician who is prepared right now to fund initiatives, the outcomes of which will not be seen for 10 or 15 years, if not generations, is making a brave decision.”

I agree that it is a difficult context in which to make preventative spending; however, as my colleague, Mark McDonald, said, we are seeing a decisive shift. Professor Armstrong went on to say:

“Given the significant demand issue that we know we are going to have to face, the preventative spending approach is definitely a sensible move.”—[*Official Report, Finance Committee*, 26 October 2011; c 188.]

We have support from outside the Parliament for what we are doing.

The Scottish Government has shown considerable leadership in making what it has termed—and which, in the context of declining funding, I agree constitutes—a decisive shift. Professor Jeremy Peat, from the Royal Society of Edinburgh, also backed that decision, highlighting the challenge of delivering such change against a backdrop of budget cuts. In paragraphs 100 to 111 of the report, the committee goes into some depth on the issue of leadership. Of course, providing leadership is not an issue just for the Scottish Government or for the Parliament as a whole; crucially, COSLA must also provide leadership. Challenging and, in many respects, politically courageous decisions will be required in the medium to long term at a local level as well as at a national level.

Ken Macintosh: Before Mr Wheelhouse moves off the issue of preventative spending, will he tell us whether he thinks that the £74 million cut from colleges will affect the preventative spending agenda from working?

Paul Wheelhouse: I will come to that and will give Mr Macintosh the opportunity to intervene again if he is not happy with what I say on college funding.

The provision of leadership is an issue not just for the Government and the Parliament, but for COSLA. That view was supported by John Downie, of the Scottish Council for Voluntary Organisations, who stressed that

“COSLA probably needs to get its act together and show a bit more commitment.”—[*Official Report, Finance Committee*, 2 November 2011; c 246.]

Recently, we heard compelling evidence that, in the Netherlands, the equivalent organisation to COSLA plays a vital role in providing leadership on early years interventions.

There are implications for public sector workforce development. Graham Allen, among others, acknowledged in his evidence at the round-table discussions that there is a need for training and workforce development to be aligned to deliver the culture change that is required at the coalface and to generate buy-in to the prevention agenda.

This is a crucial time considering the budgets that are under pressure, and there is bound to be a degree of protectionism in the face of possible disinvestment in some areas, perhaps including acute services, as the benefits of preventative spend begin to deliver—reducing demand for acute services while we are trying to increase prevention. It is clear that a cultural shift will be required to deliver the benefits sought under preventative spending.

In my remaining time, I will touch on college funding to deal with Mr Macintosh’s point. Willie

Rennie referred to funding for further and higher education, and we have had much heat and, on occasions, insufficient light on the issue in the Parliament. The Centre for Public Policy for Regions at least acknowledged in its contribution to the committee’s evidence session:

“What happens down south clearly does have a direct impact up here through Barnett consequential.”

As I have stated before, the cutbacks to the college sector in England are far worse than they are in Scotland, despite the fact that the education maintenance allowance is being protected here while it is being cut in England. Professor Jeremy Peat, from the Royal Society of Edinburgh, was prepared to concede in his evidence:

“There was a much better than expected settlement for HE”.—[*Official Report, Finance Committee*, 26 October 2011; c 179, 177.]

Willie Rennie: Does the member support the cuts to Scottish colleges?

Paul Wheelhouse: Cuts to the college sector are regrettable at any time, but in evidence external witnesses said that they recognised that the Barnett consequential had a consequence for Scotland. A substantial cut to funding for higher and further education in England has a consequence for Scotland. Nobody wants cuts, but we have had to bear the brunt of cuts from Westminster.

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

Ken Macintosh: Will the member give way?

Paul Wheelhouse: I am sorry, but I need to conclude.

In the evidence that has been presented to the committee, there is considerable support for the preventative spending agenda and for leadership at both national and local levels, and there is recognition that consequential have had a dramatic impact on important areas of spending.

The Deputy Presiding Officer (Elaine Smith): The member needs to conclude.

Paul Wheelhouse: I will do so. Thank you for your forbearance, Presiding Officer.

16:02

Rob Gibson (Caithness, Sutherland and Ross) (SNP): I will touch on matters related to the rural affairs, climate change and environment portfolio, which my committee scrutinised. My fellow clansman, the convener of the Finance Committee, remarked that he had not dealt with those issues in his speech, so I will make up for that. Considering the question of preventative spend, a culture and attitudinal change is

obviously needed from all committees and the Government on the matters that I am about to touch on.

I am glad that the Finance Committee agreed

“with the RACCE Committee that there is a need for all subject committees to consider climate change issues as part of their budget scrutiny and the need for a clear read-across between relevant documents to ensure effective scrutiny.”

We came back to that issue several times.

The Finance Committee also agreed

“that for this scrutiny to be effective there is a need for a clear read across between the Scottish Government’s Report on Proposals and Policies in meeting its emissions reductions targets and the draft budget.”

That point leads me to ask the question: if we are going to be involved in dealing with climate change, can that be seen in terms of preventative spend? I was very disappointed that the budget adviser to the Finance Committee dismissed the whole subject of climate change in about five lines in his briefing paper. When we consider the potential ways of dealing with climate change, we can see means in various parts of the investment that we will make.

I will quote from Professor David Bell’s words:

“In the budget document, spending on climate change is taken as an exemplar of preventative spend.”

He mentions the reduction in the need for fire services as an example—which is strange—and then states:

“It would also be useful to have some evidence of the costs, as well as the benefits of climate change interventions.”

That is precisely why we need the read-across between all the committees that have taken the time to work out how their activities will act as preventative spending and reduce our need to spend on other aspects. I ask the cabinet secretary, and the Finance Committee, to take seriously the strictures of my committee.

The second aspect that is interesting in terms of getting a read-across is the question of the sustainability agenda, which the Rural Affairs, Climate Change and Environment Committee discussed. The Finance Committee also discussed that issue and took evidence from the Carnegie United Kingdom Trust, which referred to the loss of the Scottish sustainable development indicator set. The way in which that could be developed could be helpful to us.

I recognise that we are at an early stage of working out how best to create the indicators. It is important to acknowledge that, although we have made a start and are leading the rest of the world, we must improve on what we have just now.

In my committee’s report to the Finance Committee, we said,

“At times, the Committee found the process of scrutinising the Scottish Government’s spending on climate change mitigation to be frustrating due to the cross-cutting nature of climate change mitigation policy. To fully scrutinise the spending, the Committee would have had to have conducted a cross-cutting inquiry over a range of portfolios, which is not practical in the time available.”

I would add that that would also not be within our committee’s remit. The report continued:

“Therefore, in advance of future budget scrutiny, the Committee intends to consider how best all the relevant committees, including the Finance Committee, can better scrutinise spending on climate change mitigation and adaptation policies across the Scottish Government’s responsibilities.”

My committee will initiate a dialogue with other committees on that issue and will try to help with the process.

Some small, good things have been done that will improve the way in which land use is monitored in this regard. For example, the farming for a better climate scheme, which has been maintained, recognises that it is not only the Government but other public bodies, private firms and individuals that will spend to mitigate climate change and will all have a part to play. The approach does not ask for a bucketload more of Government spending; it is about everyone addressing the priorities in a serious way.

We discussed the intention to focus on projects such as the support for anaerobic digestion facilities. That is the kind of thing that allows economic development in the countryside to move forward from the pilot projects that are in place at the moment.

There are many things that could be said about the issues in the report, but the six minutes that are available to me do not allow me to say them. However, the carbon assessment of the budget is a clear matter of considerable importance to us all. My committee accepts that the process of providing a carbon assessment of the budget, using the carbon assessment tool, and of carbon accounting, is still developing. However, we note that the progress of developing the Scottish Government’s carbon accounting needs to be improved, ideally before the next budget. Therefore, we recommend that the Scottish Government examine options for securing further funding to assist that development to ensure that a more effective carbon assessment of the budget can be undertaken in future.

The Deputy Presiding Officer: I am afraid that you will have to close now, Mr Gibson.

Rob Gibson: I hope that those suggestions will be taken in the spirit in which they have been

made. The issue is preventative spend and a major cultural change in the way in which we think about finance.

The Deputy Presiding Officer: I ask members to stick to their six minutes. We are very tight for time.

16:08

Margaret McCulloch (Central Scotland) (Lab): I am grateful for the opportunity to speak in this debate on the budget report, after serving on the Finance Committee for the past seven months. That was my first experience of a parliamentary committee, and I found the range of speakers and witnesses whom we have met in recent weeks and months to be genuinely interesting and deeply knowledgeable.

Members of the committee and the Parliament know that I do not agree with the report in its entirety, but I think that much of the committee's work has been extremely valuable, especially the on-going work on preventative spending.

The preventative spending agenda is not nearly as new as we might think that it is. There are many other countries in Europe that have mainstreamed prevention and early intervention for some time, and there are many examples of early intervention action in Scotland and the UK. The agenda is not new, but I do not think that it has ever been given this much attention in a budget or by a committee. We must now ensure that the strength of the Scottish Government's efforts matches the scale of its ambitions.

The Government has been asked to provide more information on how preventative spending will be delivered. We need assurances that the £500 million that has been set aside for that purpose will not be used to replace existing expenditure. I hope that the Government is in a position to confirm that those moneys will be used to support genuine preventative measures and real innovation in early intervention.

Progress on prevention is welcome, but there are other areas in which we are not seeing very much progress. I have real concerns about the draft budget and the spending review. I do not expect that every one of my colleagues on the Finance Committee will share those concerns, but I hope that they will at least understand the right of Labour members to dissent when we are asked to agree a budget report.

Paul Wheelhouse: Will the member take an intervention?

Margaret McCulloch: I have a tight six minutes, and in the spirit of Christmas, I am not taking any interventions.

For clarity, I would like to explain to members where I feel there are shortcomings in the budget that should have been referenced and reflected in the report. According to guidance on budget scrutiny from the financial issues advisory group that the Parliament adopted in 1999,

"Successful scrutiny depends on the quality of the Budget information and access to it."

My colleague on the committee and I do not think that there is enough information in the report to allow successful budget scrutiny. As we said in our own critique of the budget and the report, too much of the document focuses on process rather than incisive analysis of the budget allocations that have been made. There is no in-depth consideration of the implications of spending allocations for the NHS and local government although, together, their budgets account for 67 per cent of spending and 93 per cent of public sector staff. Furthermore, we are concerned that the budget does not convincingly promote economic growth and that important evidence that was brought before the committee and which supports that contention was either not included in the report or not given the weight that it deserves.

There has been no shortage of publications from the Scottish Government concerning the economy, with the economic strategy and the infrastructure investment plan being launched just recently. However, we have to ensure that the promised growth and investment are supported by the budget. The committee's budget adviser, Professor David Bell, has pointed out that questions of that nature were asked last year and growth has continued to disappoint. A fundamental reappraisal of how the budget supports growth is surely long overdue.

Professor Jo Armstrong has made the same point and called for more detail on the tangible effects of the budget on growth, and Professor Jeremy Peat has said that there is not enough of a strategic linkage between the budget, the economic strategy and the national performance framework. He went on to say that we need to know more about those links to make it

"easier to understand why particular proposals were made without risking the perception that politics were the driver rather than the welfare of Scotland."—[*Official Report, Finance Committee*, 26 October 2011; c 182.]

Those are not my words; they are the words of an independent expert who gave evidence to the committee. Three separate experts have come to the same conclusion about the budget. We need more detailed figures, more comprehensive information and more rigorous analysis.

There are also issues to do with capital spending. The resource to capital transfer in the budget is less than that last year, but the

Government's made in Scotland private finance initiative or NPD—non-profit-distributing—programme, as it is more commonly known, does not initiate major spending until the next year. There is a gap this year, which gives rise to concerns about the stimulus effect of the budget. I draw members' attention to pages 5, 6 and 7 of the report, which deal with that very point.

Like the rest of the committee, I welcome the Government's announcement that it will transfer up to £750 million to capital expenditure by 2014-15, but both our budget adviser and the financial scrutiny unit have pointed out that we do not know how that will be implemented. I would go even further than the Finance Committee and ask the cabinet secretary to give a clear indication as to which budget lines that cash will be drawn from. That is a reasonable request; indeed, if I am not mistaken, it was also made by the Infrastructure and Capital Investment Committee. That is not fully explained in the report.

I hope that the Scottish Government will take those points on board and that it will work with members from all parties to deliver a better and more transparent budget, whether we choose to endorse the report or not to do so.

16:15

Chic Brodie (South Scotland) (SNP): As a member who contributed to the report via the Economy, Energy and Tourism Committee, I am pleased to speak in its support. It is a challenging report because it rightly raises questions about, and provides a penetrating focus on, the overall strategy, tactics and policies that will support the Government's budget and spending review objectives, albeit in difficult times.

The main objective is to secure the basis for economic recovery and growth. The budget should be, is and will be the foundation of significant reforms in the public services. It should and will promote a seismic shift in the direction of preventative spending and a measurable return on investment. It will be a strategy that can leverage capital and infrastructure spend. It should and will aid and abet the motivation to provide the means for major changes in our approach to the environment, the climate and energy provision.

The Finance Committee requested inputs on and asked questions about those fundamentals. That was timely and critical, and I am sure that the Cabinet Secretary for Finance, Employment and Sustainable Growth will respond positively.

We all know that the objectives were set, and that the report was produced, against the backdrop of global economic uncertainty—it is no longer necessary for me to rehearse that argument. As the committee asserted in some of

its views, we now need flexibility, continuity, sustainability, consistency and a constructive debate on a range of issues that affect our national financial performance. We owe no less to our people, over whom the global economic sword of Damocles now hangs. Many of them are exposed daily and nightly to the anxieties and worries that those global pressures create. That is why I contend that the fear element must drive us. I say that in light of the new stewardship of the Opposition parties. Collectively, we must demonstrate the positivity about which Mr Macintosh talked—increased competence in reasoned argument and debate—while still expounding our different views on priorities without rancour or tribalism so that we afford every one of our fellow citizens the dignity—

Neil Findlay: Will Chic Brodie give way?

Chic Brodie: No, I am not taking any interventions. I am sorry.

We must afford every one of our fellow citizens the dignity of positive analysis and set debate on the financial matters that affect them. The fear that the people of our nation feel is the elephant in the room.

In that context, I will address two issues in particular. The first concerns assets. On capital spend, it is right—particularly for jobs—that we focus on risk-based investment. We must examine the management of our asset base through the various funding mechanisms and funds that are available to us. I welcome the committee's challenge on economic growth parameters and the role that capital funds such as the national renewables infrastructure fund will have on renewables and port facilities—and, therefore, exports, which will underpin measurable growth.

Investment in, and flexible capital expenditure on, assets that will contribute to efficiency and reduced future spend are critical to future economic recovery and jobs, as is the maintenance of those assets. The same is true of the disposal of underused assets that are irreconcilable with our future economic strategy but which still suck in maintenance costs. That could provide a real revenue opportunity for local and national Government. The Finance Committee's questions on the impact of capital spend are well drawn.

As the report says, pay policy is key to the overall budget strategy. The pay policy that the cabinet secretary has inspired and defined plays a particularly key role in employment and security of employment in the current economic circumstances. However, I ask that, when the Finance Committee meets in January to discuss the Hutton report, it pays particular attention to chapter 4, which requires that we address the

contractual position and earnings of the high-salary and bonus earners in the public sector. If, once the pay freeze is lifted, we allow the income of those on the higher rungs of the earnings ladder to rise unfairly, we are more likely to create unfulfilled expectations among those on the lower rungs.

I welcome the declaration in the committee's report on the decisive shift to preventative spend in the public sector, to which Mr McDonald referred. As Inverclyde alliance CPP said adroitly in its evidence, local authorities must make a change in culture and attitude. That means no protectionism, but an acceptance of better and wider sharing of good practice across all public sector agencies, and no barriers to the forces of the third sector, the voluntary sector and social enterprises. By harnessing their potential and releasing their energies, we can secure innovation that will play a key role in delivering preventative spend.

I spoke earlier about fear. It was Franklin Delano Roosevelt who famously said:

"the only thing we have to fear is fear itself".

This is no time for our proud nation to be filled with anxiety or fear. It is a time to be bold, to harness our constrained financial resources and to adopt the adage that, when the going gets tough, the tough get going. On that basis alone, the committee's questions and assertions are just and welcome. I commend the report to the Parliament.

The Deputy Presiding Officer: I call Jamie Hepburn, who has a strict six minutes.

16:21

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Thank you, Presiding Officer—I shall do my best to fulfil your expectation.

I welcome the debate. My only minor criticism is that it is unfortunate to speak so late in the day, when all the good Christmas gags have been used. However, I thank Kenny Gibson for securing a finance debate in our last afternoon session before the Christmas recess, and I particularly thank the Parliamentary Bureau for scheduling the debate the day after the night before, when the SNP office Christmas party took place. I am delighted to speak in that context.

I congratulate the Finance Committee on its report. I agree with Mark McDonald that it has undertaken comprehensive work.

Ken Macintosh made a mixed speech. I welcome him to the post that he has secured—I know that it is not the one that he sought, but I am sure that he will do well in it. I could not fault or disagree with much in his speech, but the

comment that the committee "pulled its punches" is more than a little unfair, because it suggests that it was a report by the committee's SNP members.

I note that the Labour Party dissented from the report, but I still cannot quite work out why it did so—that is not quite clear. I cannot help but notice that Mr Brown, who is a member of the committee and is not renowned for pulling his punches, agreed with the report, so it is unfair to suggest that the committee pulled its punches. Kenny Gibson continued his new statesmanlike style by adding no prefix to his sedentary intervention of "Rubbish" when Mr Macintosh made his suggestion.

It is clear from the report that the committee has done a good job. We heard a number of questions from the committee's convener to the cabinet secretary. That belies the suggestion that the report was a whitewash, which is wrong.

I am glad that the committee is maintaining the focus on the preventative spend agenda.

Neil Findlay: Page 50 of the report says:

"The council tax freeze will continue to benefit those"

on middle incomes

"and make little difference to poorer or richer households."

There is probably a consensus on that across parties and across the Parliament. Is it now time for all of us in the Parliament to address that vital issue collectively?

Jamie Hepburn: I am hearing that that quote was from an annex and not from the main report. The council tax freeze has been widely welcomed across the board. Continuing the council tax freeze was in the manifesto on which Mr Findlay stood, so it is a little interesting to hear a new position now.

Preventative spend has been of on-going interest to the Finance Committee. We held a debate on the issue in the previous session of Parliament, which was brought to the chamber by our former colleague Andrew Welsh. I will not say much more about the preventative spend agenda—a number of members have set out why it is so important, and I welcome the fact that the issue is still a focus for the Finance Committee.

A number of members have addressed issues that have arisen in their committees' consideration of the budget, and I will do the same in the little time that I have left. As the deputy convener of the Infrastructure and Capital Investment Committee, I want to focus a little attention on that area as it relates to today's debate.

We have heard quite clear views on the draconian cut to capital expenditure from

Westminster and the effect that it is having on the Scottish Government's ability to bring forward capital investment. However, even in the context of that severe cut—and I do not think that we can argue that it is anything other than severe—the Scottish Government is doing a very good job. It is bringing forward a significant portfolio of capital investment projects.

Ken Macintosh: Will the member give way?

Jamie Hepburn: I will let in Mr Macintosh in a minute.

The Deputy Presiding Officer: I am afraid that the member is in his last minute.

Jamie Hepburn: Then I will not let Mr Macintosh in, for which I apologise.

Surely now is the right time to bring forward a programme of capital investment. As Paul Wheelhouse has explored in committee, we can actually get more for our money at present because construction costs are lower, so it is right to focus on capital investment. I would have liked to focus on it a little more, but time is going to get the better of me.

I conclude—in time; I do not think that it will take me 28 seconds to do so—by commending the Finance Committee for its detailed work. Today's debate has been very interesting, and I look forward to hearing what the deputy convener has to say in his closing remarks.

16:27

Patrick Harvie (Glasgow) (Green): There has been a degree of seasonal good will in the chamber today. I think that members know that I am not religious myself, but these ancient pagan festivals are culturally very important, so I am happy to wish everyone a happy solstice today.

The good will begins with the Finance Committee, which I thank for its work. In particular, I thank it for some of the early context-setting paragraphs in its report that discuss the national performance framework and its potential relationship to the agenda set out in the Carnegie UK Trust's report "More Than GDP: Measuring What Matters", which the committee discussed with the trust. I think that that issue will become increasingly important in the years to come.

Scrutiny of the budget is never a straightforward, simple process. It is complex, and more difficult given the lack of early access to level 4 figures, so I welcome the committee's call at paragraph 167 of the report for a clearer timetable for future publication of those figures. Although the process is complex, however, it is probably fair to say that this year it will be a wee bit less unpredictable than it has been for the past four

years. As in each of those four years, I will pick out some elements of good in the budget as well as picking out some elements to criticise.

On the positive side is the preventative spending ethos, which has strong cross-party support. If it can be made to work, we may come to find that we regret only that we did not start down that road years ago. I think that we will all be keen to see progress on that.

In general, the Government's opposition to the UK cuts agenda is an extremely important element of its response to the times in which we find ourselves. Willie Rennie argued that we cannot just wish money into being. In my view, the UK Government's position would have the slightest shred of credibility only if it was not simultaneously going to Europe and making every effort to argue against a financial transaction tax and against action to shut down the tax havens. Such measures would increase the revenue available to all Governments throughout the United Kingdom—for as long as it exists.

The social wage is another element of the Government's response to the times that we live in: the idea that providing a range of policies across the board—many of which are intended to reduce the squeeze on household budgets—will recompense people for the real-terms cuts in public sector pay.

The concept of the social wage must develop over time if it is going to be seen as reasonable. I refer members to the evidence given by Stephen Boyd of the Scottish Trades Union Congress to the Economy, Energy and Tourism Committee that the measures that are regarded as part of the social wage are

"unlikely to 'fill the gap' for a public sector worker earning £25,000"

who is facing a continued pay freeze. However, if we follow through on the ethos of the social wage, we will be able to come up with a different stance on the economy from that of the UK Government. The Economy, Energy and Tourism Committee welcomed that concept but said that it looks

"forward to more detail on the concept and greater clarity on how the measure will support solidarity and cohesion, and reduce inequality".

I hope that the Government will respond to that call.

I turn to some criticisms. The vast majority of the cuts are being handed to Scottish public services by the UK. Housing and further education are among the clearest targets, but the decision to target them flies in the face of the Government's performance framework. How will those cuts impact on the targets that relate to improving the incomes of the poorest people in our society? That

is one of the areas in which we are making least progress towards the national performance framework objectives, and we need to be concerned about that.

The budget protects road building, as it always does, year after year. Pouring the concrete is far more important to Government after Government—not just the current one—than are other objectives. There is still no shift towards low-carbon transport spending, which has been called for for years. Transform Scotland's evidence was that

"The Draft Budget fails miserably to fund the Government's climate change ambitions for reducing emissions from the transport sector".

Mark McDonald: Does Mr Harvie accept that, as we move towards low-carbon transport, it will need roads on which to travel?

Patrick Harvie: A transport policy that is based on ever-rising road traffic levels, whether that traffic is using electric batteries as opposed to the internal combustion engine, will continue to be socially divisive. We need to deal right now with the technologies that we have available right now. We should be investing in public transport, improving the bus fleet and running a properly regulated bus service in Scotland.

There are other areas in which the cuts will be deeply harmful. There will be cuts to the agri-environment scheme—I do not have time to cite RSPB Scotland's evidence on that. A joined-up approach to funding the measures in the report on policies and proposals on climate change, which we need to take, will also be affected.

There is also some ambiguity about the shift from revenue to capital. If that happens as suggested, it will mean that public sector workers' wages will be paying for the protection of a road-building programme. Investment in infrastructure is necessary but it must be the right infrastructure, not the heavily polluting, socially divisive infrastructure of the previous century. I refer members to the evidence that we heard from the Poverty Alliance on those issues during the Economy, Energy and Tourism Committee's consideration of the budget.

16:33

Mary Scanlon (Highlands and Islands) (Con): I, too, am pleased to speak in the debate on the Finance Committee's report on the spending review and the draft budget. I welcome the focus on a shared vision, a national evidence base and the collaborative approach outlined by Kenneth Gibson, our new statesman. I note the balanced and thorough analysis as well as the criticisms in the report.

The 10-year NPF plan that was published some months after the Government's budget sets out to reflect the lessons that have been learned since 2007. I hope that members will appreciate that I am new to my brief so I look forward to hearing what lessons have been learned since 2007, and what happened to the historic concordat. I trust that the minister will address those points in his summing up.

In paragraph 19 of its report, the committee asks how the NPF "informed the spending review"; whether it will be

"fully integrated into the Scottish Government's spending plans and how that works in practice;"

and how

"the 15 national outcomes and 45 national indicators have been reviewed to reflect the shift towards preventative spending."

I highlight those points from the report, because I had assumed that the Finance Committee would have had that information to assist it in its scrutiny.

In paragraph 31, the committee asks for details on the priority that was given

"to maintenance expenditure within the spending review".

Kenny Gibson also highlighted that point.

Audit Scotland's "Overview of the NHS in Scotland's performance 2010/11", which was published this month, found a backlog of £500 million of required maintenance. In Grampian alone, the total maintenance backlog is £124 million, with 47 per cent of that being high-risk or very high-risk maintenance that is needed to ensure compliance with regulations or to avoid the risk of closing buildings. The Finance Committee was correct to highlight maintenance issues, as we must ensure that the public sector estate is fit for purpose and meets health and safety and infection control standards.

In paragraph 62, and in many others, the committee continues to seek clarification on significant spending decisions, which takes me to the statements that are made on ICT. The procurement and management of ICT contracts in the public sector should be of concern to us all. To take another NHS example, five boards did not achieve the target for electronic management of referrals, a measure that has been in the planning for years.

As a new member of the Public Audit Committee, I was surprised to find that Registers of Scotland wrote off £3.1 million and the Crown Office and Procurator Fiscal Service wrote off £2.3 million for ICT contracts that did not match the organisations' expectations or needs. The total write-off for those two projects alone in this year is greater than the Scottish Government's £4.7

million resource allocation for ICT issues over the next three years. The Auditor General for Scotland has stated that those cases

“raise questions about how well public bodies are positioned to get best value from IT services they are commissioning from outside providers.”—[*Official Report, Public Audit Committee*, 14 December 2011; c 315.]

I welcome Audit Scotland’s commitment to include an audit of outsourced IT contracts in its 2012-13 programme, which I hope will assist in answering the committee’s request in paragraph 69 for

“an explanation where the projected savings in each sector have not been achieved”.

I note the Government’s plans to develop a national public sector ICT strategy and I trust that it will take Audit Scotland’s findings into account.

It is disappointing that the Finance Committee had to seek clarity over the change funds, preventative spending commitments and the integration of services, all of which are measures that the Conservatives support.

As Rob Gibson alluded to, in the current difficult times, “a clear read-across” is needed between committees and the Scottish Government. The issue could not be any better stated than in paragraph 162 of the report, which states:

“It is, therefore, concerning that information which has been requested on a key aspect of the Scottish Government’s economic strategy was not communicated to the two parliamentary committees with the primary responsibility for scrutinising this policy.”

That is not good enough.

John Swinney: Oh!

Mary Scanlon: I expected much more of our highly competent and charming finance secretary.

John Swinney: That is all right, then.

Mary Scanlon: It is Christmas, after all.

With my Scottish Parliamentary Corporate Body hat on, I point out that the recommendation in paragraph 201 to provide information on performance against budget reductions is reasonable. It is only fair that, as we criticise others, we ensure that our own house is in order.

16:39

Elaine Murray (Dumfriesshire) (Lab): It is a few years since I had the pleasure of summing up a Finance Committee debate on the last day before the Christmas recess, but I am back again. The current committee convener keeps being referred to as “the new statesman”. I remember a programme of the same name starring Rik Mayall in the lead role, so I very much hope that the

comparison does not have any relation to that programme.

I begin by referring to the difference of opinion among Labour members, which has been mentioned by some. I served on the Finance Committee for five years from 2003. At one point, John Swinney was on that committee with me, and we were highly critical of finance ministers; being critical was not confined to Opposition members. When we went to committee meetings, we took our party hats off—that is not a festive reference—and we did not set out to protect our ministers. If we discovered that they were wrongly claiming that efficiency savings had been made, or that they were guilty of double or triple counting, which unfortunately sometimes happened, we ensured that they were criticised for that.

Committees were slightly less critical and scrutinised ministers less in the previous parliamentary session, and I think that there was a good reason for that. With minority government, no one in the party of government wants to be responsible for causing trouble for a minister. Now that there is a one-party majority, I very much hope that the committees will again feel enabled to exercise a high level of scrutiny, which is important.

The issue on which my party feels disappointed is the budget’s contribution to economic growth. In the economic strategy that it published back in 2007, the Scottish Government stated:

“Our Purpose as Scotland’s Government is to increase sustainable economic growth.”

So important was that “purpose” to the Government, that every time it was mentioned it had a somewhat Orwellian capital P. That still seems to be the case, as the Government says in its draft budget:

“Our focus on delivering the Purpose is even more crucial in these tough financial times.”

I would not disagree in any way with the Government’s aspiration, but independent commentators have found evidence for its having such a focus to be somewhat elusive, as Margaret McCulloch and others have pointed out. In evidence to the Finance Committee, both Professor David Bell, the budget adviser, and Professor Jeremy Peat commented on the lack of linkage to the Scotland performs national performance framework. That framework was updated earlier this month, and I had a wee look at it on the internet. I noticed that we are making positive progress on raising the rate of economic growth in Scotland to the same level as the rest of the UK. Unfortunately, that is because we are all doing badly. The difference has fallen to 0.4 per cent.

Another performance indicator was to match by 2017 the growth rate of other small independent countries. Our performance in that area is getting worse: the figure, which was +2.5 per cent in 2004, now stands at -2 per cent, which is the lowest level that that indicator has been at since 2001. There is an issue to do with how, in its budget, the Government should address the fact that it is not meeting one of the performance indicators that are identified on its own website.

I turn to income from non-domestic rates, which Gavin Brown mentioned. I note what the cabinet secretary said about the buoyancy of business rates, but can we be certain that that will continue? If we go into a double-dip recession, if there continue to be considerable problems in the euro zone or if we see increasing unemployment, it will have an effect on businesses and on income from business rates. I hope that the Government will monitor that extremely carefully, because I am not sure that what started to happen two years ago will necessarily continue.

Anne McTaggart made reference to fuel poverty. In addition to the important points that she made, I mention the fact that action on energy efficiency will also help us to meet our climate change targets. That issue was brought to the attention of the Rural Affairs, Climate Change and Environment Committee when I sat on it. The Government may want to look at how unallocated consequentials and income streams such as that from the fossil fuel levy could be invested to accelerate the fuel poverty programme.

A number of members, including Paul Wheelhouse, Margaret McCulloch and Mark McDonald, mentioned preventative spend, towards which—I think—Mark McDonald said that there was a “dramatic” move. I do not think that the provision of £500 million over three years is “dramatic”. Although preventative spend is important, I am slightly surprised that the Finance Committee put so much emphasis on it in a budget report. However, it is an area on which we should keep an eye.

Mary Scanlon mentioned the resource to capital transfer. As has been mentioned, the Infrastructure and Capital Investment Committee had to request the detail of that four times. Eventually, it received a table indicating who would get the money, but I do not think that anyone has yet been told who will lose money. We need to know where the money is coming from as well as where it is going.

I agree with Rob Gibson’s comments on the report on proposals and policies; we did find scrutiny difficult in that regard.

The Equal Opportunities Committee asks other committees to make reports on equal

opportunities. Would it be possible for the Rural Affairs, Climate Change and Environment Committee to request that other committees report on how climate change proposals are being enacted and how we are making progress towards the RPP?

I have four seconds left, so I will sit down.

16:45

John Swinney: This has been a pretty jolly afternoon in Parliament. I never thought that I would live to hear myself say that about a debate on a Finance Committee report on the last day before recess, nor did I ever think that I would contemplate putting a quotation from Mary Scanlon in my next election address. I will, of course, have to edit the quotation, but the bit that I liked was about the “highly competent and charming” cabinet secretary. If Mrs Scanlon finds herself cited to support my re-election in Perthshire North, she should not be surprised. I am sure that it would do me a great deal of good in the area.

Margaret McCulloch made the very important point that there has never in a budget settlement been as much focus on preventative spend at any stage in the past. That is an accurate reflection, which Patrick Harvie rather reinforced by saying that we would all wish that we had started on preventative spending earlier. Of course that is the case, but the major challenge—and achievement—of the budget settlement so far is that, in a very tight financial settlement, when we do not have the significant increases in budgets that we had for most of the first decade of this century, this Government has attached the correct level of priority to ensuring that we undertake the shift to preventative expenditure. I am delighted that the Government has been able to do that effectively in the budget settlement.

I want to address a few of the detailed points that were made. Anne McTaggart made a point about fuel poverty; I agree entirely with her sentiments about the unacceptability of fuel poverty. As she fairly accounted, the budget makes provision for £65 million being allocated to fuel poverty and energy efficiency measures, which is a 35 per cent increase on the initial budget in the current year of £48 million. In a difficult financial climate, the Government is recognising the very challenging circumstances that many individuals face during the winter period. Tackling fuel poverty is therefore being taken forward in a sustained way.

Ken Macintosh: Is the minister claiming credit for reversing a year away from now a cut that he introduced himself?

John Swinney: I am saying that the Government is delivering £65 million, compared to an original proposition of £48 million in this financial year. That demonstrates the scale of resources that we are putting into energy efficiency measures.

That is added to by the dialogue that Mr Neil and I have with the energy companies about activating and encouraging their participation in many schemes. There has been a great deal of debate about the revenue to capital transfer. I point out that the Government supplied information to the Scottish Parliament information centre on 11 October on the issue, which we have followed up with further information. In addition to what is clearly set out in the budget document about the transfer, Mr Neil has written to the Infrastructure and Capital Investment Committee.

I can confirm to Parliament that the resource to capital transfers are internal provisions within the portfolio budget. It is not a case of money being taken from, for example, the enterprise agencies and given to the health budget, which I think was the substance of one of Mr Brown's more fruity front pages in *Scotland on Sunday*. The transfers are all within portfolio, in recognition that because of the pressure on our capital resources we will take resources from our resource budget and transfer them to the capital budget.

Gavin Brown: The cabinet secretary used the word "fruity". Will he explain to members in the chamber how savings from the Forth crossing that go into the Scottish futures fund represent revenue to capital? Surely to goodness that is capital to capital, and not a transfer at all.

John Swinney: In the budget settlement, the Scottish futures fund is funded by transfers from resource to capital. Savings in the capital budget for the Forth replacement crossing allow us to afford other capital projects within the overall budget that has been set out by the Government. The Government is trying to maximise the effectiveness and scale of capital expenditure; I would have thought that maximising of capital expenditure would be welcomed as a contributor to economic growth.

Ken Macintosh: I am delighted that the cabinet secretary has finally produced some information. He will therefore have no difficulty in naming one project—one project only—in the health budget that will lose revenue and become capital.

John Swinney: As the budget settlement makes clear, in the health budget there is a revenue to capital transfer. I cannot say it any more clearly than that. Money in the resource column is being transferred to capital projects. That is happening in the context of a settlement that is giving the territorial health boards real-

terms increases in their budgets. It is passing on the Barnett consequential to the health service, which the Labour Party did not pledge to do in the election campaign.

Ken Macintosh: Will the cabinet secretary take an intervention?

John Swinney: If Mr Macintosh will forgive me, I have to draw my remarks to a close.

There has been a great deal of focus—by Mr Macintosh and others—on the capital issue. The Government's core capital DEL budget is falling—not because of decisions that were made by this Government, but because of decisions that were made by the United Kingdom Government and the resultant Barnett consequential. The Government has to adjust to that. As a consequence, we have put in place the revenue to capital transfer and the NPD programme to ensure that Scotland has a strong and credible capital programme to drive economic recovery in our country. That remains a central part of the Government's budget proposition to the people of Scotland.

16:52

John Mason (Glasgow Shettleston) (SNP): It has been a privilege to serve on the Finance Committee over the months since May, and especially to be the deputy convener. It has been a challenge for all of us to keep up with Kenneth Gibson's work rate—woe betide anyone who does not turn up to the committee on time. Some people think that he has a particularly robust style, but we have to accept that he has kept us on track and that we have got through a huge amount of evidence. We have ended up with a robust report, which members have before them today. The committee has not shirked dealing with the difficult issues that have come from all sides, and it is interesting to note that many of the issues that have been raised this afternoon by all sides are already in the report.

It has been an interesting time—especially because of the huge emphasis that has been placed on preventative spending. Many members mentioned it this afternoon.

Ken Macintosh said that the report had "pulled its punches". As Jamie Hepburn said, that is a bizarre notion when we consider the wording of some of the recommendations. I also slightly question Gavin Brown's assertion that Kenneth Gibson is "statesmanlike". It was an unusual comment, but there we go. I noted that Willie Rennie said that it was a "very thorough" report.

Ken Macintosh: The report contains little about individual departmental budgets. For example, cuts to further education colleges do not get much coverage. In the spirit of not pulling punches,

would Mr Mason comment on whether the committee agrees with the £74 million cut to college budgets?

John Mason: Mr Macintosh and his party's members on the committee failed to explain their alternatives. Because of that, I assume that Labour would cut the budget for universities severely in order to give more to the colleges. We stand to be corrected on that, but it seems that we can make that assumption.

In his opening remarks, the convener made various points about how we face a budget in which revenue is being cut by 12 per cent, and capital by 32 per cent. He also mentioned preventative spending, the need to emphasise leadership, prioritisation, collaborative working and financial challenges. It is encouraging to note that that will inform the committee's programme through to 2016. Mark McDonald gave some good examples of preventative spending.

I was encouraged by many of the cabinet secretary's comments. He said that the committee's report was a "balanced and thorough analysis" and that it "challenges the Government". We welcome the fact that he will write to the committee by January to give a bit more detail.

He repeated the call for the UK Government to stimulate the economy. As Paul Wheelhouse said, there is a huge emphasis throughout both the budget and the committee's report on economic recovery. I find it strange that Margaret McCulloch said that the budget does not emphasise economic recovery. After the initial chapter in the "Scottish Spending Review 2011 and Draft Budget 2012-13" on the strategic context, chapter 2 is entitled, "Accelerating Economic Recovery". That is clearly central to the budget and to all that we are thinking about.

Gavin Brown talked about the outcome report, which is noted in paragraph 76 of the Finance Committee's report.

In relation to John Swinney's comments on preventative spending, we are all enthusiastic about it. The question that the committee has asked is how it will be turned into practice. Patrick Harvie made that point when he said,

"If it can be made to work".

Ken Macintosh accepted that there has been a tight financial settlement and that we have to prioritise jobs, growth and education; I think that we all agree with that. He also mentioned capital spending, which the committee deals with in paragraphs 31 and 32. I felt that at times Mr Macintosh was getting a bit away from what the report says, but that is fair enough.

Ken Macintosh: Will John Mason give way?

John Mason: I have taken an intervention already and I am tight for time.

Gavin Brown mentioned the previous experience of preventative spending. That experience is why there are so many recommendations on it in the report, which focuses on the issue from paragraph 83 through to paragraph 149.

Anne McTaggart talked about fuel poverty and the cabinet secretary also mentioned it.

We must take all the committee reports along with the main budget and the Finance Committee report, because clearly we could not repeat all the statements that are made in the reports, although we agree with many of them.

Some speeches, such as Clare Adamson's, were useful in widening out the issue and showing that even culture, tourism, equalities issues and accident prevention are to do with preventative spending and have long-term benefit.

Rob Gibson made an extremely good speech. He talked about rural affairs, climate change and the environment. We could never spend enough time talking about those issues but, as he said, climate change is certainly a preventative spending exemplar.

Neil Findlay referred to the council tax freeze, in an intervention. My understanding is that many of my constituents and many people throughout Scotland, especially pensioners, welcome it.

I agree with Patrick Harvie's comments that housing and further education must continue to be huge priorities.

I will move on to other subjects that were raised. Non-domestic rates have been a huge issue, which came up in a number of speeches. The projection is that there will be a 13.5 per cent real-terms increase in non-domestic rates by 2014-15. Ken Macintosh asked whether the forecasts are a bit optimistic, Gavin Brown made a similar comment and Elaine Murray asked, "can we be certain"? Frankly, there is nothing in the future of which we can be completely certain, but we need to challenge all those things. The committee says that in its report, particularly in paragraphs 44 and 45, which emphasise that the Scottish Government should come back to the Finance Committee on those issues.

I do not have time to touch on the challenge function. Capital spending has been mentioned a fair bit in the debate and the committee makes strong recommendations on the issue in paragraphs 162 and 163.

Chic Brodie talked about the importance of assets and their maintenance. That valid point was also made by Mary Scanlon, not least in relation to

information and communications technology, although I think that the big problems with ICT have been south of the border, rather than in Scotland.

The committee welcomes the fact that there will be no compulsory redundancies and hopes that there could be pay increases in the public sector in the future.

In many ways preventative spending has been the theme of the debate. I would love to spend more time on it, but clearly I cannot. I therefore conclude by commending the Finance Committee report to Parliament. May I wish you, Presiding Officer, and all colleagues a very happy Christmas.

Parliamentary Bureau Motion

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of a Parliamentary Bureau motion. I ask Bruce Crawford to move motion S4M-01646, on committee membership.

Motion moved,

That the Parliament agrees that—

John Park be appointed to replace Anne McTaggart as a member of the Economy, Energy and Tourism Committee;

Neil Bibby be appointed to replace Claire Baker and Neil Findlay be appointed to replace Jenny Marra as members of the Education and Culture Committee;

Mary Fee be appointed to replace Claudia Beamish as a member of the Equal Opportunities Committee;

Elaine Murray be appointed to replace Margaret McCulloch and Michael McMahon be appointed to replace John Pentland as members of the Finance Committee;

Drew Smith be appointed to replace Mary Fee as a member of the Health and Sport Committee;

Margaret McCulloch be appointed to replace Neil Findlay as a member of the Infrastructure and Capital Investment Committee;

Jenny Marra be appointed to replace James Kelly as a member of the Justice Committee;

Anne McTaggart be appointed to replace Kezia Dugdale and John Pentland be appointed to replace Mark Griffin as members of the Local Government and Regeneration Committee;

Iain Gray be appointed to replace Hugh Henry and Mark Griffin be appointed to replace Drew Smith as members of the Public Audit Committee;

Anne McTaggart be appointed to replace Neil Bibby as a member of the Public Petitions Committee;

Claudia Beamish be appointed to replace Jenny Marra and Margaret McDougall be appointed to replace Elaine Murray as members of the Rural Affairs, Climate Change and Environment Committee;

Margaret McCulloch be appointed to replace Margaret McDougall as a member of the Standards, Procedures and Public Appointments Committee; and

Michael McMahon be appointed to replace Kezia Dugdale and John Pentland be appointed to replace Drew Smith as members of the Subordinate Legislation Committee.—[Bruce Crawford.]

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

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are six questions to be put as a result of today's business. I remind members that in relation to the debate on the Welfare Reform Bill, which is United Kingdom legislation, if the amendment in the name of Jackson Carlaw is agreed, the amendment in the name of Liam McArthur will fall.

The first question is, that amendment S4M-01638.3, in the name of Jackie Baillie, which seeks to amend motion S4M-01638, in the name of Nicola Sturgeon, on the Welfare Reform Bill, which is UK legislation, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S4M-01638.1, in the name of Jackson Carlaw, which seeks to amend motion S4M-01638, in the name of Nicola Sturgeon, on the Welfare Reform Bill, which is UK legislation, as amended, 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)
 McArthur, Liam (Orkney Islands) (LD)
 McGrigor, Jamie (Highlands and Islands) (Con)
 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)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 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)
 Fergusson, 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)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (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, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 18, Against 99, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-01638.2, in the name of Liam McArthur, which seeks to amend motion S4M-01638, in the name of Nicola Sturgeon, on the Welfare Reform Bill, which is UK legislation, as amended, 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)
 McArthur, Liam (Orkney Islands) (LD)
 McGrigor, Jamie (Highlands and Islands) (Con)
 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)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 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)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (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, Kevin (Aberdeen Central) (SNP)

Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 18, Against 100, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-01638, in the name of Nicola Sturgeon, on the Welfare Reform Bill, which is UK legislation, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, Brian (Aberdeen Donside) (SNP)
 Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 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)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)

Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
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 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
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 McNeil, Duncan (Greenock and Inverclyde) (Lab)
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 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (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, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Walker, Bill (Dunfermline) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

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)
 McArthur, Liam (Orkney Islands) (LD)

McGrigor, Jamie (Highlands and Islands) (Con)
 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 100, Against 18, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament supports the principle of a welfare system that is simpler, makes work pay and lifts people out of poverty but regrets that this principle, insofar as it is reflected by the introduction of universal credit and personal independence payments, is being undermined by the UK Government's deep and damaging cuts to benefits and services that will impact on some of the most vulnerable people in Scotland; on the matter of legislative consent, agrees that the relevant provisions of the Welfare Reform Bill, introduced in the House of Commons on 16 February 2011, in respect of data sharing, Industrial Injuries Disablement Benefit and the Social Mobility and Child Poverty Commission, so far as these matters fall within the legislative competence of the Parliament, or alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament; further agrees that the provisions in the Bill that give the Scottish Ministers the power to make consequential, supplementary, incidental or transitional provisions, by regulations, in relation to the introduction of universal credit and personal independence payments, so far as these matters fall within the legislative competence of the Parliament, or alter the executive competence of the Scottish Ministers, should not be considered by the UK Parliament but that the necessary provision should be made instead by an Act of the Scottish Parliament; also agrees that an ad-hoc welfare committee should be convened with a remit to consider the implementation of the Welfare Reform Bill insofar as it affects people in Scotland, in particular the impact on passported benefits and, where benefits are devolved, the principles and operation of these, complementing the work of other relevant committees in the Scottish Parliament, UK Parliament and devolved assemblies across the UK and that this committee should continue to meet for the duration of the current parliamentary session; while agreeing the above position, urges the UK Government to reconsider the Welfare Reform Bill and, more broadly, its welfare reform agenda, which the Parliament considers will adversely affect vulnerable people across Scotland.

The Presiding Officer: The next question is, that motion S4M-01561, in the name of Kenneth Gibson, on the Finance Committee's report on the Scottish spending review 2011 and draft budget 2012-13, be agreed to.

Motion agreed to,

That the Parliament notes the 3rd Report 2011 (Session 4) of the Finance Committee on the Scottish Spending Review 2011 and Draft Budget 2012-13 (SP Paper 48) including its recommendations to the Scottish Government.

The Presiding Officer: The final question is, that motion S4M-01646, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees that—

John Park be appointed to replace Anne McTaggart as a member of the Economy, Energy and Tourism Committee;

Neil Bibby be appointed to replace Claire Baker and Neil Findlay be appointed to replace Jenny Marra as members of the Education and Culture Committee;

Mary Fee be appointed to replace Claudia Beamish as a member of the Equal Opportunities Committee;

Elaine Murray be appointed to replace Margaret McCulloch and Michael McMahon be appointed to replace John Pentland as members of the Finance Committee;

Drew Smith be appointed to replace Mary Fee as a member of the Health and Sport Committee;

Margaret McCulloch be appointed to replace Neil Findlay as a member of the Infrastructure and Capital Investment Committee;

Jenny Marra be appointed to replace James Kelly as a member of the Justice Committee;

Anne McTaggart be appointed to replace Kezia Dugdale and John Pentland be appointed to replace Mark Griffin as members of the Local Government and Regeneration Committee;

Iain Gray be appointed to replace Hugh Henry and Mark Griffin be appointed to replace Drew Smith as members of the Public Audit Committee;

Anne McTaggart be appointed to replace Neil Bibby as a member of the Public Petitions Committee;

Claudia Beamish be appointed to replace Jenny Marra and Margaret McDougall be appointed to replace Elaine Murray as members of the Rural Affairs, Climate Change and Environment Committee;

Margaret McCulloch be appointed to replace Margaret McDougall as a member of the Standards, Procedures and Public Appointments Committee; and

Michael McMahon be appointed to replace Kezia Dugdale and John Pentland be appointed to replace Drew Smith as members of the Subordinate Legislation Committee.

The Presiding Officer: May I take this opportunity to wish all members a happy and peaceful Christmas and new year. I look forward to seeing you again in January.

Meeting closed at 17:05.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

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