



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Wednesday 30 January 2013

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# Scottish Parliament

Wednesday 30 January 2013

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

## Portfolio Question Time

### Rural Affairs and the Environment

#### Rural Poverty

**1. Mary Fee (West Scotland) (Lab):** To ask the Scottish Government what steps the Cabinet Secretary for Rural Affairs and the Environment is taking to tackle rural poverty. (S4O-01739)

**The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead):** Poverty is an issue that the Government is committed to tackling. It is affected by a range of factors, including employment, health, housing and access to central services. As Mary Fee will appreciate, action on those issues is the responsibility of all my Cabinet colleagues, but we have taken many steps within my portfolio to increase economic growth, to provide skills training, to safeguard jobs and to provide key services, particularly through the LEADER funding stream, and through the Scottish rural development programme.

**Mary Fee:** A few weeks ago, the Poverty Alliance launched its report into rural poverty and its impact on lone parents. Can the cabinet secretary inform Parliament what measures he has taken to improve the welfare of lone parents in rural communities, who are more at risk of extreme poverty as a result of welfare reform?

**Richard Lochhead:** I commend the authors for their very important report. The challenges that face lone parents, particularly in the current economic climate and given the welfare reforms that are impacting on them, are very great, so I welcome Mary Fee's raising the issue.

A number of projects to assist lone parents throughout rural Scotland are supported through LEADER funding, and we are always looking for ways to do that. As Mary Fee also highlighted, welfare reform is presenting huge challenges for lone parents, who might face additional challenges because of their rural location and isolation. The Tory-Lib Dem welfare cuts will have a significant and detrimental impact on vulnerable groups and individuals throughout Scotland, and will do nothing to tackle child poverty or to help lone parents.

#### Agricultural Support (Direct Payments)

**2. Graeme Dey (Angus South) (SNP):** To ask the Scottish Government what its position is on direct payments being made to farmers.

**The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead):** Scottish farmers receive around €600 million a year in direct payments through the common agricultural policy, which includes €29 million in coupled payments through the Scottish beef scheme. The Scottish Government supports the need for those direct payments, which are vital for Scotland's farmers, particularly those in less favoured areas, and we will continue to urge the United Kingdom Government to recognise Scotland's distinct agricultural needs and to support our position in continuing reform of the CAP.

**Graeme Dey:** The UK environment secretary, Owen Paterson, made it clear to the Oxford farming conference earlier this month that he aspires to see an end to pillar 1 support for farmers, with decisions on food production being left to the market. That could have devastating consequences for Scottish agriculture. Does the cabinet secretary agree that Mr Paterson's concerning comments are further evidence that the future of Scottish farming can be secured only through independence?

**Richard Lochhead:** Yes. On many issues there are many hectares between the position that is adopted by Owen Paterson and that adopted by me regarding the future direction of agricultural support. As I said at the time, when he spoke at the Oxford farming conference—when, once again, he called for direct support for Scottish food producers to be phased out as soon as possible—he was perhaps speaking to farmers who live in the rolling acres of Anglia, but he was certainly not speaking to Scottish farmers, given the fact that we rely on that kind of support and given the additional challenges that farmers here, particularly those in the uplands, face. Thankfully, many other countries in Europe recognise that there is a case for continuing direct support.

I noted that Sir Jim Paice, the former Conservative UK Government farming minister, said only in the past few days that the position of phasing out direct payments so quickly is utterly "ludicrous", and that the rhetoric from his successor, Owen Paterson, appears to be taking us back to the position that was adopted by previous Governments—with that utterly ludicrous aim of removing farming payments.

**Alex Fergusson (Galloway and West Dumfries) (Con):** No matter what the future holds—let us face it: we have heard all that before—the fact is that, under the reform proposals, basic payments are likely to be capped

at €300,000, with banded reductions within that. Does the cabinet secretary share my slight concerns on how that might impact on employment at some of Scotland's larger farms? I understand that there might be a provision for the reductions to be reduced if they were to have an impact on employment. Does the cabinet secretary share that view? Will he make representations to the UK Government to ensure that it, too, shares that view?

**Richard Lochhead:** Alex Fergusson is right that there is a proposal to cap farming payments across Europe. My position is that we should not waste negotiating capital opposing that. On the other hand, we want to ensure that it can be implemented on the ground and that it is not so full of loopholes that businesses just create new businesses to get round the cap.

We support the suggestion that the cap should also take into account employment levels; that makes sense. I assure the member that we have made that point to the UK Government in the past.

### Scotch Lamb

**3. Gil Paterson (Clydebank and Milngavie) (SNP):** To ask the Scottish Government what action it is taking to encourage supermarkets to stock quality Scotch lamb. (S4O-01741)

**The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead):** In my meetings with the major retailers, I take every opportunity to highlight the fantastic Scottish products on offer, including our high-quality Scotch lamb. It is clearly important that supermarkets support our sheep producers, particularly against a backdrop of lower farm-gate prices. As a consequence of the current market conditions, I met the National Sheep Association Scotland on 23 January to discuss the short and long-term difficulties that face the sheep industry, and I hope to make an announcement shortly on possible support for the sector.

**Gil Paterson:** As the cabinet secretary is well aware, the Scotch lamb label is a protected geographical indication that represents superior character, 100 per cent traceability and a quality guarantee of stricter production methods and controls required by law. What steps can the cabinet secretary take to highlight that important and impressive status for our lamb to food retailers, especially supermarkets at home and abroad?

**Richard Lochhead:** Gil Paterson rightly highlights that Scotch lamb benefits from traceability and quality, which I believe are criteria that consumers are looking for. I therefore hope that every retailer would ensure that consumers have the opportunity to buy that lamb from the

shelves in Scottish supermarkets. Clearly, that happens in some supermarkets, but not in all. We want all retailers to get behind our sheep sector, given some of the current challenges. We are also working with the industry to look at new export opportunities. It is clear that there is untapped potential in overseas markets, so we want to make the most of that opportunity as well.

**Alison Johnstone (Lothian) (Green):** The lack of local abattoirs is a major barrier to all small or large retailers that stock Scottish lamb with high welfare standards. How will a new food body for Scotland support more local slaughterhouses to be viable local enterprises, thereby reversing the trend towards mega-abattoirs and the detriment that they cause to small-scale producers and retailers, and to animal welfare?

**Richard Lochhead:** I know that Alison Johnstone and other members have a long-term interest in small abattoirs, particularly those in our more rural areas. We have supported new abattoirs in rural areas through some of our existing funding streams, but some of the challenges that face others are, of course, commercial challenges: if they are not making a profit, that is why they close down, unfortunately.

On a future food body, I am not quite sure to what Alison Johnstone was referring. However, the role of the Food Standards Agency is under review at the moment. The FSA has a big role to play in regulating smaller abattoirs. We have certainly discussed with it in the past whether there is any way of alleviating the costs of regulation.

### LED Lighting (Environmental Benefits)

**4. Linda Fabiani (East Kilbride) (SNP):** To ask the Scottish Government what the environmental benefits are of using LED lighting in commercial applications. (S4O-01742)

**The Minister for Environment and Climate Change (Paul Wheelhouse):** There are a number of commercial applications for LED lighting—for example, street lighting and lighting in offices. The environmental benefits of using LED lighting include reducing energy use and a subsequent reduction in CO<sub>2</sub> emissions. For instance, replacing 1,000 typical halogen reflectors with energy-efficient LED alternatives will actually save 14 tonnes of carbon dioxide per year. For every 200 bulbs, that is equivalent to taking a car off the road for a year. A substantial component of local authority electricity consumption is the requirement for street lighting, and work by the Scottish Futures Trust indicates that if all street lanterns were converted to LED, it could save local authorities the equivalent of £28 million per annum through electricity bills.

**Linda Fabiani:** Does the minister agree that we need to place much more emphasis on reducing the amount of energy that is required and consumed, rather than on the constant production of energy? Does he agree that it is important to investigate ways of encouraging potentially high-volume users such as hospitals and schools to take advantage of LED technology?

**Paul Wheelhouse:** I agree with that sentiment. It is clearly important to think about how we produce our electricity, which the Government is doing, but it is equally important to think about how we can improve energy efficiency.

On the point about high-volume users, the Scottish Futures Trust is working with East Dunbartonshire Council and West Dunbartonshire Council to prepare street lighting energy efficiency outline business cases, with the hope that they can subsequently lead to investment in LED lighting.

### **Agriculture (Costs)**

**5. Bruce Crawford (Stirling) (SNP):** To ask the Scottish Government what recent discussions it has had with farmers' representatives regarding the impact of high costs of fuel and animal feed on the farming sector. (S4O-01743)

**The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead):** I meet regularly with farmers, and the impact of high input costs such as fuel and animal feed is raised frequently, so I am very aware of the consequences for agriculture in Scotland. Although commodity prices are set by international markets and are, therefore, beyond our control, the Scottish Government supports the industry in a variety of ways to help farmers to manage those costs as well as possible.

Those and other challenges are why I was determined to get single farm payments to farmers and crofters as promptly as possible. On the first possible day, 70 per cent were paid, and we have now paid 98 per cent of recipients, thereby putting £437 million into the rural economy.

**Bruce Crawford:** Does the cabinet secretary agree that, at a time when the economy is teetering on the brink of a triple-dip recession, and farmers in the agricultural sector are facing huge challenges, it would be wrong-headed of the United Kingdom Government to consider increasing the level of fuel duty? Does he also agree that having a fuel duty regulator would be a simple and effective method of ensuring that prices remain stable, and would help to give farmers and the agriculture sector confidence about the stability of future fuel prices?

**Richard Lochhead:** Bruce Crawford makes an important point about the impact of rising fuel

costs on agriculture and other rural industries. At a time when households and businesses are facing rising fuel costs, further increases in fuel duty would clearly be the wrong approach. They would not only directly affect the farming businesses in terms of how much they pay for fuel, but their supplies and raw materials would increase in price as well, due to additional transport costs.

As Bruce Crawford said, a fuel duty regulator would help to address the issue by automatically reducing duty in response to rising oil prices. We have repeatedly called on the United Kingdom Government to adopt such an approach, and its continued inaction simply highlights the need for Scotland to secure the powers to address the issue directly.

**Claudia Beamish (South Scotland) (Lab):** What additional advice and financial support is the Scottish Government providing to farmers in view of the recent severe weather, particularly with regard to field drainage, which must be tackled in a sustainable way, within guidelines? The weather has particularly impacted on Clyde and Forth valley NFU Scotland members in my region, as well as farmers elsewhere.

**Richard Lochhead:** The recent extreme weather had an impact on agriculture across Scotland, including in Claudia Beamish's region. I have had a number of conversations with farming organisations about that, and drainage has been raised with me several times. Given that addressing the issue could cost hundreds of millions of pounds, there is no easy financial solution to helping to improve drainage in our farms. However, we are thinking about how the next Scottish rural development plan could take into account the need to improve drainage on our farmland. Of course, the Scottish Environment Protection Agency has also spoken to farmers to find out how it can be of more assistance in terms of regulation.

**Alex Fergusson (Galloway and West Dumfries) (Con):** The minister will be aware of a recent initiative by Tesco to increase the amount that is paid to its suppliers for beef and pork. Does he accept that the major retailers, as well as Government, have a large part to play in ensuring that farmers get a fair price for what they produce?

**Richard Lochhead:** At a time of cut-throat competition between retailers who want to increase their profits and perhaps squeeze suppliers' margins, retailers should recognise that they have a responsibility to protect food security in Scotland and ensure that all our suppliers get a decent return. That is something that I and many other members constantly raise with retailers in Scotland. We should keep raising it. I am sure that consumers are on our side in the argument.

### **Squirrel Pox (South of Scotland)**

**6. Elaine Murray (Dumfriesshire) (Lab):** To ask the Scottish Government what steps it is taking to prevent the spread of squirrel pox in Dumfriesshire and the south of Scotland. (S4O-01744)

**The Minister for Environment and Climate Change (Paul Wheelhouse):** We are working with a range of partners to carry out grey squirrel control to isolate squirrel pox virus outbreak zones and establish pox containment around those areas in the south of Scotland.

The squirrel pox surveillance programme tests diseased red squirrel specimens for signs of squirrel pox virus and other pathogens and undertakes antibody and tissue tests in grey squirrels to detect and map exposure to the virus. The programme is supported by Scottish Natural Heritage and Forestry Commission Scotland. SNH is contributing £350,000 to the project between 2012 and 2014. It has also contributed to funding for the development of a squirrel pox vaccine by the Moredun Research Institute. However, it is likely that that project is some years from producing a usable vaccine.

**Elaine Murray:** I support the policy of red squirrel reserves. However, as we know, it takes the intrusion of only one grey squirrel carrying squirrel pox into a red squirrel area for the disease to spread even before the grey squirrel is culled.

I am pleased to note that the minister is aware of the Moredun Research Institute vaccination programme. I understand that the funding has dried up because the charity that funds the programme does not have the funds to keep it going. What discussions have the minister and his officials had about helping that programme to continue for the time being?

**Paul Wheelhouse:** Elaine Murray is quite right. The Moredun Research Institute received three years' funding from the Wildlife Ark Trust and SNH to develop a vaccine to protect red squirrels from the squirrel pox virus.

The institute has costed the next phase of further exploring attenuation and dosage at approximately £160,000. It is likely that the cost of developing and trialling a vaccine for use in the field would be a further £500,000 and that it would take five to 10 years. The trials will also require wild-caught red squirrels.

The Scottish Government and SNH have not yet been approached for funding for the next phase of the trial.

**Joan McAlpine (South Scotland) (SNP):** I draw the minister's attention to another Dumfriesshire issue, which was raised in the *Eskdale & Liddesdale Advertiser* this week: the

frightening rise in liver fluke cases in livestock due to the recent spate of wet summers. What is being done to address that?

**The Deputy Presiding Officer (John Scott):** Minister, I am not certain that that question is relevant, but you may nonetheless choose to answer it.

**Paul Wheelhouse:** I will attempt to answer it, Presiding Officer.

Recent press reports are the result of increased publicity by the SRUC—Scotland's rural college. In the light of a dramatic increase in diagnosis, rising from 57 cases between October and December 2011 to more than 200 in the same period in 2012, the SRUC has highlighted the need for accurate diagnosis and treatment.

Vets from SAC Consulting, a division of the SRUC, suspect that that could be just the tip of the iceberg. Their press release has received widespread coverage in farming and other press and should help to raise awareness in the farming community.

**The Deputy Presiding Officer:** That is remarkably well briefed for a question on squirrel pox.

### **Wildlife and Countryside Act 1981 (Review)**

**7. Gordon MacDonald (Edinburgh Pentlands) (SNP):** To ask the Scottish Government whether it plans to review the impact of the Wildlife and Countryside Act 1981. (S4O-01745)

**The Minister for Environment and Climate Change (Paul Wheelhouse):** The Scottish Government has no plans to review the impact of the Wildlife and Countryside Act 1981.

**Gordon MacDonald:** The Pentland hills regional park celebrated its 25th anniversary last year. However, in recent years, it has experienced a reduction in funding and the ranger staff have been absorbed into the local authority parks department. In light of those changes, does the Government have any plans to protect regional parks by giving them a similar status to national parks?

**Paul Wheelhouse:** I am aware that the Pentland hills regional park is an important area of countryside in a regional context and provides opportunities for outdoor recreation alongside farming and other land uses. Our national parks, on the other hand, are designated as areas of the highest national value for their landscape, wildlife and cultural heritage and the national park authorities are accountable to the Scottish ministers.

Scotland's three regional parks and two national parks all have an important role to play in



encouraging people to enjoy the outdoors in the year of natural Scotland. However, the Government has no plans to redesignate regional parks as national parks.

**Claire Baker (Mid Scotland and Fife) (Lab):** The Wildlife and Countryside Act 1981 is enforced by wildlife crime officers throughout Scotland. The minister will be aware that there are some concerns about their future. Will he assure the Parliament that the police service of Scotland will protect and develop the important work that the wildlife crime officers carry out?

**Paul Wheelhouse:** I am happy to tell Claire Baker that we have a strong commitment to the continuing work of the wildlife crime unit. Indeed, I welcome the decision by the United Kingdom minister to continue funding for the foreseeable future. That gives a good basis for the unit to continue its important work in the countryside.

## Justice and the Law Officers

### Metal Theft

**1. George Adam (Paisley) (SNP):** To ask the Scottish Government what it is doing to tackle metal theft. (S4O-01749)

**The Lord Advocate (Frank Mulholland):** Tackling metal theft is a priority for the Crown Office and Procurator Fiscal Service and for the Scottish Government. The range of action by the Scottish Government includes plans to tighten regulation of scrap metal dealers by raising the level of turnover for exemption from the licensing scheme to £1 million from 20 February. There are also proposals to prohibit the payment of cash for metal, to remove access to ready cash for criminals.

Those measures are complemented by a robust prosecution policy, which the Solicitor General for Scotland announced last year. The combination of the work of prosecutors and the police and Scottish Government policies should send a clear message that involvement in metal theft at any level will not be tolerated.

**George Adam:** There has been a recent spate of lead thefts from the roof of one of Paisley's most historic buildings—the Thomas Coats memorial church. Along with other stakeholders, I have been working towards securing that church's future. However, the thefts have proven to be a major setback. Does the Lord Advocate agree that those who are responsible for those thefts need to be prosecuted with the full force of the law?

**The Lord Advocate:** Obviously, I cannot comment on the case that Mr Adam mentioned, as proceedings are live. However, I can say that I agree that metal theft is a problem that the law

must tackle robustly. That is why a robust prosecution policy has been developed for metal theft. The policy takes account of a theft's economic, social, emotional and cultural effect. It has regard to whether the offender has links to serious and organised crime—if so, the libelling of the charge will reflect that. Consideration is also given to using proceeds of crime legislation in every case.

A good example of a successful prosecution in which the metal's economic value was far exceeded by the economic damage that the theft caused comes from an Ayrshire case in which a man was convicted of metal theft. He was sentenced to imprisonment for the theft of 150 yards of BT cable, which was worth about £1,000. The cable was from a live exchange and the theft put out the phones—and emergency numbers—in the area for three days. That cost about £220,000 to fix.

The police have also made metal theft a priority. Mr Adam will recollect the Association of Chief Police Officers in Scotland's cut out metal theft campaign, which I—and, I am sure, members—support.

**Graeme Pearson (South Scotland) (Lab):** Will the Lord Advocate rehearse the extent of the ban that will apply to cash payments for metal? He might be aware that I lodged a motion in March last year that invited ministers to take steps to proscribe cash payments for the sale of even small amounts of metal and to ensure that payments were from credit or bank accounts.

**The Lord Advocate:** I understand that the arrangements are due to come into force in the near future. I agree with the member that preventing access to ready cash is a worthy aim. As he knows, the market is exploited by criminals, including serious and organised criminals. It is important to know the source of money and where it is going. The ban will assist law enforcement in dealing with the scourge of metal theft in this country.

### Edinburgh Agreement (Legal Validity)

**2. Anne McTaggart (Glasgow) (Lab):** To ask the Scottish Government what the Lord Advocate's position is on the legal validity of the agreement between the United Kingdom and Scottish Governments on an independence referendum. (S4O-01750)

**The Lord Advocate (Frank Mulholland):** As the member will be aware, there is a long-standing convention that the Government does not disclose whether the law officers have or have not advised on any particular matter. The content of any such legal advice would also be confidential. That

convention is recognised in paragraph 2.35 of the Scottish ministerial code.

**Anne McTaggart:** In response to a question from my colleague Mark Griffin MSP, the Lord Advocate said:

“the Edinburgh agreement, in laying out an agreed route to independence, provided the basis upon which specific legal advice could be sought.”—[*Official Report*, 7 November 2012; c 13131.]

However, the Lord Advocate will be aware that the Advocate General for Scotland said in a written answer that was published this morning that

“The agreement signed by both the UK and Scottish Governments on 15 October 2012 is a non-statutory statement of the agreement reached between the two Governments ... It has no relevance to matters beyond the process for holding a referendum”.—[*Official Report*, *House of Lords*, 29 January 2013; Vol 742, c WA323-4.]

In light of that, does the Lord Advocate fully stand by his previous statements that the agreement itself provided a legitimate trigger to release, or authorise the release of, legal advice on European Union membership?

**The Lord Advocate:** I have not read the Advocate General's statement that Anne McTaggart advises was issued this morning. However, I stand by what I said to this chamber on the date that the member referred to.

It is a long-standing convention—applied by the UK Government, the Scottish Government, and Governments in Commonwealth countries—that we do not disclose whether legal advice has been given by or sought from law officers. There are a number of reasons for that convention. It is important that a Government is able to consult its most senior legal advisers without fear that either the advice itself or the fact that the advice was requested—or not—will be disclosed. It allows advice to be given frankly, precisely because it is private. Disclosure of the occasions when advice has or has not been sought from law officers would have the effect of disclosing various matters that the Government judges to have a particularly high political priority or that are ascertained to be of particular legal difficulty or controversy.

It is not for me to discuss or even confirm whether legal advice has been given, or even whether discussions have taken place between UK and Scottish Government law officers. I have noted what Anne McTaggart said about the Advocate General's comments—that is a matter for the Advocate General. I have articulated my position on the matter and I fully intend to stand by the law officers' convention and the ministerial code.

## Court Closures (Impact on Island Communities)

**3. Mike MacKenzie (Highlands and Islands) (SNP):** To ask the Scottish Government what consideration has been given to the impact that potential court closures may have on island communities in relation to travel. (S4O-01751)

**The Cabinet Secretary for Justice (Kenny MacAskill):** The Scottish Court Service continues to give careful consideration to issues of access to justice. Its consultation paper lays out a series of principles on access to justice that have shaped the proposals that have been put forward. As the consultation paper sets out, island courts would remain in Lerwick, Kirkwall, Stornoway, Lochmaddy and Portree.

**Mike MacKenzie:** Does the cabinet secretary agree with me that there is also scope for greater consideration of travelling times and difficulties when scheduling court cases, especially cases that involve travel to and from islands? Does he agree that such consideration of scheduling could also lead to efficiencies in the court system?

**Kenny MacAskill:** Absolutely. The member makes an important point—if there is to be any diminution in the number of courts, those are factors to consider. However, they are factors that have always been considered by the Court Service. I remember many years ago, as a practising defence agent, being involved in a trial in Lochmaddy where the scheduling of the cases depended on which ferry was coming from Eriskay or Barra—or indeed which plane was being taken by whom—at which time. Those factors have always been taken on board—in particular in island communities, but also in other communities where bus timetabling has been a factor. I assure the member that such factors and criteria will continue to be considered by the Court Service.

**Lewis Macdonald (North East Scotland) (Lab):** Can the cabinet secretary tell us when we will be told about responses to proposals for court closures in the islands and elsewhere and when he intends to make a decision on whether to bring forward a measure to close Scottish courts?

**Kenny MacAskill:** As the member knows, it is the Scottish Court Service that carried out the consultation, which is now closed. I have no doubt that the Lord President will be considering matters with the chief executive and others who are involved, and it will be for him to decide where he wishes to take that consultation. If the Lord President wishes to take it further, he will doubtless be in communication with me and I will notify the Parliament about that.

### Police Officers (Numbers)

**4. Annabel Goldie (West Scotland) (Con):** To ask the Scottish Government what its position is on the adequacy of the number of police officers carrying out duties in communities. (S4O-01752)

**The Cabinet Secretary for Justice (Kenny MacAskill):** We currently have a record number of police officers in Scotland, which has contributed to safer and stronger communities, with recorded crime at a 37-year low.

Following police reform, each local authority area will have a designated local police commander, who will work more closely than ever before with locally elected councillors and community planning partnerships to shape local services and prioritise local needs.

**Annabel Goldie:** In 2008, my party forced the Scottish National Party Government to commit to 1,000 extra police officers. However, I have been informed in a response to a freedom of information request that the total number of officers at their desks on restricted duties has risen from 560 in 2006 to 1,412 in 2011. As that will clearly have a dramatic impact on the number of police officers in our communities, what is the cabinet secretary going to do to restore that number?

**Kenny MacAskill:** These are fundamentally matters for the chief constable, who is held to account by the Scottish Police Authority. I can say, however, that police officers can be on restricted duties for a variety of reasons, such as pregnancy. Given the increase in the number of female officers, that factor has to be taken into consideration. Equally, officers who have suffered injuries—*[Interruption.]* That might be a matter of some light-heartedness to Jenny Marra but, tragically, far too many officers suffer injuries in the course of their duties and have to be protected. These issues are discussed by management, unions, the Scottish Police Federation, the Association of Scottish Police Superintendents—which I mentioned earlier—and indeed the chief constable, who has ultimate responsibility.

### Police Service of Scotland (Backroom Functions)

**5. Dave Thompson (Skye, Lochaber and Badenoch) (SNP):** To ask the Scottish Government what progress is being made by the police service of Scotland to configure its backroom functions. (S4O-01753)

**The Cabinet Secretary for Justice (Kenny MacAskill):** At the Scottish Police Authority meeting on Friday 18 January, the SPA and the police service of Scotland reached agreement on the high-level design principles for eight key corporate services. Joint work between the SPA

and the police service is now taking place to implement that agreement, and proposals for the remaining services are expected to be presented to the next SPA board meeting in February.

**Dave Thompson:** Despite some rationalisation of backroom functions, many support jobs will be available in the new Scottish police force and I am pleased to hear that progress is being made in that respect. I know that the cabinet secretary agrees that the whole of Scotland must benefit from these jobs, and I want to ensure that the Highlands get their fair share. Given that, does the cabinet secretary agree that some Scotland-wide support functions that are not location dependent must be established in the Highlands on the basis of equity and inclusivity?

**Kenny MacAskill:** I know that the member is concerned about this issue and has been raising it for some time now. I should point out that the vast majority of support staff will see no immediate change to their place of work on 1 April and that decisions thereafter will be a matter for the Scottish Police Authority and the police service of Scotland. I believe that progress is being made in those discussions and that the chair and the other members of the SPA acknowledge that the whole of Scotland must be recognised—after all, we are talking about the police service of Scotland. If it is of any interest, I note that, as I said in response to an earlier question, I have just come from a meeting with the Association of Scottish Police Superintendents which, it would be fair to say, has a great deal of sympathy with the member's point.

**Jenny Marra (North East Scotland) (Lab):** Can the cabinet secretary give us any indication of the current cost of the reform process? When, in a recent written parliamentary question, I asked him

“how many staff from each police force have been assigned to work in the single service reform team units”,—*[Official Report, Written Answers, 18 January 2013; S4W-12361.]*

I was told:

“The Scottish Government does not hold the requested information.”

Moreover, when I asked

“what the salary cost has been of the time allocated by each police force to the single service reform team units”,—*[Official Report, Written Answers, 18 January 2013; S4W-12365.]*

the response was:

“The Scottish Government does not hold the requested information.”

Can the cabinet secretary give us any information, please, on the costs of the reform process?

**Kenny MacAskill:** Labour members sometimes seem to forget that they supported the establishment of a single police service of Scotland; indeed, Jenny Marra seems to spend all

her time criticising these moves. The police service and the SPA have to face hard challenges and take hard decisions, but the single service will bring great benefits, win savings and, most important, avoid the situation that is playing out south of the border, where almost as many officers as serve in Scotland will be lost and where the terms and conditions of those who serve are under attack. Even today, further proposals have been made that attack the terms and conditions of those who serve.

### Sentencing

**6. Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** To ask the Scottish Government what its priorities are for sentencing policy. (S4O-01754)

**The Cabinet Secretary for Justice (Kenny MacAskill):** At the heart of our approach is the commitment to maintain the independence of Scotland's judiciary in reaching sentencing decisions relevant to each case. Indeed, that independence is fundamental to guaranteeing fair trials.

Alongside judicial independence, we will continue to keep sentencing policy under review and bring forward proposals to Parliament, as appropriate, to strengthen and clarify the legislative framework within which individual sentencing decisions are taken. We are also discussing with the Lord President arrangements for establishing, before the end of this Parliament, a Scottish sentencing council.

**Adam Ingram:** Can the cabinet secretary tell me whether the sentencing council will review sentencing practices, which to ordinary citizens do not accord with the proposition that the punishment should fit the crime? For example, a recent spate of housebreakings in Girvan resulted in two perpetrators being caught, tried in Ayr sheriff court and sentenced to just six months and nine months respectively. Under early release provisions, these men will be back on the streets in half that time. As the cabinet secretary will appreciate, local people feel badly let down by a system that deals so lightly with criminals who have violated their homes.

**Kenny MacAskill:** First, let me say that the member makes a vital point. Housebreaking is an extremely serious offence and is viewed that way by the police, the prosecution service and the judiciary. Housebreaking violates trust and can cause great trauma, as I know from speaking to those involved in Victim Support Scotland, the Procurator Fiscal Service and the police service, who are aware of the significant difficulties and knock-on effects that can last for many years. That is taken very seriously.

Equally, we have to remember that sentencing is ultimately a matter for the judiciary. Having met the Lord President just on Friday past, I think that the judiciary take these matters on board. The steps being taken on judicial training are progressing: the new judicial studies complex up at Parliament house will be of great benefit in ensuring that we can provide information to sentencers so that they can understand the consequences and effects. As I say, that will be of benefit.

I think that I can give the member an assurance that the sentencing council will deal with not so much the individual aspects but the whole nature and gamut of the effects that crime can have on individuals and entire communities, which I think is the valid point being made by the member.

### Local Police Commanders (North-east Scotland)

**7. Maureen Watt (Aberdeen South and North Kincardine) (SNP):** To ask the Scottish Government what discussions it has had, or will have, with the new local police commanders for Aberdeen, Aberdeenshire and Moray. (S4O-01755)

**The Cabinet Secretary for Justice (Kenny MacAskill):** We are working very closely with all the new local commanders as we support them and their partners to trial new local scrutiny and engagement arrangements before the new arrangements go live on 1 April. Both the local commander for Aberdeen city and the local commander for Aberdeenshire and Moray are regular attendees at our quarterly network events, and the two national advisers whom we fund through the Improvement Service visited the north-east pathfinders on 18 January.

**Maureen Watt:** The team of 14 local police commanders who will serve under the single Scottish police service will develop and implement local policing plans specific to each council ward that are intended to ensure that policing across Scotland reflects the needs of our diverse communities. Can the cabinet secretary advise what input individuals and groups from the local community have had, or will have in future, in developing those plans? How will local priorities be informed and agreed?

**Kenny MacAskill:** As the member has correctly said, the police service of Scotland has made a commitment to introduce community engagement plans for all 353 multimember wards across Scotland. The community engagement plans will play a key role in informing policing plans at a local authority level.

The national guidance that we published on 17 January emphasises the importance of ensuring

that local people have a say in how policing is delivered locally. We will support local partners to ensure that the good practice that emerges from the on-going pathfinders is replicated throughout Scotland.

I can assure the member that it is recognised that making our communities as safe as they can be is a matter not simply for the police and councillors; the police service will need to engage with all those others who have served on community planning partnerships. Only by working collectively will we ensure that our communities are as safe as they can be.

### Wildlife Crime

**8. Angus MacDonald (Falkirk East) (SNP):** To ask the Scottish Government what action it has taken to ensure that combating wildlife crime is a priority for the police service of Scotland. (S4O-01756)

**The Cabinet Secretary for Justice (Kenny MacAskill):** Tackling wildlife crime continues to be a priority for the Scottish Government. It will be a matter for the chief constable to decide how best to deploy the resources available to him to deliver police service of Scotland priorities, which will obviously include combating wildlife crime.

**Angus MacDonald:** In the past, we have had mixed reports on the effectiveness of the policing of wildlife crime by Scottish police authorities. What can the Cabinet Secretary for Justice do to ensure that existing best practice in exemplary authorities becomes standard practice in the new national force?

**Kenny MacAskill:** The member makes a fair point that the approach has been patchy. However, we should recognise that the single service offers an opportunity to level up the situation and to ensure that the good work that we know is taking place is replicated throughout the length and breadth of Scotland.

Wildlife crime is a matter that troubles and is of concern not simply in rural areas but in urban areas. The establishment of the police service of Scotland offers an opportunity to ensure that every area of Scotland gets the best possible police service, especially with regard to wildlife crime.

## Further Education

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

The next item of business is a debate on motion S4M-05506, in the name of Hugh Henry, on further education.

14:40

**Hugh Henry (Renfrewshire South) (Lab):** I begin by addressing the last part of the motion. Scotland's colleges have been given an exceptionally bad deal by the Scottish National Party Government. They have been treated like second-class citizens compared with our universities, and it is as if their product is not as highly valued.

Worse still is the contempt that has been shown to staff and students, who were told by Mike Russell—aided and abetted by Alex Salmond—that funding was increasing when it was actually being cut. Mike Russell and Alex Salmond had to be dragged kicking and screaming to the Parliament to reluctantly admit that what they had been saying was not true. Had they not been forced to apologise, no doubt they would still be insisting that college funding is increasing.

Students and staff want not just an apology but a recognition that the cuts are having a profound and damaging effect on college education. Courses are being removed and cut, and students are being denied places on the courses of their choice. We have heard in this chamber the disdain that SNP members have for many courses, with contemptuous remarks about “hobby courses”. Just as bad is that the idea of lifelong learning is becoming a distant memory, which is bad news for the thousands of workers who are being made redundant and who want to retrain in colleges, but who will now struggle to find a place.

College staff and students across Scotland know exactly why there is a crisis and why morale is at an all-time low: it is precisely because of the budget cuts that the SNP Government is imposing. Mike Russell needs to break the habit of a lifetime and eat some humble pie. He needs to reverse the cuts to the teaching grant, not to work some sleight of hand with money for Skills Development Scotland or some other indirect route. He should give our colleges the money to deliver what they excel at and give a boost to the students whose life chances depend on our colleges.

I turn to the main part of my motion. We know that Mike Russell has a high regard for himself and that he probably thinks that the rest of us do not measure up to his high intellect. That is why Opposition members have tried to ask simple and straightforward questions about college waiting lists, hoping that the great oracle might actually

give us the facts. However, even on that issue, Mike Russell could not bring himself to be straight with the Parliament.

On 23 October, my colleague Neil Bibby asked Mike Russell:

“Are you saying that there have been no waiting lists for college places?”

We might think that that was a fairly clear question but, no, apparently Mr Bibby is not equipped to ask a question on college waiting lists. Mike Russell’s haughty apply was:

“You have to know something about the college system before you ... make that assertion.”—[*Official Report, Education and Culture Committee*, 23 October 2012; c 1561.]

Leaving aside the fact that Neil Bibby had made no assertion, it is clear that Mike Russell believes that only so-called experts should pose even simple questions to someone in such an exalted position.

Undeterred, Neil Bibby tried again on 24 October. He asked Mike Russell in this chamber to say

“how many people are on waiting lists for college places.”

Gallantly, Liz Smith also entered the fray. She asked a direct and unambiguous question:

“how many people in the 16 to 19-year-old group are on college waiting lists?”

Those were two direct questions.

To be fair to Mike Russell, he at last answered in a very direct way and left us in no doubt that Neil Bibby and Liz Smith were wrong. He said:

“I am happy to explain again that the concept of waiting lists as presented by Neil Bibby and Liz Smith is utterly false.”

We cannot get clearer than that. Neither Neil Bibby nor Liz Smith had placed any wider construct on the issue; they had simply asked how many people were on waiting lists. They were told that the concept of waiting lists “is utterly false.”

Given Mike Russell’s track record of playing fast and loose with the facts, my colleague, Neil Findlay, can be forgiven for wanting to nail the issue once and for all. Like Neil Bibby and Liz Smith, Neil Findlay did not suggest that the figure in the Scotland’s Colleges press release was correct; he just wanted to make sure that he clearly understood what the grand panjandrum was actually saying. Neil Findlay, for once in a suitably humble manner, said:

“With no preamble and no prejudgment, can I ask a simple question? How many people are on college waiting lists? We are asking for a number.”

The cabinet secretary rose to the occasion with all the authority of his office and Alex Salmond behind him. He said:

“The concept that Neil Findlay raises is a false concept and a false construct. There are no waiting lists of that nature.”—[*Official Report*, 24 October 2012; c 12503-4.]

So that is that: waiting lists are a false concept and a false construct, and there are no waiting lists of that nature. I am not sure what “that nature” is—I do not know what that means. Neil Bibby, Liz Smith and Neil Findlay did not state any figures or suggest that everyone who applied for a college course and was not accepted was on a waiting list; they merely asked a simple question.

To be fair to the cabinet secretary again, he then ordered an audit to get to the bottom of the problem. The difficulty is that only seven colleges, all in urban Scotland, were picked. The cynic might think that that was because it gave the greatest chance of showing duplicate applications to different nearby colleges. Indeed, the interim report of that shallow audit, which was issued by the Scottish Government, points to inconsistencies and duplications, and we should all accept that. However, even that partial work has confirmed that there are waiting lists in Scotland’s colleges.

The officials of the Scottish Government have contradicted their own cabinet secretary. The report says:

“Analysis of waiting lists confirmed that there is duplication of applicants”.

If there are no waiting lists, how could there have been analysis of waiting lists? Elsewhere, the report states:

“Follow-up analysis is continuing to clarify the status of those on waiting lists”.

If there are no waiting lists, how could Scottish Government officials look at the status of those on waiting lists? The report goes on with reference after reference to waiting lists—not a false concept or a false construct, but reference to waiting lists.

It is perfectly clear that, even if the Scotland’s Colleges figure from October was incorrect, there are still students on waiting lists. In December, I submitted a freedom of information request to all Scotland’s colleges. I asked how many people applied for but did not receive a place. I did not mention the words “waiting list”, but, unprompted, at least seven colleges admitted that there are waiting lists. All of them gave details of students who were not offered places. That is the reality. If colleges have admitted that there are waiting lists why will not Mike Russell do so?

When Neil Bibby, Liz Smith and Neil Findlay asked how many people are on waiting lists, the cabinet secretary could have said that there was duplication. He could have pointed to

inconsistencies in data collection. He could have said that he would investigate and report back to the Scottish Parliament. Instead, he chose to mislead Parliament and belittle the people who had asked questions.

We are often told that the way to hold the Government to account is through questions in this Parliament. How can that be done when ministers persistently mislead and give false information to Parliament? The cabinet secretary clearly believes that he can say what he likes. He admits the facts only when he is wrong.

If the Parliament is to have any credibility, ministers need to be open and honest. If the Parliament is to have any integrity, we cannot allow weasel words to be substituted for the truth. Mike Russell owes it to this Parliament and to staff and students in our colleges to admit that he was wrong. He needs to admit that there are waiting lists—irrespective of how few—and he needs to apologise. We cannot allow Alex Salmond's majority to trample on what is right. The Scottish Parliament and the Scottish people deserve to be shown respect by this SNP Government.

I move,

That the Parliament notes that the Cabinet Secretary for Education and Lifelong Learning has stated that college waiting lists are a "false concept"; further notes that the Scottish Government's interim report on the audit ordered by the cabinet secretary and carried out by the Scottish Funding Council has indicated that there are waiting lists; accepts that it is important for Scottish Government ministers to be truthful to the Parliament and the public; believes that the Cabinet Secretary for Education and Lifelong Learning should apologise and correct his misleading statement, and further believes that the cuts to the college teaching grant that are causing these waiting lists should be reversed.

14:51

**The Cabinet Secretary for Education and Lifelong Learning (Michael Russell):** I have been looking forward immensely to this afternoon's debate, after the sudden change of subject that Labour brought about on Sunday afternoon—that was strange timing. I have to say that Mr Henry's ex-militant-tendency classic analysis of the situation did not disappoint me.

I will stick to the facts this afternoon—*[Interruption.]* Labour members might laugh, but I think that they will find the facts somewhat unpalatable. The facts will prove to Labour members that I fully understand why they brought the debate this afternoon. They had to have the debate before the final report of the audit of so-called waiting lists is published next month.

**Murdo Fraser (Mid Scotland and Fife) (Con):** So-called!

**Michael Russell:** I suspect that Mr Henry and his Conservative allies, who are sounding from their benches, are becoming increasingly uneasy about what the audit will reveal. I suspect that Mr Henry fears—as he should do—that it will expose as nonsense the highly exaggerated claims that we have heard about the number of people who are, allegedly, currently waiting for a college place.

Mr Henry is right to be concerned about what the evidence will say about his pronouncements on the issue. As he looks to wriggle his way out of the spot he has got himself into, I note that his latest blog has stopped quoting any numbers at all. I will say more about that in a moment.

However, it would be quite unfair to single out only Mr Henry. He has been ably supported by Messrs Findlay and Bibby—an odd concept, I know—in particular in his quest to use internal college so-called waiting lists as some kind of measure of the number of Scots who are genuinely waiting on a college place.

In an effort not to be outdone, Liam McArthur—the Lib Dems being opportunists, as ever—has outbid even Hugh Henry's most ambitious exaggeration. Nor have the Conservatives, alas, been able to resist getting what seemed like a piece of the publicity action.

**Neil Findlay (Lothian) (Lab):** Will the cabinet secretary take an intervention?

**Michael Russell:** No, I will not take interventions, because I have a lot of facts to get through and I want to get through them.

Let us start by looking at some of the most extraordinary claims that Mr Henry has made. In the *Daily Record* on 11 September, Mr Henry told the world that, for "at least 10,000 Scots", the colleges have "slammed the door shut".

Let us be absolutely clear about what Mr Henry was telling us. He was not referring to students who might have been unsuccessful in gaining a place on their first choice of course but were then offered a place on another course. He was not referring to students who make multiple applications, as many do, and so appear on several so-called waiting lists. No, he was telling us that 10,000 Scots had had the door slammed shut on them by our colleges. In so doing, he was sending a false and deceiving message to prospective students, at a time when places were available.

A few days later, on 17 September, Mr Henry turned up in *The Herald*, this time claiming that 10,000 Scots had been "turned away from colleges". Colleges had not just slammed shut their doors but physically turned people away. However, that was not enough for Mr Henry. By 26 October, he was adamant that 21,000 Scots had

been—in another ramping up of the rhetoric—“denied the opportunity” to “improve their education”. Shortly afterwards he reduced the figure to 20,000 on his website, presumably in the interests of accuracy.

Mr McArthur, not to be out done by Labour, came in with a figure of 21,280, although he qualified that later by saying that the number of would-be students on waiting lists—that is his concept—was thousands. That was nonsense.

As I have said repeatedly in the chamber, colleges keep what are described as “waiting lists” to manage their application process. [*Interruption.*] Labour is unable to learn, which is why it repeats its mistake. It should be ashamed of how it has operated.

Those lists are not in order to provide a running total of people waiting for a place at any given moment. That is a fact, which our audit has revealed.

**Neil Findlay:** Will the member take an intervention?

**Michael Russell:** No.

That is why the claims of 21,000 Scots “sat waiting for a college place” are utter nonsense.

To tally up what are termed waiting lists in each of our colleges, and to represent—as members from other parties have done—that that total is the number of people waiting for a specific course, is inappropriate, inaccurate, misleading and wrong.

It simply will not do for our opponents to claim that those are the figures produced by the college sector. Colleges Scotland has never claimed that the figures that it has released represent the total number of people awaiting a college place; it has never claimed that there are no multiple entries; and it has never denied that people on one waiting list can end up on another course. Therefore, we are talking about false concepts.

When we are talking about giving apologies, any queue to do so should be headed by Mr Henry and Mr McArthur, and they should be joined by Mr Bibby and Mr Findlay because they are the people, unfortunately, who have misled not only the chamber but Scotland’s prospective students. That is unforgivable. It is also unforgivable that Liz Smith has joined that bandwagon—a bandwagon that is rolling quickly towards a cliff.

The final results of our audit will be published next month. I would be happy to debate the figures again because I believe that they will confirm what I have said. The Labour, Liberal and Conservative parties have presented a false concept to mislead

Scotland and Scottish students. That is utterly wrong in regards to what students expect.

I will briefly mention student numbers. Hand in hand with the claims about the numbers waiting for a college place go equally inaccurate accusations about commitments to maintaining student numbers. The fact is that we provide funding in a way that maintains student numbers.

For reasons that I have explained before, head count on its own can never be a true measure of activity in a sector in which the majority of students are part-time. Head count has always been a volatile measure, capable of varying between years for reasons that have nothing to do with funding. The only way to iron out inconsistencies between years is to express student numbers as full-time equivalents. It is absolutely clear that those are being maintained.

Colleges are responding to the needs of the economy by targeting resources more intensively among students.

**The Deputy Presiding Officer:** You should be drawing to a close, please.

**Michael Russell:** It is right that colleges have the freedom to deliver courses in the best way. It is simply wrong to measure college activity in a way that makes no distinction between a short course of limited economic relevance compared with, for example, a year-long intensive course that delivers high-level engineering skills—just ask any employer.

**The Deputy Presiding Officer:** Minister, you should be drawing to a close, please.

**Neil Findlay:** Time is up.

**Michael Russell:** Presiding Officer, I think that you are the one who tells me whether my time is up, not Mr Findlay.

**The Deputy Presiding Officer:** It is. Your time is up, please.

**Michael Russell:** That was a point worth making, in case Mr Findlay thinks that he is running the chamber. [*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Michael Russell:** In conclusion, let me say that the neglect of the college sector by the previous Administration was disgraceful. It cut the benefit to learners, but we are providing greater benefit to learners. Scotland deserves better than the approach that Mr Henry has taken.

**The Deputy Presiding Officer:** Cabinet secretary, you must close, please.

**Michael Russell:** I finish by moving the amendment in my name, which contains the facts.



I move amendment S4M-05506.1, to leave out from first “notes” to end and insert:

“congratulates the Scottish Government on its decision to undertake an audit of college “waiting lists” to better understand the application and “waiting list” process in colleges and the reliability of recently quoted figures; notes that the preliminary findings have exposed as wildly exaggerated many of the claims made about the number of people who are waiting for a course; notes that the quoted figures do not give any accurate indication of unmet need; further notes that under no previous administration has anyone had an entitlement to their first choice of college or university place; welcomes the current administration’s efforts in going further than any of its predecessors through the Opportunities for All guarantee; recognises the efforts made by colleges in redirecting applicants to oversubscribed courses toward other courses; welcomes the fact that the college sector is being funded in a way that is ensuring that student numbers are being maintained; recognises that the college reform programme is creating more efficient colleges of scale with, as proposed in the Post-16 Education (Scotland) Bill, improved governance and accountability, and welcomes the intention of the reform programme to create colleges that can better address economic need and consequently boost the employability of learners.”

14:59

**Liz Smith (Mid Scotland and Fife) (Con):** I would be inclined to give the Cabinet Secretary for Education and Lifelong Learning a little more time, because the more he goes on explaining the facts in that manner, the more confused he gets.

At a time when the Scottish Government has embarked on a major process of tertiary educational reform, and when the provision of new educational opportunities is critical to address the unemployment situation, it would have been surprising indeed if colleges had not been one of the main features of Holyrood debate during recent months.

However, the extraordinary frequency with which we have debated the issue, in full debates and at ministerial and First Minister’s question times, tells a rather different story. It is a story of a cabinet secretary who is having great difficulty in keeping the focus on colleges where it should be and allaying the fears of the college and university sectors—never mind those of the public and Opposition politicians—about some key issues.

I understand very well that different colleges use different measures to assess the length of their waiting lists. That is not new. They do so not just because of the reasons that the cabinet secretary gave, which are to do with some students taking up other courses, getting a job or not getting the necessary qualifications. Those are all perfectly valid reasons, which is why we should be extremely careful about double counting. The use of different measures also reflects the flexibility of colleges and their ability to adapt courses quickly to the business and industry demands of their

local communities, which is an issue that is fast taking centre stage in the current debate about college regionalisation.

As Hugh Henry rightly said, the mistake that the cabinet secretary has made, yet again, is in the attitude that he has adopted. He has dismissed the perfectly legitimate questions of Opposition members, including me, and—more importantly—of the college sector. By stating that waiting lists are a false concept, he has given a highly misleading impression of the situation. Although we could undoubtedly spend a lot of time picking through all the semantic details, the implication from, in particular, the manner in which the cabinet secretary spoke was that waiting lists do not exist, when it is quite clear that they do. We now have a new definition—the cabinet secretary calls them “so-called waiting lists”.

What is at issue, of course, is the definition, just as it was the definition that was at issue when the cabinet secretary got himself tied in knots—double knots, in fact—when he pontificated about college spending. At the time, he tried to pretend that nothing was wrong and that it was just that the Opposition parties were ganging up on him. Well, we are ganging up on him.

The cabinet secretary has made the comment:

“I know how desperate members are to weigh in on this matter because they think that, somehow, they are going to get a political advantage”.—[*Official Report*, 16 January 2013; c 15509.]

That is not the case. We want to raise the issue because there is genuine concern—most importantly within the sector—that the Scottish Government finds it extremely difficult to adopt the right approach to what is clearly a complex problem.

Instead of saying that waiting lists are a false concept, would it not have been much more sensible to say, “Yes, they exist,” and to explain why there are so many complexities and what the Government is doing to address them? Exactly the same thing happened over college budgets: we heard persistent denial and a dismissive approach, which I understand became a feature of a Christmas YouTube video at Edinburgh College. That is not helpful to the promotion of a clear understanding of what the main issues are and what needs to be done to address them.

Notwithstanding the fact that colleges use different measures to identify waiting lists, are we really saying that it is not possible to come up with an agreed definition that tells us the aggregate total of students across Scotland who, during any one period, have made an application for a course or courses and who have the right credentials, but who cannot find a college place? I do not think that any of us knows whether that figure is 21,000

students or fewer, but I know that it is extremely unhelpful when the cabinet secretary tries to dismiss the issue as though no one else has any understanding of the true situation.

**The Deputy Presiding Officer (Elaine Smith):** I would be grateful if you could begin to conclude.

**Liz Smith:** The debate on waiting lists follows hard on the heels of the debate about college budgets. They are not unconnected. That is the Scottish Government's problem, and it is why we will support the Labour motion.

**The Deputy Presiding Officer:** We come to the open debate. We are very tight for time, so speeches should be of four minutes.

15:04

**George Adam (Paisley) (SNP):** Once again, we find ourselves talking about further education. We have heard Labour's parallel-universe version of what is going on in further education—nothing could be further from the truth than some of the information that Mr Henry provided. Mr Henry states that college staff are demoralised. If they had listened to his speech today, I can understand why they would be demoralised.

All that we get from Mr Henry is negativity, poison, bile and personal attacks. He has history on personal attacks. I have known the individual for a long time and I am aware of the personal attacks that he has made. He believes in discussing personality over policy and over making a difference to people's lives.

**Hugh Henry:** Will the member take an intervention, as he mentioned me?

**George Adam:** I will gladly take the intervention.

**Hugh Henry:** Will George Adam confirm that the Educational Institute of Scotland and Further Education Lecturers Association branch at Reid Kerr College has passed a motion of no confidence in the cabinet secretary?

**George Adam:** What I will say to Mr Henry is that the principal of what will be the new west of Scotland college or whatever it is to be called is keen on the regionalisation and the plans that we have.

Labour has been found out. Once again, it is attempting to make political gain with its scare tactics and its bile. Its only policy seems to be that of fear. The audit of college waiting lists has so far found that, on average, almost three quarters of those on the alleged waiting lists are not waiting for a college place. The 21,000 figure that is often quoted by the Labour Party now seems to be complete fantasy. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**George Adam:** Labour was warned. It was told to deal with the issue in a mature manner. We said, "Let us have the debate. We are dealing with young people's lives and people's futures." However, it decided to just batter on and carry on regardless. I have often said during debates in the chamber that, outwith this bubble, there is a real world out there, with real people and their lives. I think that they are extremely disappointed when they hear some of the debates that come from the chamber, particularly those from the Labour Party, because it just believes in dealing with its issues and trying to make personal attacks on individuals rather than discussing the issue that we are here to discuss.

The audit has also confirmed that there is duplication of applicants on the alleged waiting lists. The majority so far appear to have found a college place at another college.

I was interested to hear about Mr Henry's very scientific freedom of information request, whereby he went round every college and probably got similar figures to those that Scotland's Colleges already had, which had already been found to be extremely difficult. On the whole, I would say that some of the figures that Scotland's Colleges brought to the Education and Culture Committee were not particularly great at the best of times.

We have to ask the Labour Party what it would do differently. Only last week, Ken Macintosh called for the full £331 million of capital spending that was restored to Scotland's budget in the chancellor's autumn statement to be spent on housing, even though John Swinney said last year how £205 million of the money would be spent, which included £19 million being earmarked for capital investment in further and higher education.

**The Deputy Presiding Officer:** Will you come to a conclusion, please?

**George Adam:** Would Mr Henry take the money from further and higher education?

We see the duplicity of the Opposition, which is here to try to get a headline instead of looking after the people we should be looking after—the students of Scotland.

15:08

**Neil Bibby (West Scotland) (Lab):** It is unfortunate that we are once again having to debate further education and challenge the Government's savage cuts, which are having a devastating impact on thousands of people across Scotland. Rather than highlighting the valuable training and retraining opportunities that colleges provide to thousands of Scots, we are once again having to challenge the education secretary, who

continues to deny what is happening in our colleges.

Given that the education secretary said last year that college budgets were increasing but, in fact, they were decreasing, it is unsurprising that he has been caught denying reality yet again. When Mike Russell was asked a simple question about college waiting lists, he said that they were a “false concept”. The only false concepts around here are Mike Russell’s answers. He disputes the figures that were mentioned earlier. How many people are on college waiting lists? We still do not know, and the cabinet secretary does not know. What is clear is that the Scottish Government’s own sample interim audit has stated that there are people on lists, in Scotland, waiting for college places. If there was any more doubt, even the SNP Government’s amendment admits that there are waiting lists.

It should not be a surprise that we have college waiting lists. It should not be a surprise that that is where we end up when 1,300 staffing posts are removed from our colleges, colleges’ teaching budgets are slashed, and student numbers are cut by 70,000.

It took Mike Russell six months to apologise for misleading Parliament the last time, when he falsely claimed that he was not cutting the college budget. How long will we have to wait for an apology this time? How can anyone have any confidence in him when he continually misleads the Parliament and, more seriously, implements policies that continue to damage the life chances of thousands of Scots?

The key issue is to address the cause of the college waiting lists scandal. The cuts to college teaching grants should be reversed in full. We need to reinstate that money to allow those who want to train or retrain for employment to have the opportunity to do so, and to increase opportunities for young people, women, people with learning disabilities and lifelong learners.

In my region—West Scotland—Reid Kerr College in Paisley has seen its budget cut by more than £1 million. I have met students and staff at that college to discuss the damaging impact that the cuts are having and the serious challenge that it faces in continuing to provide education and training. I wonder whether SNP members have done the same.

Following George Adam’s speech, the big question ahead of the budget next week is: will SNP back benchers vote to cut their local colleges’ budgets yet again?

**The Deputy Presiding Officer:** You are in your final minute.

**Neil Bibby:** Will, for example, George Adam, who represents many local students, vote to cut Reid Kerr College’s budget yet again?

**George Adam:** Will the member take an intervention?

**The Deputy Presiding Officer:** The member is not taking an intervention, Mr Adam.

**George Adam:** It is a one-way debate.

**The Deputy Presiding Officer:** Mr Adam, please sit down.

**Neil Bibby:** Will I get extra time if I take an intervention?

**The Deputy Presiding Officer:** I am afraid that there is no time in the debate.

**Neil Bibby:** Okay.

It is time that the SNP members who claim to stand up for their areas and local young people started to listen to their constituents. SNP members like to talk about free education regularly, but the reality is that SNP policies exclude many Scots from education.

In October, Mike Russell said that waiting lists were “a false concept”.

**The Deputy Presiding Officer:** You must conclude.

**Neil Bibby:** He now says that they are exaggerated. The only false concepts around here are Mike Russell’s answers, and the one thing that is surely wildly exaggerated is his tenure as education minister.

**The Deputy Presiding Officer:** You must finish now.

**Neil Bibby:** It is time that Mike Russell listened, apologised and dealt with his college waiting lists scandal.

15:12

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** Despite the Labour Party’s claims about college waiting lists, it is clear from the interim audit report that, on average, almost three quarters of those on Labour’s waiting lists are no longer looking for college places.

**Neil Findlay:** Will the member take an intervention?

**Gordon MacDonald:** No, thank you.

On the claim that 21,000 students were waiting for a college place, the report states:

“It was clear from discussions with Colleges Scotland that its survey results would also be subject to the factors identified in paragraph 4 (i.e. waiting list figures will include duplicates, individuals enrolled at college, those who do not

meet entry requirements or who no longer wanted a place). As such, the Colleges Scotland results cannot be considered a reliable measure of those waiting for college places or a reliable measure of unmet need."

Even though the Scottish Government is facing increasing cuts in its budget, it is maintaining college student support at record levels and protecting full-time-equivalent student numbers at 116,000. A further £17 million has been allocated to colleges in the 2013-14 budget.

I must admit to finding a fall in college enrolments in the "Review of Scotland's Colleges—Inspiring Achievement" report, which states that further education vocational enrolments had fallen by 12 per cent, or nearly 47,000 places. However, that report did not relate to 2012-13; it related to the period from April 2001 to March 2005. It highlighted that, during that period, in one year alone—2004-05, which was the last year of data—activity in science subjects was down 14 per cent, activity in maths was down 14 per cent, and activity in business management was down 13 per cent. The report, which was published in June 2007, related to the period up to March 2005 and referred to the period in which the then Scottish Executive was controlled by a Labour-Liberal Administration. The same report also highlighted a reduction of 3 per cent for those undertaking part-time study. When the economy was buoyant, Labour was losing college places. In a recession, the Scottish Government is maintaining places.

There is a continuing youth unemployment issue. In the current economic situation, there is greater demand for full-time places at colleges throughout Scotland. We must ensure that young people are offered high-quality courses so that they have valued qualifications when the economy improves.

The motion refers to teaching grant cuts. Despite Westminster making significant cuts to Scotland's budget, the Scottish Government has been able to ensure that the teaching grant of Scotland's 41 colleges will fall by no more than 8.5 per cent. Compare that with the situation in England, where the teaching grant for universities and colleges will have been slashed by a total of 80 per cent. The current spending review announced cuts of a further 40 per cent by 2014-15. Meanwhile, the Scottish Government remains fully committed to the college sector, and it will continue to invest significantly in it, with more than £500 million of programme funding in 2012-13.

The Scottish Government is making a record investment in the college estate, with the new City of Glasgow College—the largest ever investment in any one college ever made in Scotland—plus the new colleges in Inverness and Kilmarnock. There is also the investment in Anniesland,

Coatbridge, Dundee and Forth Valley Colleges, all of which comes to more than £400 million of capital investment. Compare that with the £86 million that was spent by Labour in its first term from 1999 to 2003. That record investment will improve life chances for our young people and, through opportunities for all, will guarantee a place for training or education for every 16 to 19-year-old who is not in employment.

15:16

**Liam McArthur (Orkney Islands) (LD):** This is a brief but important debate, and I congratulate Hugh Henry on bringing it to the chamber. I confirm that Scottish Liberal Democrats will support the motion, not least because it echoes calls that we have been making for some months for the SNP Government to reverse the cut of more than £34 million from college budgets next year.

The case for such a rethink is compelling, and it benefits from a consensus—at last—that college funding is going down, not up. Reversing that cut enjoys cross-party support. I suspect that, despite what we might hear again from SNP members this afternoon, in their more private moments many of them accept that a budget cut on this scale undermines claims by their ministers that they are protecting the range, availability and quality of course provision in colleges throughout Scotland. That is certainly the message that they will have heard from colleges in their constituencies and regions. It is the strong message from the National Union of Students in Scotland, whose excellent fund Scotland's future campaign has already elicited 27,000 emails to MSPs in a matter of weeks. It is also the message from business, which might support sector reform, but whose representatives told the Education and Culture Committee during our scrutiny of the budget that cutting college course provision and quality could harm Scotland's economic recovery.

That broad-based alliance in support of a rethink by the Government is not one that ministers can afford to ignore. Indeed, I very much hope that ministers will listen—although the self-congratulatory tone of the SNP amendment and the minister's speech suggest that he is not in listening mode. That has unfortunate echoes of his assertion during the previous budget process that cuts to college budgets were

"a fair, full and final settlement".—[*Official Report*, 26 January 2012; c 5795.]

That claim was made to look ridiculous when John Swinney agreed to provide an additional £40 million of support. It is of concern that the education secretary has chosen, once again, to adopt such a dismissive attitude and to reject any notion that aspects of what he is doing may not

command support in the college sector or require to be changed. That is a feature of the hole that Mr Russell created for himself over funding at the end of last year, and it is characteristic of his behaviour in relation to what he is now dubbing “so-called waiting lists”.

Let us consider how that issue has developed. When Colleges Scotland first published its figures in October, Mr Russell was perfectly entitled to question the basis and to ask for details. It was accepted that multiple applications and other factors had to be taken into account in establishing the actual level of unmet demand for college courses. However, as Hugh Henry suggested, Mr Russell took his argument to an illogical extreme when speaking in the chamber on 24 October. Clearly annoyed at repeated requests from Opposition members simply to acknowledge that waiting lists exist and to put a figure on them, Mr Russell overstated his case.

Neil Findlay asked:

“How many people are on college waiting lists?”

Mr Russell thundered that they were

“a false concept and a false construct. There are no waiting lists of that nature.”—[*Official Report*, 24 October 2012; c 12504.

In answer to Hugh Henry’s question, that probably falls into the context of the debate reference.

It is strange that a fortnight later Mr Russell should invite the Scottish Further and Higher Education Funding Council to carry out an audit of that “false concept.” Not surprisingly, the initial results of the audit confirm a much lower figure, but they also make uncomfortable reading for the education secretary. In his determination to deny the extent of the problem, Mr Russell went as far as to deny the existence of any problem. The funding council does not believe that; the chair of Colleges Scotland does not believe it; and students certainly do not believe it.

Once again, Mr Russell’s inability to resist dismissing any and every concern that is raised with him about what is happening in the college sector has landed him in hot water. On that basis, not only does he owe the Parliament an apology, he owes our colleges and their staff and students an apology. Better still, he could ensure that the £34 million cut in college budgets is not a “full and final settlement” and is reversed.

15:20

**Joan McAlpine (South Scotland) (SNP):** I echo what the minister and my colleagues have said about today’s business in the chamber. Despite what Labour and the other Opposition parties claim, there are not massive waiting lists for college places. No amount of political spin or of

calling for apologies from the minister will change that.

I was struck by the fact that Mr Henry appeared to backtrack on the previous figures that his party quoted that suggested that there were massive college waiting lists. The minister exposed that through the quotation from the *Daily Record*, the veracity of which I can vouch for as I am a columnist for it. Mr Henry now says that it is not about numbers. He is shifting the goalposts a bit. He also questions why the audit focused on colleges in west central Scotland, implying that they are somehow more likely to suffer from cross-enrolment or duplication. However, that was not the position of his colleague Drew Smith, who said in questioning the cabinet secretary:

“It has been reported in the media that 936 potential students have been turned away from North Glasgow College. Stow College says that it has turned away more than 17,000 potential students in the past three years. Langside College, Anniesland College, the City of Glasgow College and John Wheatley College all say that they could not accommodate requests, and the City of Glasgow College, which the cabinet secretary mentioned in an earlier answer, says that it has had 8,021 applicants on a waiting list in the past year.”—[*Official Report*, 16 January 2013; c 15508.]

We now know from the interim audit that those figures are wildly exaggerated, as the cabinet secretary said. Suggesting that the issue is not about figures but about the concept, as Mr Henry seems to do, is just to divert from the facts.

As my colleagues have said, it is completely misleading to suggest that each person who appears on a waiting list is equivalent to one person being turned away. Many successful applicants will appear on lists for other courses simply because they have made more than one application, and some courses will inevitably be more popular than others, which means that applicants will not be guaranteed a place on their first choice of course. That has always been the case, but it does not mean that students will not thrive on alternative courses.

Our college reforms will establish a stronger collaboration with employers to ensure that their needs are met and that our young people are trained for the right jobs. That was highlighted recently in my constituency through Skills Development Scotland. The Scottish Government is supporting Scottish Power in Dumfries and Galloway College to develop specialist training provision to meet expected demand for trained linesmen in the area because of the planned upgrade of the national grid. In addition, in November last year, ScottishPower Renewables announced that it will fund courses at Dumfries and Galloway College that will allow students to gain industry-recognised qualifications to help

them on their way to become wind turbine technicians.

That is what is happening already through our college reforms and we will see more of it in the future. The Scottish Government recognises that colleges are key for employability provision. Right now, colleges are having to adapt and deliver due to a period of considerable change. The Scottish Government has responded positively to calls from the sector for stability, which we can see in the allocation of £19 million of capital funding for further education. I think that that is a very impressive record indeed.

A further £17 million has been allocated to colleges, which forms part of our £500 million-plus commitment to colleges that was previously announced in the draft Scottish budget. On top of that, the Scottish Government has allocated £17 million to maintain Scottish student support at record levels and protect the number of students in further education. In addition, the Scottish funding council envisages that the regionalisation reform of the college sector will reduce duplication and deliver savings of more than £500 million per year.

15:25

**Siobhan McMahon (Central Scotland) (Lab):** I read with interest the exchange in the chamber in October last year between Michael Russell, Neil Bibby and Liz Smith, during which Mr Russell stubbornly insisted that waiting lists are “a false concept”. Some people, when confronted with facts that they would rather not face, have a propensity to create their own reality. If the world does not fit with their world view, the world is simply the wrong shape and must be bent and twisted until it is the right shape. In this alternative universe, Scotland gains automatic entrance to the European Union; our hands flow with gold on the day after independence; the college budget is going up, not down; and college waiting lists are a false concept and do not exist. If only life were so simple. Sadly for all of us in general, and Mr Russell in particular, it is not.

The Scottish Government’s interim report shows that waiting lists definitely exist. For those of us who are familiar with the recent Audit Scotland report on colleges, the potential extent of unmet demand is not surprising. We cannot reduce real-terms college funding by 24 per cent over four years and expect there to be no impact.

In attempting to explain why waiting lists are a false concept, one of the mitigating factors that Mr Russell referred to is duplication. However, as the interim report makes clear, duplication accounts for only 9 per cent of the total from the seven colleges that are included in the sample.

Moreover, the extent to which duplication can be cited as a legitimate factor varies according to the number of colleges and the availability of courses within a specific area.

Some communities are within commuting distance of several colleges; others are not. Residents in North Lanarkshire and South Lanarkshire have access to four colleges but residents in the Falkirk area have access only to Forth Valley College. It is therefore unlikely that applicants to Forth Valley College will submit multiple applications to other colleges or will apply to other colleges if their application to Forth Valley College proves unsuccessful.

In addition, although Forth Valley College has multiple campuses—at Stirling, Falkirk, Alloa and Clackmannan—some courses are available only at certain locations. For example, only the Falkirk campus offers all three of the business courses and all five of the construction courses. Civil engineering and chemical science are available only at Falkirk. The combination of limited places and awkward geography will leave failed applicants with few alternatives and many successful ones facing a lengthy commute that will add significantly to their financial burden.

With youth unemployment stubbornly high and the economy still in the doldrums, we should be doing everything possible to help young people to get the education and training that are necessary for them to secure long-term, sustainable employment or to progress to higher education.

Well-funded and adequately resourced colleges are essential to that goal. However, according to the Audit Scotland report that I referred to earlier, colleges are likely to face

“significant financial challenges in the years ahead”,

due in no small measure to the Scottish Government’s decision to drastically reduce further education funding.

Meanwhile, some colleges are already under financial strain. In 2010-11, Forth Valley College had the second-highest operating deficit of any college in Scotland, at approximately £2.4 million, or 7.7 per cent of its income. It also had a £6.6 million deficit in its pension reserve. As Audit Scotland has made clear, without a U-turn by the Scottish Government, things are unlikely to get any easier.

While law degrees at prestigious universities are increasingly the preserve of a privileged few, more than 20 per cent of college entrants come from Scotland’s most deprived communities. They will be the disproportionate victims of Mr Russell’s assault on further education.

If that were not bad enough, yesterday we learned that, in 2011-12, 490 fewer college

students from deprived backgrounds received an education maintenance allowance than did in 2010-11. That is the grim reality, yet all that we get from Mr Russell are cuts and excuses, posturing and pomposity. The cabinet secretary can continue creating his own reality, but those of us who live in the real world are genuinely concerned about the cuts to college budgets—cuts leading to fewer lecturers, fewer courses, fewer places and, yes, higher waiting lists.

I have, therefore, no hesitation in joining my Labour colleagues in calling on the cabinet secretary to put an end to this embarrassing episode by apologising unreservedly and reversing his damaging and short-sighted cuts to the further education budget.

15:29

**Willie Coffey (Kilmarnock and Irvine Valley)**

**(SNP):** I suppose that, when the motion was written, it seemed like a good idea at the time. Tens of thousands of students—maybe 21,000—stuck on a waiting list must have sounded like perfect fuel for another dig at the Scottish Government. Alas, it is yet another scare story from Labour and, when subjected to the scrutiny of audit, it falls apart at the seams.

The findings of the audit so far are that nearly 75 per cent of those on the so-called waiting lists are not actually waiting for a place at college at all. In one college, the so-called waiting list reduced by 95 per cent when it was examined a little bit more closely. Those are quite incredible findings, given the sensational headlines that we all saw. A combination of duplicate applications, enrolments elsewhere and students no longer needing places has exposed the motion for what it really is: a cheap shot at the cabinet secretary.

Kilmarnock College confirms that some students who were not successful in their course of choice were referred to other courses. As we are all well aware, no one is guaranteed their first choice. Also, some people who applied to Kilmarnock College did not attend for interview.

Not even the briefing from the NUS mentions Labour's waiting lists theory. There is not a single word about it in the five-page briefing. Instead of mentioning waiting lists, it concentrates on highlighting the budget cuts that have been imposed on Scotland as a result of Labour's incompetence when it was last in office in the UK and recognising the SNP's efforts to protect student numbers in further education.

The truth is that Scotland's SNP Government is getting on with the job of transforming further education. By 2014-15, the SNP will have invested £5 billion in our colleges since it came to office. That is 39 per cent more in cash terms than the

equivalent period when Labour was in power. Since 2007, the SNP has also increased student support from £67 million to £84 million—an increase of 25 per cent. In this year's budget, another £17 million was added. Despite being opposed by Labour, it was described as fantastic news by the NUS.

Figures published this week show that more than 34,000 school and college students in Scotland continue to benefit from the education maintenance allowance. The average EMA payment to Scottish students is now £729 per year. More students from our communities most in need benefit from that payment, which was abolished in England.

On the college estate, despite huge cuts to Scotland's capital budget, the SNP is spending £200 million on a new City of Glasgow College. That is the biggest single investment made in any college in Scotland. We are also spending £50 million each on new colleges at Inverness and in Kilmarnock—my constituency. The latter will provide a massive boost to the town.

If the Labour Party was serious about more funding on top of that for colleges, it could have presented an alternative budget, but it did not. It could also have suggested allocating some of the additional £331 million of capital that was announced last week to the colleges but it did not do that either. The Scottish Government did. It allocated another £19 million out of that for capital investment for colleges.

When we start from the base budget of £511 million, which is acknowledged even in the NUS briefing, and add the additional capital investments and non-profit-distributing allocations, the total funding for colleges in Scotland amounts to more than £632 million. That is well up even on last year's figure of £574 million.

Scotland's students and the Scottish public can be proud of the investment in our colleges, our students and our reforms of the sector, which will meet the needs of our students and our economy in the 21st century.

I am happy to support the cabinet secretary's amendment.

15:33

**Liz Smith:** The cabinet secretary was clear that he wanted facts in the debate, so I will try my best to ensure that we produce the right ones.

First, colleges use different measures for their waiting lists. That is not new and it is perfectly legitimate. They do it for many different reasons.

Secondly, several members—myself included—asked legitimate questions.

Thirdly, instead of receiving explanations as to why it is difficult to answer those questions about the nature of the waiting lists, we were told that those waiting lists are a “false concept”. The implication of what we were told was that the rest of us do not know anything about what we are talking about. I tell the cabinet secretary that that is simply not true.

Those facts speak for themselves. The debate is not about the numbers—no member is in a position to come up with the relevant numbers, because we do not know what they are. It is about the language and the manner in which the matter has been debated. Yet again, the Scottish Government claims that there is a false concept out there. It is dismissive and acts as though the rest of us, and the college sector, do not know what we are talking about. That is plainly untrue and does not help to ensure that the focus in the debate is in the right place.

I will be brief, as I did quite a lot to sum up in writing other things. We would like one question to be answered by the cabinet secretary this afternoon: what is the definition of the waiting lists to which he has referred in the audit that has taken place?

I repeat that we will support the Labour Party's motion. I would be grateful if the cabinet secretary gave us an answer to the question that I asked.

15:35

**Michael Russell:** I do not think that the debate has been good, alas. I regret that the tone was set in a somewhat poisonous way by Mr Henry. I am reconciled to the fact that he and Mr Findlay do not like me; I can certainly live with that. However, it is regrettable that, instead of debating the facts, members have set that tone—we should not do that. Taking part in the debate has not been pleasant for anybody; the experience—particularly of Labour speeches—has been unpleasant.

The debate explains something in Scottish politics—it explains why the poll at the weekend showed that, if an election was held tomorrow, our majority in the Parliament would be the same as it was in 2011. The bitter together approach, if I may put it that way, does not work, so I suggest another approach.

Mr Henry and I will never be friends but, in the remorseless search for the positive—I am trying to search for the positive and find a way forward—I would be happy to discuss the final audit with Opposition spokespeople after it is published. If they want to approach me, we will have that meeting and get officials into the discussion.

**Hugh Henry:** As a starting point, can we confirm that—irrespective of how few or how many

are on them—there are waiting lists in Scotland's colleges?

**Michael Russell:** I am sorry, but that is exactly where we started and exactly the type of so-called cleverness that Mr Henry thinks is politics. The reality is that the way in which the issue has been presented by Labour, which has been, alas, aided and abetted by the Tories and the Lib Dems, has been wrong. Labour has presented false concepts and has tried to prove something that is untrue. I regret that, but I will return to the positive, because I want to keep trying, despite Mr Henry's intervention.

Once the audit is published, if Opposition lead spokespeople wish to discuss it with me and my officials, the door will be open for them to do so. We can then address all the definitions, such as the one that Liz Smith raised; exactly what the figures mean; and why the concept is false.

We are working hard to ensure that young people and others in Scotland are entitled to every opportunity that we can give them. For example, the opportunities for all guarantee is a guarantee and is being observed. That in itself should have made Opposition members a bit cautious.

Some things in the debate were extraordinary. Liam McArthur said in an open and very Liberal Democrat way that he was of course entitled to question things and that the figures might be questionable. Is that why he published a press release that said that there were 21,280 people on the list, accepting that figure as if it was the case beyond peradventure. There have been a lot of those things.

Let us try to make progress. I regret that we will not agree on the need for college reform, because college reform is long overdue and must happen. However, I would be happy to sit down and discuss the detail, which is available. When we see the final audit, the detail will be even clearer than it is in the interim audit.

The detail tells us that a lot of figures that were untrue were quoted last year. The people who quoted those figures were the Opposition spokespeople, so they should have pause for thought. They were dealing in false concepts and they were telling potential students in Scotland that no places were available to Scottish students when places were available to Scottish students. To be blunt, I regard that as unforgivable.

However, I would be prepared to forgive that if we could have a sensible conversation about how to take forward change in Scotland's colleges. Such change is unavoidable; indeed, it is highly desirable. That change will focus and is focusing Scotland's colleges on the economic opportunities that exist.



**Liz Smith:** I do not think that anybody in the chamber denies that reform should take place in tertiary education—that is an on-going process in any case. We are asking for an honest debate that focuses on the right things. That is difficult because of the complications and the muddle that the Scottish Government is getting into about the numbers that it claims are on waiting lists. That is the problem.

**Michael Russell:** Not at all. I am sorry, but I entirely disagree with Liz Smith. The debate has been called by Labour for a political reason and, alas, the bitter together parties are determined to be part of it. I regret that, because it is important that we work with Scotland's young people and older people for colleges. We can do so, and it would be good if we sat down and tried to do so. I make the invitation for the third time that I would be happy to sit down and have that conversation in such a way that we could all agree on where we are with this, because I repeat that waiting lists of that nature—those are exactly the words that I used—do not exist and the figures cannot be used to aggregate demand. There is no doubt about it. It is extraordinary that, in the course of the debate, Hugh Henry not only disagreed with that—he is entitled to disagree when he wants—but essentially said that the audit was rigged, which is a nonsensical accusation.

**Hugh Henry:** The audit was partial.

**Michael Russell:** The audit was neither partial nor rigged. It will produce the full results. I am open to discussion—I make that invitation and I am interested to see who takes it up.

15:41

**Neil Findlay (Lothian) (Lab):** Before Christmas, when Mr Russell had his disastrous spell, he tried humility for a few weeks. However, it would appear that, after Christmas, his new year resolution was to cast all that aside.

For the past 18 months, Scotland's colleges have been under unprecedented pressure. The teaching grant has been reduced and it will be reduced again this year; there have been staff losses of 1,400 in the past year; courses have been cut across the board; places for adults with learning disabilities have been cut by, at best, 34 per cent; and in some colleges all outreach work for that group has ceased entirely.

Colleges are being forced into shotgun mergers and new tiers of bureaucracy are being established, with powers being further centralised in the hands of the minister. College unions have been passing motions of no confidence in the cabinet secretary; there have been demonstrations; and, in just over a year, if we count last year's campaign and this year's

campaign, more than 127,000 emails have been sent to members of the Parliament by students protesting about the colleges policy. If what Willie Coffey said is correct—that everything is just fantastic—what are they all complaining about?

Next week, the Parliament will vote on a budget that proposes yet another £34 million reduction in college finance. If this were a time of economic boom—

**Willie Coffey:** Will Labour be proposing an alternative budget then?

**Neil Findlay:** Mr Macintosh clearly explained our position on colleges last week. [*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Neil Findlay:** Mr Macintosh proposed that we would reverse every college cut. [*Interruption.*]

**The Deputy Presiding Officer:** Order.

**Neil Findlay:** If this were a time of economic boom, with jobs aplenty and reducing demand for colleges, there would be some logic to the Government's approach, but of course that is not the situation. Unemployment is disturbingly high and people are desperate to train or retrain and gain an education to help them move on in life. However, as we have heard, the Government's deliberate policy on colleges is denying that opportunity to a growing number of our citizens.

Despite the weight of evidence exposing the policy for the disaster that it is, its chief architect—the cabinet secretary—ploughs ahead regardless, with that toxic mix of arrogance, denial and self-delusion that we have all become so familiar with over the past year.

We all know that there has been growing concern about the extent of waiting lists in Scotland's colleges. That concern has come not from Mr Russell's favourite bogeymen and women, whether it be Westminster or Labour councils. It has not even come from sound recorder-wielding college principals, or—to be more accurate—former college principals. No—that concern has come from young people, from the NUS, college unions, and business leaders, but also from Scotland's Colleges, the very organisation that was trusted to bring together these institutions.

In a study that Scotland's Colleges—not Labour—carried out, more than 21,000 people were estimated to be on waiting lists. That is a Scotland's Colleges figure—it is not ours. George Adam and Gordon MacDonald both said that three quarters of those who were identified in the Scotland's Colleges report were not truly on a waiting list. Even if we accept that, it will still be the case that a quarter of them are on a waiting list. We seem to have consensus across the chamber

that waiting lists are not a false concept and that in fact they exist. Even Mr Russell's own audit accepts that waiting lists exist and, when we look at it, there are no quotation marks around waiting lists, as far as I can see.

As with the budget, student finance, jobs and courses, the cabinet secretary could not face up to the reality of his own policy and instead sought solace in yet more creative accounting. As he did with curriculum for excellence, he ordered an audit. However, as we have heard, this in-depth and extensive audit looked not at all of Scotland's colleges but at seven in Glasgow, Edinburgh and Lanarkshire. Do seven central belt colleges, each with another college in close proximity, and some with several, provide a fair representation of how the applications system and waiting lists have developed across Scotland? I think not. As Siobhan McMahon explained, is it any surprise that a Lanarkshire student might apply to Coatbridge and Cumbernauld or that an Edinburgh student might apply to a few different colleges in the city? Of course not.

However, let me highlight my local situation at West Lothian College, where 94 per cent of applicants come from the county. There are no nearby options. What are the figures there? In 2012-13, 3,800 people applied for full-time courses but only 1,848 gained access. As for part-time students, there were 6,390 enrolments in 2007-08 but this year the figure is down by more than 50 per cent to 3,000. Of course, that situation will be repeated in similar colleges across Scotland, but such colleges were—surprise, surprise—omitted from the audit.

The cabinet secretary's audit took a different sample at a different time from that taken by Scotland's Colleges in its much larger study; however, there is no explanation as to why those seven colleges were selected. The report is full of assertion rather than fact and, focusing on one college, claims that waiting lists are only 5 per cent of the original Scotland's Colleges estimate. The truth is that this survey started with embarrassingly flawed methodology and inevitably ended up with flawed and distorted findings that were grasped and championed by the cabinet secretary because they fitted in with his fantasy view of the world.

I am sorry but, while Mr Russell comforts himself with these figures, no one else out there in the real world believes a word of them—not Colleges Scotland, not college principals, not college staff or students and most certainly not the thousands of applicants who have been left without a place. When Mr Henry talked about false concepts and false constructs, I noticed the cabinet secretary nodding his head. I should caution Mr Russell, because the last time we saw such vigorous head gestures from him was when

he was supporting his gaffer with the dodgy statistics at First Minister's question time.

As other members have mentioned, on 24 October I asked the cabinet secretary:

"With no preamble and no prejudgment, can I ask a simple question? How many people are on college waiting lists? We are asking for a number."

The cabinet secretary replied:

"The concept that Neil Findlay raises is a false concept and a false construct. There are no waiting lists of that nature."—[*Official Report*, 24 October 2012; c 12504.]

The "nature" that I was looking for was a number. Given that even his flawed audit repeatedly acknowledges the existence of waiting lists, a number must also exist. I think that it is right for the cabinet secretary to apologise not only to me but to Mr Bibby, Mr Smith, Anne McTaggart, James Kelly, Liz Smith and others for misleading Parliament once again, because he accused us all of falsehoods in relation to the existence of college waiting lists. I ask him again: do these lists exist? How many people are on them? Will he at some point give us a number?

A few weeks ago, we were treated to the sight of the cabinet secretary—let me put this charitably—being interviewed by college students at Edinburgh College. I am sure that, as an enthusiastic information technology user, he applauded the initiative of the students who put the video on YouTube so that their fellow students could see and hear the cabinet secretary share the great news about his college policies. Those students told it like it is on places, courses, jobs and waiting lists, but the denial continues. You cannot hide for ever, Mr Russell.

## Cost of Living (Payday Loans)

### **The Deputy Presiding Officer (Elaine Smith):**

The next item of business is a debate on motion S4M-05504, in the name of Kezia Dugdale, on the cost of living. I call Kezia Dugdale to speak to and move the motion. You have 10 minutes, please.

15:50

**Kezia Dugdale (Lothian) (Lab):** Before I begin, I draw attention to my entry in the register of members' interests as a Co-op MSP and a member of Capital Credit Union.

For many people across Scotland, today is the last day before pay day in what is the longest month of the year financially, which comes immediately after the most expensive. Not having enough money to pay the bills for rent, fuel and food is a worry for many people in January, but hundreds of thousands of people throughout Scotland face that struggle every month. Every week and every day, the worry preys on their mind.

Payday loan companies have exploited those pressures for profit. As a consequence, high-interest short-term lending was one of the fastest growing industries of 2012—it was worth well over £1 billion to the United Kingdom economy. Today, I intend to outline the problem and explain why I anticipate that it will get significantly worse in 2013. I will then seek to outline what can be done to address the issue, in the hope that the Scottish Government will adapt some of these ideas and show some serious leadership.

The rising profits of payday loan companies should come as no surprise to anyone who has been up their local high street recently. There has been a great explosion in the number of payday loan retail units. For example, when I recently had half an hour between meetings in Edinburgh, I took a walk down Leith Walk and within half an hour had managed to find nine different payday loan outlets, which are within five minutes' walk around Leith. Facing the eyeline of anyone who comes out of Central station in Glasgow are four payday loan shops. There are three such shops within five minutes' walk along Stirling's Pitt Street. As payday loan companies do not conduct credit checks, it is easy to take out thousands of pounds within a couple of hours literally by walking from one shop to the next.

The danger comes not just from our high streets but from relentless television and radio advertising, doorstep sales and targeted emails and online marketing. People can borrow £500 from Wonga on their mobile phone within 15 minutes without a credit check. One constituent who registered with the recruitment website

jobinaclick.co.uk found that the website sold on her details, so she found herself being bombarded by targeted emails around pay day that offered her hundreds of pounds at reasonable rates. Their presence is relentless.

It is interesting to note that the marketing strategy of these companies has changed over the past few months. The adverts used to promote life's little luxuries such as a new mobile phone or another foreign holiday; now the adverts focus on people paying their bills. That fits very much with the findings of a recent *Which?* report, which shows that most people take out payday loans for bills, food, fuel and emergencies—people who are clearly struggling to make ends meet. The typical payday loan customer is not what one might think. As the Citizens Advice Scotland report highlights, 75 per cent of clients with payday loan difficulties are in full-time work, the majority of them are men, the majority of them are under 35 and 30 per cent of them own their own home. This is working Scotland.

Frankly, it is a scandal that families in 21st century Scotland can work a full paid week and still live in poverty. The living wage is clearly an answer. To anyone who disagrees, I put the question: if work is really paying, why is it that six out of 10 kids living in poverty in Scotland come from working households?

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

**Kezia Dugdale:** Sorry, I have a long way to go, but I hope that Mr Mason will contribute to the debate later.

That is where we are now, but things are about to get a lot worse. Currently, 125,000 people in Scotland—1 million across the UK—are completely unbanked. Come October, many of those will need to get a bank account in order to access universal credit. The only thing that people need to get a payday loan is a bank account, so a whole new enticing market is about to open up for payday loan companies to exploit. Combined with the fact that benefits will move from being paid two weeks ahead to four weeks in arrears, that means that thousands of Scots will instantly face a six-week cash-flow problem.

As members who have read today's Govan Law Centre briefing will know, a further problem that arises is associated with the bedroom tax. People with an extra bedroom in their house who do not want to move may well end up at a payday loan company to finance the difference between their income and their rent. That is another huge market for predatory lenders to exploit.

That will be a huge issue not just for individuals but for housing associations and local authorities, which are seriously worried about rent arrears.

The problem will affect not just the security of tenants but the credit rating of housing associations. I would be so bold as to say that some housing associations could fail as a consequence of increased rent arrears. Any such problem will fall squarely on the Scottish Government's doorstep.

That is the problem, but what can we do about it? First and foremost, we need to regulate these companies. They are here only because they have been forced out of America, state by state, through legislation. My Labour and Co-operative colleague Stella Creasy has been leading the charge at Westminster to cap the cost of credit and to legally limit the number of roll-ups, which is when people take out one loan to pay off another. That is an important point, because the industry body for payday loan companies tells us that 90 per cent of payday loans are paid off in full. Of course they are, because people are told to take out another loan to pay off the first one, and that is a much larger sum at a much higher rate.

Stella Creasy, along with trade unions and community groups across the country, has built a movement that is so strong it has forced the UK Government to reverse its opposition to a cap on the cost of credit. I am therefore surprised that the Tories seek to delete that commitment from the motion. Regulation is reserved to Westminster, but debt is devolved, which is why I have set up a campaign in Scotland called debt busters, which seeks to do three things. The first is to take on payday loan companies street by street; the second is to promote credit unions and their capacity to offer credible alternatives; and the third is to seek to change the law to improve debt relief for those who find themselves in serious trouble.

I will give members an example of that in practice. In Craigmillar in the east of Edinburgh, I work closely with Castle Credit Union and Link Housing Association on a joint campaign against payday loan companies. We jointly produced a leaflet and delivered it to thousands of homes in Craigmillar and Niddrie. That led to joint money advice surgeries, and we now regularly share resources in relation to newsletters and other such items as we work together against these companies. Many of my colleagues are now doing similar things in their areas.

I have a long list of things that local authorities can do to crack down on payday loan companies. I will not talk about them today, although I would happily share them with any member who wants to see them. Instead, I would prefer to use the rest of my speech to make two specific asks of the Scottish Government.

The first is to ask the Government to look seriously at the concept of a wealth warning on payday loans. In 2010-11, the Government spent

£6.78 million on public information and marketing campaigns, with the figure rising to £7.13 million in 2011-12. That money is being spent to educate us all not to eat fatty or salty foods and not to drink too much—it is being spent on health warnings. If we seek to educate the public about their health, why cannot we do it about their wealth? I would like the Government to run its own think twice campaign on payday loans, to expose the risk and promote the alternatives, which include the Government's core money advice services. I am pleased to have explicit support for that measure from the Scottish Trades Union Congress and the Church of Scotland.

I have raised the issue with the minister previously and I understand his concerns about the Government taking such direct action. However, if he is still willing to address the issue of payday loan companies, he could consider facilitating another organisation to take on that work, which is an approach that Citizens Advice Scotland has supported.

Part of the problem is that banks' short-term lending has shrunk by 20 per cent in the past few years, creating a new market. At the very least, the minister should get third-party organisations such as Citizens Advice Scotland and the banks round a table to try to make the approach work. There is precedent for such an approach, because big energy companies fund big energy week, which is usually successful. All that is needed is leadership, and Mr Ewing is the man to do it.

A second action that I would like the Government to consider relates to how it supports credit unions. In the previous financial year, the Government gave £1.2 million to credit unions. Much of that money was spent on business development, but they now need help with product development. A few of the larger credit unions offer same-day payday loan services. Scotwest Credit Union started it with the fast £500, which is linked to its current account, and Capital Credit Union has recently introduced its swift 500. The annual percentage rate for both those loans is just 26 per cent. If someone was to take out a loan with Wonga today, they would be charged 4,200 per cent for the same amount.

Those are great, credible, accessible and—crucially—affordable alternatives, but a number of small credit unions simply do not have sufficient capacity to offer such a product. They need a guaranteed loan fund: a sum of money from the Government for the purpose of lending by credit unions. The minister might ask where that cash would come from. It could be redeployed from existing credit union funds but, ultimately, it would be preventative spend, because his goal is to prevent people in Scotland from falling into rent arrears and causing his Government a problem

with the debt that that will create. I know that the minister has huge respect for the work of credit unions. He now needs to show that by providing support to address the impact of payday lending and the financial pressures that thousands of Scots face.

The challenge is huge, but we are not powerless to act. With a bit of leadership and creative thinking, the Government could take on and beat legal loan sharking in this country. I hope that the Government will rise to the challenge today.

I move,

That the Parliament recognises that January is a long and hard month for working families, made even worse in 2013 by the ongoing recession and austerity programme; notes with concern the rapid boom in payday loan companies that target low-income working people who struggle to make ends meet; recognises the need to both regulate more heavily payday loan companies and cap the total cost of credit; believes that local authorities and the Scottish Government should demonstrate leadership and seek to curtail the explosion in high interest, short-term lending that results in huge debts and financial misery for thousands of people in Scotland; notes that the welfare reform changes will force more people in Scotland into debt; recognises the important role that credit unions can play in providing a viable alternative and, believes that the Scottish Government should take the lead and warn against the dangers of legal loansharking.

16:00

**The Minister for Energy, Enterprise and Tourism (Fergus Ewing):** It is clear that there is a huge amount of interest in the motion, which is emphasised by the fact that the debate is well attended.

The Scottish Government absolutely accepts that January can be the most difficult month financially for a great many people. We understand that people may find it tempting to seek extra cash from payday lenders to deal with unexpected bills or simply make ends meet, but we strongly urge anyone who seeks a payday loan to consider other options before obtaining that type of credit.

I have been saddened to hear of many instances in which, rather than helping, such loans have led to individuals becoming entrapped in a cycle of debt when they are unable to pay back the loan. The loan is then rolled over to create a new loan on which further interest is charged, and the situation can spiral out of control. That is a truly contemporary development that causes grave concern across all parties, especially because, as Kezia Dugdale said, relatively young people are borrowing amounts for periods as short as 30 minutes, perhaps to spend in the bookies after a first bet has failed. The situation is very serious and is of concern to us all.

On the Parliament's powers, I hope that a broad, cross-party approach can be taken. Payday lenders are part of the consumer credit sector and the law in that area is reserved to Westminster. The businesses operate under rules that are set out by the Financial Standards Authority and are regulated by the Office of Fair Trading. We believe that the rules must change, and we are not alone in that belief. Many countries in Europe and many states in the USA have introduced legislation to protect consumers from severe financial difficulty. There is a lot to learn from what has been done in other countries and in the USA. I hope that there is a willingness to learn and that those lessons can be learned.

However, we, too, have acted. I have written to the UK minister responsible for consumer credit. I have the letters here, but protocol means that I will not read from them. I have asked the UK minister to regulate payday loans and have urged the UK Government to consider a cap on interest rates for high-interest and payday lending.

I have not done that lightly or without a great deal of thought as to the consequences, because I am aware of the recent history on the issue at the House of Commons. I have taken some time to read the various deliberations of the House of Commons and the OFT. The OFT and the former Labour Government concluded that a cap was not appropriate. We need to look carefully again at a cap and I urge the UK Government to do that.

**Neil Findlay (Lothian) (Lab):** We all know the situation at Westminster regarding regulation in this area. I hope that Fergus Ewing will address some of the issues that my colleague Kezia Dugdale raised, and the issues that Margo MacDonald and I raised about 14 months ago with John Swinney. Very little has been done with the powers that the Scottish Government has. That is the point that Kezia Dugdale was making.

**Fergus Ewing:** I was responding to Kezia Dugdale's first point, which I did fairly and without resorting to scoring political, partisan points. I am coming on to the other point, although my time is running out.

I have had a number of meetings with all stakeholders to drive forward the use of the powers that we have. I recently convened a round-table meeting with representatives from money advice, credit unions and the payday loan industry to discuss payday loans and their impact on people in Scotland. I have written to all payday lenders who operate in Scotland to encourage them to comply with the good practice customer charter, and I will continue to monitor firms' behaviour. I am told that four trade associations represent 90 per cent of the companies that are operating. That is all well and good, but what about the 10 per cent? What do they do? By

definition, those companies might not be so willing to operate by the code.

On welfare reform, it is plain to see that the changes and cuts that the UK Government is introducing can have only a detrimental effect on people and services in Scotland. We are committed to doing all that we can do to lessen the impact of the reforms.

Between 2008 and 2010 the Scottish Government invested £12 million in the third sector enterprise fund, and 30 credit unions benefited from that.

We have used some of our advertising budget to promote practical solutions for people who are in serious debt. Kezia Dugdale asked about that, so I will respond to her. Last year, we had a successful advertising campaign to promote the use of the debt arrangement scheme—DAS—which allows debtors to pay off their debts, thereby relieving them of the huge and crippling anxiety that debt brings to many households throughout the land.

**Kezia Dugdale:** Will the minister give way on that point?

**Fergus Ewing:** I am just about to finish, but I will give way as I close—I think that I have 40 seconds left.

**The Deputy Presiding Officer (John Scott):** I am afraid that you are in your final minute.

**Fergus Ewing:** Yes, Presiding Officer. I apologise.

We recognise that being in debt is often an horrific experience. It leads to the breakdown of families. It causes parents—very often, mothers—unending worry and stress about how to bring up their families. It is the most serious of issues.

We have acted, using the powers that we have, to change debt law and to work with credit unions, working with the grain to do the best that we can do. We will do more, as we will announce next week in the debate on the DAS.

I very much hope that this debate focuses on the positive, the practical and the constructive, so that we in Scotland can unite and do our best for those who are suffering from the scourge of debt.

I move amendment S4M-05504.2, to insert at end:

“and notes that the Scottish Government has called on the UK Government to consider introducing greater regulation of payday loan companies, including a cap on the total cost of credit, and has contacted all payday lenders operating in Scotland to encourage them to comply with the industry’s Good Practice Customer Charter.”

16:07

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

I welcome Kezia Dugdale’s bringing the matter that we are debating before the Parliament. Were it not for the inevitable rolling-up of issues in her motion, we might have been able to support it. It is unfortunate that it ties the difficulties that are associated with payday lenders and other credit schemes to an accusation that the UK faces a difficult economic situation, while failing to recognise that the situation was caused by her party when it was in government. That means that we find the motion difficult to accept.

There is evidence that the economic policies that are being administered by the United Kingdom are doing a great deal of good in Scotland. After all, changes in the tax base mean that 2.2 million Scots will be paying less tax by 2013, with people on basic incomes who are working full time paying less than half the tax that they were paying only a few years ago.

**Chic Brodie (South Scotland) (SNP):** Will the member give way?

**Alex Johnstone:** No, thank you.

It is also important for us to remember that there has been significant news on the unemployment front. Unemployment fell by 14,000 in Scotland between September and November. Even the figure for youth unemployment for that quarter shows a 23,000 drop on the figure for the equivalent quarter in the previous year. We must also remember that in April last year the UK Government ensured that there was a 5.2 per cent increase in benefits across the board.

Therefore, it is difficult for some people to understand how the problem that we are considering can be pinned on a UK Government that is doing all that it can do to ensure that we in Scotland benefit from the economic opportunities that come our way.

Nevertheless, I share Kezia Dugdale’s key concerns about payday lending, which is why my amendment notes

“with concern the problems that some people are having with payday lending and welcomes the action that the UK Government is taking to tackle the problems associated with high-cost credit, including giving financial regulators the power to impose restrictions on the total cost of credit and giving the Office of Fair Trading a new power to suspend consumer credit licences immediately where there is an urgent need to protect consumers”.

**John Wilson:** How many licences have been suspended? What action is the OFT taking against the payday loan company that charges an estimated annual percentage rate of 68,300 per cent?

**Alex Johnstone:** We must work together to overcome what is a serious situation.

This country has a problem with credit. There is a desire to ensure that credit is available but affordable, which is why Scotland's two Governments urgently need to work together, hand in hand, to deal with the problem. Therefore, I am delighted to hear that there is at least correspondence between the minister and the UK Government, which I hope will ensure that we have an understanding of what is required. I hope that results will accrue from that contact.

I support what Kezia Dugdale said about ensuring that credit is available. It is significant that credit unions are developing support for people who require short-term loans. There is a huge opportunity for the credit union sector to develop a more hard-headed approach to money lending so that, when required, people can take advantage of that facility. It is therefore essential that we in this Parliament and the Scottish Government promote that sector over time.

It is disappointing that there has been a rolling-up of issues in the motion, because we genuinely feel that the issues relating to credit that are contained in the motion are worthy of support.

I again ask the minister to give a commitment that he will work with the UK Government. I will seek all the support I can to ensure that we get a similar response and create a two-way dialogue for the benefit of those who are disadvantaged by the situation.

I move amendment S4M-05504.1, to leave out from first "recognises" to end and insert:

"notes that the UK still faces a very difficult economic situation and welcomes the action that the UK Government has taken to protect incomes and reduce the cost of living by increasing the personal allowance, which will help 2.2 million people in Scotland and mean that, in 2013, someone working full time on the minimum wage will see their income tax bill cut in half compared with what they were paying under a Labour administration; notes also that cancelling the 3p rise in fuel duty planned from January 2013 will mean that there has been no increase in fuel duty for nearly two and a half years; further notes with concern the problems that some people are having with payday lending and welcomes the action that the UK Government is taking to tackle the problems associated with high-cost credit, including giving financial regulators the power to impose restrictions on the total cost of credit and giving the Office of Fair Trading (OFT) a new power to suspend consumer credit licences immediately where there is an urgent need to protect consumers; notes that the OFT has launched formal investigations into several payday lenders, and calls on the Scottish Government to liaise with the OFT to identify and take action against problem payday lenders in Scotland and to boost the role that credit unions can play in providing a viable alternative."

16:12

**John Mason (Glasgow Shettleston) (SNP):** I

must admit to wondering whether or not parts of Alex Johnstone's speech related to a parallel universe.

I very much agree with the thrust of Kezia Dugdale's motion for the Labour Party. Clearly, we are in a recession, there is austerity and people who are on low incomes—whether they are working or unable to find work—are struggling. We all recognise that debt, especially high-interest debt, is a problem. I welcome the fact that the subject has been raised, but I am slightly disappointed that time for the debate is so short.

Debt consists of two overlapping problems: there is too much of it across society; and there is a specific problem for those who are struggling most to get by. It is clear that in the UK and in many other countries, Governments have borrowed far too much, but so have businesses and other organisations, as well as many individuals. Much of that borrowing has not been forced on them but has been through choice.

I remember my father telling me about borrowing money for a car, which I guess was in the 1950s. His father was appalled that he could be so rash as to borrow against a car. However, borrowing has become a normal part of life for many of us, and saving has become little more than wishful thinking.

I suggest that we need to change the mindset in society that borrowing is risk free and can be incurred without much thought. If someone has debts and their income falls, or if interest rates return to 15 per cent, as they were when I took out my first mortgage, they will have a problem.

We must recognise that some people have no choice as to whether they have food or not, or put money in the electricity meter or not. That is the issue that we are concentrating on today.

It is clear that debt is already a serious problem, but it is likely to get very much worse in the future, given that the welfare cuts will come in soon. If people have to borrow—one hopes only to tide them over in the short term—we need to ask how that can be done more safely.

The motion makes some suggestions that should be supported. It proposes increased regulation of payday loan companies—and, I presume, of other lenders—and a cap on interest rates, but it must be said that both those areas are under Westminster control. When I was down at Westminster, there was little sign of the then Labour Government making much effort in that direction.

The motion is a bit less specific about what demonstrating leadership means for central or local government, although Kezia Dugdale said a little more about that in her speech. It seems that

anything that we can do here is very much around the edges; the real power lies down south.

**Kezia Dugdale:** Will the member give way?

**John Mason:** Yes, despite the fact that Kezia Dugdale did not let me in for 10 minutes.

**Kezia Dugdale:** That is a fair point. I will be quick.

Does the member support the two ideas that I put forward?

**John Mason:** I have just mentioned two—

**Kezia Dugdale:** No, I meant my ideas.

**John Mason:** One of them was about advice, and I am just about to come on to credit unions.

The provision of advice is part of the answer to the problem, and I welcome the money that the Scottish Government put into that sector recently. The people who struggle with debt and who deal with dubious moneylenders are often the people who are furthest from libraries, the internet and other sources of information.

We need to encourage and support citizens advice bureaux and similar bodies. It would be preferable if they worked together in a network, which is why it was disappointing when Glasgow City Council had voluntary sector bodies competing against one another in its tender process the other year.

Yesterday, I visited Govan Law Centre for the launch of a report on its prevention of homelessness project, which talks about prevention a great deal. I think that that is the answer.

I will make three final points. First, January is a problem month. Is it still such a good idea to pay people their December pay before Christmas? Secondly, we need to encourage credit unions, but they have not yet taken off. Why is that? They have taken off in Ireland and Canada. Thirdly, the statutory minimum wage is far too low. We need to have a minimum wage that is a proper living wage.

16:17

**Rhoda Grant (Highlands and Islands) (Lab):** I think that we are all feeling the pinch today—pay day is so near and yet so far. If we are feeling it, we can only imagine how people on much smaller incomes are faring.

Last week, the Economy, Energy and Tourism Committee took evidence on underemployment. We were told about a very stark case involving a young couple and their children who came to a citizens advice bureau. When they came to the CAB, the parents had not eaten for a number of days. The husband was working, but he worked

for less than 25 hours a week. The family had lost their working families tax credit as a result of changes to the qualifying hours. It transpired that the husband's wages had been doing little more than covering his travel costs to and from work, and the family had lived off their working families tax credit. Once that went, they had no money. If he had given up his job, they would have been penalised and would not have received any benefits. Whichever way they looked, they could not feed their children. What a position to be in, especially in modern, supposedly civilised, Scotland.

The CAB ensured that the family received a food parcel immediately and started working with them. Further changes to benefits will mean that many more people will find themselves in that position. How easy it would have been for that family to take out a payday loan, but that would only have made matters worse. Many people are in that situation. Payday loans are so accessible that they must be a huge temptation. In the briefing that Citizens Advice Scotland has provided for the debate, it cites cases that bring to mind loan sharks much more readily than high street providers.

Although financial regulation is a reserved matter, the Scottish Government can act. As Kezia Dugdale suggested, it can provide public information that discourages people from taking out payday loans. Indeed, we should all do that by whatever means we can. The Government should also look at planning legislation to ensure that planning permission is required for any change of use that would result in a high street shop becoming a payday loan outlet. That would allow councils to keep such outlets off the high street.

In addition, the Government could work with credit unions to help them to finance emergency loans at affordable interest rates. Historically, credit unions have been driven by the need to help with financial planning, encouraging people to save and only to take out borrowing that is sustainable, but social and economic changes mean that emergency loans are now required more often.

We need to look at credit unions' opening hours. In a time of pay freezes and underemployment, those who would most benefit from credit unions may be in employment, but low-paying employers are probably not the most likely to allow such people time off to access a credit union.

We must do more to encourage use of credit unions by the whole of society. That would build them and make them much more sustainable for everybody. How much better it would be if rates and rent relief on empty properties in our high streets was given to credit unions to make them as



successful as possible, and certainly as successful as payday loan companies.

Banks must develop a social policy. It has always struck me that those who have money can access cheap credit but those who can least afford it have always had to pay more. The interest that is charged by payday loan companies can run into many thousands of per cent. Some members have quoted the amounts involved, which can be breathtaking. However, the interest that is charged by companies that have traditionally lent to the less well-off are also much higher than the interest charged by high street banks and the like.

The debate is timely because we are waiting for our first pay after Christmas. We can all do our bit to remove the commercialisation of times such as Christmas, which leads to much greater pressure on the less well-off and can lead to hardship. However, we also need to make it easier for those who are in desperate straits to get the help that they need. The Government can do much more for people in that situation.

16:21

**Stuart McMillan (West Scotland) (SNP):** This is an important debate and I congratulate Kezia Dugdale on bringing it to the chamber. The issue is of great concern to many individuals, families and communities throughout Scotland and, judging by the turnout of MSPs today, it is an issue of great concern to us. It is just a shame that no Lib Dem could be bothered to turn up this afternoon.

However, I have to ask why the motion focuses on the roles of the Scottish Government and local authorities given that the legislation that controls interest rates rests with Westminster. Why has the Labour Party not condemned the inaction of the Con-Dem Government on the issue? Is the answer something to do with the history of the lack of action that took place at Westminster when the Labour Party was last in power?

**Ken Macintosh (Eastwood) (Lab):** Will the member take an intervention?

**Stuart McMillan:** I am sorry. I usually take interventions, as members know, but I have only four minutes.

The powers to regulate payday loan companies more heavily and to cap the total cost of credit rest at Westminster. We have heard that the enterprise minister has already written to the relevant UK minister to seek greater regulation of payday loans and to urge the UK Government to place a cap on interest rates for high-interest and payday lending. Where the Scottish Government can act, it will do so; as the enterprise minister said, he is already working on the matter.

As regards action by local authorities, Dundee City Council's SNP administration is leading the way. It is banning access to payday loan companies from its computers, including the public access computers in local libraries. At the same time, it is promoting the role of the local credit union as a viable alternative to high-interest, short-term lenders.

I turn to the impact that welfare reform will have on those who rely on benefits. In contrast to Labour's support for welfare cuts, with its cuts commission looking at removing free prescriptions or the concessionary bus pass from 1.2 million older and disabled people in Scotland, the Scottish Government is trying to protect families with its social wage policy, council tax freeze, free bus passes, free prescriptions and free personal care. That all adds up to vital support for families across Scotland against the background of the Westminster cuts. Our commitment to a social wage will deliver benefits for everyone in Scotland.

The Scottish Government has already shown that it will not stand by while Westminster cuts fall hardest on the poorest people in Scotland. An extra £9 million was awarded to the Scottish welfare fund to reinstate the money lost through Westminster cuts, and more than £5 million is being provided to help benefits advice groups cope with the increase in demand for help from hard-hit families.

Labour members might complain about welfare reforms, but unfortunately their position is not that simple. Despite what they say in press releases, leading Labour MPs at Westminster such as David Miliband agree with the reduction in welfare spending. The only thing that is clear about welfare reform is that a fairer welfare system in Scotland can be achieved only with independence.

The Scottish Government has already provided support to credit unions. It recognises the valuable role that they play in providing financial services to a wide range of customers. Through the third sector enterprise fund, it invested £12 million in credit unions between 2008 and 2010, including £10,000 for Dumbarton Credit Union and £63,000 for Renfrewshire Wide Credit Union. That support underlines the support from the Scottish Government and the SNP for the credit union movement. We believe that credit unions are able to offer a viable alternative to high-interest, short-term lenders, and I urge all members to promote and support their local credit union.

The motion highlights Westminster's austerity programme and welfare reforms. It highlights that there are things that Labour would prefer to see implemented on the people of Scotland, as opposed to the people of Scotland being able to decide on Scotland's priorities through the Scottish Parliament and the Scottish Government. Labour

acknowledges the impact of the austerity cuts and welfare reform, but it will not join the SNP in campaigning for the Scottish Parliament to have the powers to really deal with the welfare situation.

The Scottish Government is doing what it can with its limited powers under the current constitutional settlement to mitigate the excesses of the Westminster cuts agenda. It is a shame that it cannot be said that Labour is doing the same.

16:26

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** I am pleased that we are having this debate at this time, when people are beginning to receive their January bills, but I am a bit disappointed that Labour has halved the time to debate the matter.

When I read the motion, my first reaction was that I was a bit surprised by the call for action to tackle payday loans and high-interest credit, because the biggest impact on them can be made at Westminster, of course. Perhaps Kezia Dugdale is gradually realising that it would be much better if powers relating to those matters were devolved to the Scottish Parliament. We could take powers over those and other things as necessary and help those who are most in need in society.

**Ken Macintosh:** Will the member take an intervention?

**Maureen Watt:** Not at the moment, thank you.

As other members have said, Labour had 13 years to take action on high-interest credit and payday loans when it was in power at Westminster, but it did nothing. Here in Scotland, why did Labour MSPs in the previous session not sign Kenny Gibson's motion entitled "Time to Curb Excessive Interest Rates"? More recently, only five Labour members signed Mark McDonald's motion on bringing forward the January pay date. The SNP did that when it was in power in Aberdeen City Council. It would be nice to see some consistency and continuity from the Labour benches. I wonder whether Labour's cuts commission would take away from families the much-needed support that is so helpful in this area.

I am grateful to CAS for its briefing, which shows the reasons for the rise in the number of people who are struggling to make it to pay day. Those reasons are the stagnant economy, public sector cuts, mainstream credit being more difficult to access, and the number of people who hold and use an overdraft facility or credit card having fallen by around 1 million in the UK. The other factor, which Kezia Dugdale mentioned, is the speed at which customers can access credit without adequate scrutiny of their current commitments

and their ability to pay back the loan. That has, of course, resulted in many people regretting taking out payday loans. They find that they are unable to pay them back and find themselves in a downward spiral of debt. Evidence suggests that lenders are unsympathetic to customers who find themselves in financial difficulties, and it is not clear that even lenders who have signed up to the new customer charter are adhering to the good practice that is advised therein.

I wish that citizens advice bureaux and credit unions had the ability to advertise their services as much as those who offer payday loans. People need to know that their first port of call should be their local credit union office, their citizens advice bureau, or even their MSP, who can direct them to the proper agency for their needs. Many organisations offer financial health checks and people may find out that they are entitled to benefits that they have not accessed or that an organisation can help them to reconfigure their debt. I have noticed that some churches now offer that service, too.

I am a member of a credit union, a supporter of credit unions, and I support their work in schools, but I get the feeling that that is not the position of successive Westminster Governments. Some credit unions in Scotland are increasingly frustrated by the lack of progress and support from south of the border and are asking themselves why they bother belonging to cross-border organisations in the field.

The credit union sector is stronger in Scotland. One in 20 people is a member here, but only one in 70 in Britain. Scotland is making more progress in this area, so the natural progression is for Scotland to take full control in this regard. I am happy that, with her motion, Kezia Dugdale, too, is beginning to see that.

16:30

**Anne McTaggart (Glasgow) (Lab):** Before I begin, I declare an interest, in that I am a member of Scotwest Credit Union, Glasgow Credit Union and the cross-party group on credit unions.

I am delighted to contribute to this debate on the increasingly squeezed standards of living for families in Scotland and to express my growing concern that a part of the financial industry that is responsible for the economic crash is continuing to profit from some of the most deprived people in our communities.

Companies offering payday loans have increased their market share by more than 400 per cent in the past three years. They now represent a significant presence on our high streets in towns and cities throughout Scotland. It is easy to understand the temptation of a cash advance on a

monthly wage, particularly for those in low-paid employment, with household bills that consume the majority of their earnings. However, the interest rates on payday loans are nothing short of exploitative, with a loan of £300 over a period of 30 days costing around £100 in interest and fees alone.

Payday loans do not offer Scottish families a sustainable solution to what are often very serious financial problems, and more needs to be done to offer viable alternatives to such questionable business practices. Families who need access to affordable credit within a short timeframe have limited options, and they are often unaware of the provisions that are made by local authorities, organisations and charities in their communities, which are specifically designed to offer support to people in those circumstances.

I believe that credit unions hold the answer. As a Glasgow MSP who is active in the cross-party group on credit unions, I am delighted that one in five Glaswegians is a member of a credit union. In my region of Glasgow, Drumchapel Community Credit Union provides short-term loans to more than 3,000 registered customers in the local area, with an APR of between 15 and 26 per cent. Drumchapel Community Credit Union was the very first to be established in Scotland. For more than 40 years, it has provided families in Drumchapel with affordable credit to meet unexpected financial demands, such as the huge rise in the cost of energy for households over the past few years. Customers are encouraged by the team of staff and volunteers to repay loans over a longer period in order to spread the burden, and to develop a financial plan that details how their monthly income meets expected outgoings, so as to ensure that short-term loans do not need to be relied on as a source of income in the future. I call on the Scottish Government to support an increase in investment in Scottish credit unions so that they can offer products equivalent to payday loans on a fair and affordable rate of interest.

It is clear that the standard of living for Scottish families has been squeezed considerably. I understand the increased financial pressure that thousands of Scots endure as a result of low wages and high unemployment, and it is vital that the Scottish Government and local authorities recognise and support the invaluable work of local organisations such as credit unions and the key role that they play in tackling disadvantage and poverty throughout Scotland.

16:34

**Chic Brodie (South Scotland) (SNP):** On 29 May last year I lodged a motion on payday lending, which was supported by only a few of my colleagues. It said that measures that had then

been taken by the OFT and through self-regulation would not thwart the impending crisis. I regret to say that it was right, and that the crisis is now upon us. I congratulate Kezia Dugdale on bringing the debate to the chamber and on speaking to the motion with her usual passion and compassion.

The Economy, Energy and Tourism Committee took evidence last week on underemployment and heard from CAS witnesses of one honest, hard-working family with children having to share a tin of beans the day before pay day. Yesterday, chairing the cross-party group on social enterprise, I heard of the dramatic increase in referrals to housing association advice centres, which are referrals of not the unemployed, the disabled or others, but those in work.

Those and similar situations do not make me sad; they make me angry. The Pontius Pilate proposal by Alex Johnstone that some people are not being made slaves to the draconian and misguided fiscal, economic and benefits policies of Westminster is absolute nonsense. The Conservatives should be ashamed.

The immediate suppression of income and benefits further drives people towards very expensive payday loans, which in some cases are for paying off earlier loans. I understand the restriction imposed on the Scottish Government by the Consumer Credit Act 1974 and I support the SNP amendment's aim to change the laws, but I believe that, in the short term, there might be another way to mitigate, if not expunge, the loans challenge.

The users of short-term loans in some parts of the US, Canada and Australia face similar issues of affordability, multiple loans, the cycle of debt caused by taking new loans and the rolling over of existing loans. Australia has already legislated to subvert excessive-interest loans, as have some US states. For example, in Florida, one can borrow only to a maximum of \$500 through a payday loan; there are limited transaction fees; the rolling over of loans has been banned; and loan terms have been restricted to a maximum of 31 days—that should be our objective.

Some US states and parts of Canada use customised regulatory systems that protect customers while allowing registered payday and short-term lenders to operate profitably, but within reason. There is also a software solution operated by a company called Veritech that allows customer data to be shared among lenders so that a customer's maximum borrowing limit is known to all lenders at any one moment in time, which means that the borrower cannot exceed their borrowing limit by hopping from one lender to another on the same day. The software also allows the restriction of loans, ensures that there is no borrowing during the repayment plan period

and allows reasonable fee structures for responsible lending, which is what we should do, preferably through credit unions.

In supporting its amendment, I ask the Government at least to investigate the possibility of a partnership with credit unions and to look at the Veritech solution or similar solutions in order to counter the ravages of open-ended, non-self-regulated lending. Then, and only then, can we dissipate our anger.

16:38

**Jamie McGrigor (Highlands and Islands) (Con):** I am pleased to close today's debate for the Scottish Conservatives. We recognise that in these challenging economic times the cost of living is a big issue for families across Scotland, not least because of the increasing energy bills that so many of us face.

I agree with the comments of Kezia Dugdale and many others on the dangers of payday lenders and loan sharks. I was slightly surprised to hear her chiding John Mason for agreeing with two points that she had made. I thought that the point of debate was to try to get the opposition to agree with you. Anyway, I think that she should be pleased with him.

There was criticism of the actions of the UK Government from Chic Brodie, so I want to restate some hard facts for the record. In the most recent autumn statement, the UK Government demonstrated support for those on low and middle incomes by increasing the income tax personal allowance by £235 from April 2013, taking it to £9,440. That is further real progress towards the £10,000 target and it means that another 21,000 Scots will be taken out of tax altogether and that 2.2 million Scots will get a tax cut this April. After April, a Scot working full time on the minimum wage will see their income tax bill cut in half, compared with what they were paying under Labour.

**Chic Brodie:** What will the member say to the estimated 1,300 people in South Ayrshire who are likely to become homeless after the welfare reform package takes effect in April?

**Jamie McGrigor:** I am horrified at the fact that they are likely to become homeless. Maybe that has something to do with the fact that very few homes have been built by the present Scottish Government.

**Chic Brodie:** Oh, come on.

**Jamie McGrigor:** We have got the lowest house-building numbers for about 20 years.

The confidence rating that the UK Government enjoys on the international financial markets and

its ability to borrow money at low levels has helped to keep UK interest rates at historically low levels, which has in turn meant lower mortgage rates and mortgage repayments for Scots, which is crucial to the cost of living for many families. Mortgage repayments are much lower than they would have been under Labour, which has no credible plans to get the public finances under control.

The cost of fuel has been mentioned and remains a huge issue, especially in my region, the Highlands and Islands. Again, in the autumn statement, the UK Government cancelled the 3.02p per litre fuel duty increase that was planned for 1 January 2013. That means that fuel duty will have been frozen for nearly two and a half years and is 10p lower than it would have been under Labour. In addition, the fuel discount scheme pilot in the Western Isles, Orkney and Shetland has cut the price of a litre of diesel or petrol by 5p for consumers in those island communities. Of course, the situation has not been helped for islanders and hauliers by the Scottish Government taking the road equivalent tariff away from commercial vehicles. That will increase the cost of living for everybody in those areas and has made things difficult for the hauliers that people rely on across the Highlands and Islands.

This morning, the Local Government and Regeneration Committee heard from Sir Robert Black, the former Auditor General for Scotland, on the subject of the value of preventative spending, which, if directed wisely, can cut costs in the future, leaving more money for other budgets. Clear thinking on preventative spending is key to saving money in the future. Reducing waste in Government and local government is a good way of reducing the cost of living for everyone else. Helping to grow the economy and create more jobs and economic opportunities is another key way in which the Scottish Government can help our constituents with the cost of living. However, taking substantial sums away from our colleges, removing significant amounts from the housing budget and increasing taxes on business are wrong choices.

I again call on the Scottish ministers to make better use of the economic tools that they have and to work with the UK Government to do all that they can to get the economy moving and help to increase our constituents' incomes so that they can make more ends meet.

I support the amendment in the name of Alex Johnstone.

16:43

**Fergus Ewing:** I wish to return to the matter at hand, which is debt.

The debate has been welcome, and I thank Kezia Dugdale and the Labour Party for bringing it to the chamber. We will support the motion tonight and hope that Labour will support our amendment. People expect us to work together; the last thing that people want to see in this Parliament, on this topic, is cheap political point scoring and a wide ranging tour de table about the perceived ills of various economic policies and the faults of various parties. What purpose would that serve?

I bring to the debate fairly long experience as a solicitor who worked in debt, before I was elected. That job was one of the most humbling and moving experiences of my life, because the people who came to me for help brought with them the most horrendous difficulties and problems. As I have said in the chamber before, it was often the female in the household who would face reality first and would come to me, usually accompanied by children. The overwhelming sense of worry on the mother's part was not for herself but for her children—she wanted only to keep a roof over their heads. Such are the issues that we are talking about.

We are particularly concerned about the people who face extreme problems. John Mason was quite correct to talk about the old prevailing ethos that I think we would all recognise and which is summed up in the phrase “Neither a borrower nor a lender be.”

Previously, it was believed that taking on debt was something that should not be done lightly. Perhaps that ethos, which meant that people could not get a mortgage without saving for a long time, was not so bad. If it had prevailed in the 1990s and the noughties, would we be in the recession that we are in now? Credit unions manage their finances according to that ethos; they do not borrow irresponsibly and have behaved more sensibly and prudently than many fancy banking organisations throughout the world.

My solicitor experience brought home to me the predicament that people face. Of course, all MSPs will have had the experience of speaking to people in their constituency surgeries who face real pressure—bank foreclosure, the threat of losing their house, their children finding that they have no home and their home life being disrupted. That is the cause of huge pressure.

Of course, every human story is different. There is no point in generalising, because every life and every experience is different. However, we all have a duty to respond as we can. That is why I have sought to give a lead by giving a clear warning that payday loans offer a particular danger to people who take them up. If they are rolled over—if they are not repaid in the month in which they are taken out—they rapidly become unmanageable. We all agree about that.

I support, and the Government has supported, the second point that Kezia Dugdale made: namely, that we should use some taxpayers' money to advertise positive debt solutions, as we did with the debt arrangement scheme last year.

**Kezia Dugdale:** I am sure that we will return to the matter next week, but surely the minister is aware that a debt arrangement scheme is no use to people who have payday-loan debt. It can take three months to establish a debt arrangement scheme. The extent of the Government's action today has been to say that it has written two letters. Surely we will get more from the minister about what he will do next.

**Fergus Ewing:** I say gently to Kezia Dugdale that it is wrong to characterise matters in that way. Next week, we will announce serious measures on which we have worked for some time. Not only will they show that we have taken a lead, but they will introduce a remedy that will be helpful to many of the people who face precisely the problem that she mentioned. It has been in planning for a long time. Next week, at the appropriate time, we will announce details of the measures that we propose to introduce.

We recognise that there is a role for the Government to play in using taxpayers' money, which we have been entrusted to spend prudently, on advice and information about the risks of taking on dangerous debts and the positive solutions that are available. We have done that appropriately and will continue to consider appropriate measures.

The third measure that Kezia Dugdale described was credit unions. We all support credit unions, and Anne McTaggart made a helpful speech about the work that she has done in that area. Other members in the debate mentioned the hugely important role that those organisations play. Credit unions' problem is that they are not as accessible as the payday loan shops. Many of them operate successfully, but they have a far lower public profile. It would be inappropriate for me to mention them, but we all know the ones that do extremely well, are visible and help a great many people.

**John Wilson:** Will the minister outline how the Scottish Government will help to promote smaller credit unions in areas that desperately need that facility but do not already have it?

**Fergus Ewing:** We will certainly continue to promote, and advise people to consult, local credit unions. We will also contribute to public information, press publicity and campaigning. I hope that we will all do that jointly.

The debate has been useful, by and large; there has been a measure of agreement. I hope that Parliament will unite—or substantially unite—this evening on the way ahead.

I wish that we had the power in this Parliament to tackle the whole problem. If we had that power, there would be a consensus to use it, after careful thought, to regulate payday loans in a way that they are not regulated at present. I believe that strongly and profoundly, and I urge Parliament to adopt that view when we come to the vote this evening.

16:50

**Ken Macintosh (Eastwood) (Lab):** I, too, welcome many of the speeches in the debate. Opposition day debates are usually more combative affairs—if I may put it that way—but it is clear that there has been a strong measure of agreement in all the speeches across the chamber on the extent of the problem, if not on what we can do about it.

Many members asked how many Scottish families are struggling to make it to the end of January. How many who were already stretching to make ends meet were pushed to the edge of financial breakdown by Christmas? Some people will have received their salaries one or two weeks early in December, which will have left them with six weeks without income, until the end of January. For others, the rise in gas, electricity and petrol prices will have been the final straw.

Just this week, we have heard about the increasing number of families who are being forced to rely on credit cards to pay for the essentials of living. Today's *Herald* front page talks about families dipping into their savings to put food on the table, to take kids to school and to meet mortgage payments. How many more have been driven not out of choice but out of necessity into the avaricious arms of payday lenders? How many more are cutting back on the essentials of food, heating and housing to pay off those exorbitantly expensive short-term loans? As my colleague Rhoda Grant said, that is the alarming reality for many families.

The struggle with debt is not a new problem. I do not want us to move away from the here and now, but many of us were educated and brought up with the works of people such as Charles Dickens and are familiar with the difficulty, misery, hardship and humiliation of debt. Two hundred years after his birth, and with wealth all around us in this country, why are we still talking about debt in such terms? Even more worrying, why is the problem getting worse?

I do not wish to make personal comments about the speeches by Alex Johnstone or Jamie McGrigor, but I feel that the Tories were in denial in the debate. They might not think that a problem exists, but I point out that Wonga—one of the most notorious payday lenders—although it made a loss

of £1.9 million in 2007, has provided a total of 6 million payday loans in the UK up to 2012 and has made profits of more than £45 million. The problem is growing and getting worse, and we need to address it.

Many speeches have helped to describe the scale of the problem. I pay tribute to my colleague Kezia Dugdale, who not only painted a vivid picture of the problems and the hardship for families, but came up with a number of constructive suggestions about what we can do about that.

The most recent research from Shelter, which was published earlier this month, revealed that one in five Scottish families is struggling with their housing costs. More worrying is the fact that the number who are resorting to expensive payday loans to cover rent or mortgages has risen to 3 per cent of the population. Those figures are very much in line with figures in other studies of personal debt in this country.

It is becoming increasingly clear that we need to take action at all levels of government now. The recession, increased unemployment levels, frozen wages and more people moving into part-time working have affected household incomes. In the most recent year for which figures are available, the average household income in Scotland had declined by £1,200. If we add to the rising cost of living exorbitant rises in fuel prices, we can see why people are driven to despair.

What appears to be turning those difficulties into what most of us agree is a payday loans scandal is the lack of affordable borrowing, whether it is because of the withdrawal of credit facilities or the tightening of credit from more mainstream institutions. One of the most detailed analyses of the problems has been provided by R3, which is the trade body for insolvency practitioners. R3's "Personal Debt Snapshot" reveals that the most important reason for resorting to a payday loan is to pay off other debt—particularly credit card loans. People who are already struggling with debt are being sucked into a downward spiral of relying on short-term borrowing with ever-increasing and extortionate repayment levels. As the minister recognised, recovering from that spiral is very difficult.

I agree with much of what the minister said. However, I want to pick up on two remarks. It was helpful to identify who is suffering, but unfortunately, the minister talked about people in bookies sometimes resorting to loans. Also, John Mason—in an otherwise quite useful speech—talked about the most vulnerable people being those who are furthest away from access to the internet. That is not a particularly helpful way of looking at the problem, because it implies either a degree of vulnerability or—in the case of the

minister's remark—a hint of feckless or irresponsible behaviour. However, the vast majority of those people are not the poorest of the poor; we are talking about people who are working, who nearly always have a home and a mortgage, who certainly have a bank account and who nearly all have an income of sorts.

The minister was right that there is a generational split. In fact, although the minister said that more men take up payday loans, more women are worried about debt. There is also a generational split in respect of who is worried about debt. Younger people—the 25 to 45-year-olds—are most worried about debt; three quarters of them are anxious about their current debt, compared with only a third of people who are retired. It is younger people who are turning to payday loans to “rescue” them from their difficulties.

Kezia Dugdale also highlighted particularly well the fact that the situation could be about to get much worse. The welfare benefits changes that are coming through seem almost to have been designed to exacerbate the situation. Tens of thousands of Scots who have not had bank accounts and who therefore could not previously access payday loans, are being forced to open bank accounts. With a similarly enforced move to monthly budgeting they will, as Kezia Dugdale said, instead of getting paid their benefits two weeks ahead be paid them four weeks behind.

It is widely predicted that many families will find themselves with even more acute short-term cash-flow problems. Yesterday, my colleague Malcolm Chisholm commented that it is the hallmark of a civilised society that we look after the most vulnerable people. I believe that most of us in this chamber would agree with that comment, but in my darker moments I sometimes worry that the hallmark of our supposedly sophisticated society is that we find ever more ingenious ways of extorting money from the people who can least afford it. That is what payday loan companies are doing.

I simply do not accept the arguments that payday loan companies are operating legally, that they are meeting a need, that financial regulation is reserved to Westminster and that is the end of the matter. The very fact that the market in payday loans has increased fourfold in as many years and now runs into billions of pounds should set alarm bells ringing at every level of Government. Those companies are making millions out of human misery and we are not mere spectators watching from the sidelines. Particularly helpful—certainly from my Labour colleagues' contributions—are the number of positive actions that have been identified. They are actions that we can take now and that will make a difference.

I say just to make it clear to members on the SNP back benches that we agree that Westminster should take action and we agree with capping interest rates and with limiting roll-over of such loans, and we particularly support the work of Stella Creasy and others in Westminster. However, it is not simply a matter for Westminster to deal with. In fact, among all the calls for powers to be brought to this Parliament to deal with the issue, my understanding of the nationalist position on independence is that financial regulation would remain with Westminster. Perhaps the SNP would like to clarify that point, because that is my understanding.

**Fergus Ewing:** I am happy to clarify that the SNP wishes those powers to be transferred to this Parliament. I will just make a plea to Ken Macintosh. Would he be willing to work with us in order to secure—now or within a short time—the transfer of powers to implement the measures that he himself said a moment ago he wishes to support and to see implemented, in order to solve the problem and to regulate payday loans in the way that he has just described?

**Ken Macintosh:** The minister may wish to talk to the leader of his party, who is sitting on his right, just to clarify where the SNP stands on the transfer of fiscal responsibility. My understanding is that financial regulation will remain with Westminster under the new plans. The point is that that is an excuse for inaction, rather than a reason for inaction.

We have identified so many possible activities today. Members have been united in their agreement about the role of credit unions. The minister has identified a £6 million export guarantee enterprise growth fund. I ask the minister why he will not use some of that fund to support credit unions. So far, not one of them has made a successful application. We could set up a loan guarantee fund to expand the work of credit unions. It would be expensive; it would cost money, but we would be willing to work with the Government to find ways to fund that.

The Government could take so many actions on this matter. For example, Stuart McMillan talked about what the Government could do and then highlighted the good example of Dundee City Council's not allowing access to payday loan company websites on its computers. We can stop the mis-selling of payday loans, use trading standards and tackle wealth difficulties using the same type of action that we take to tackle health difficulties. The Government has the power and the social advertising budget and we would be willing to work with it.

We will support the SNP's amendment because we believe that there is consensus in the chamber and are happy to work with it to find a way

forward. I look forward to the minister's announcement next week and urge members to support the motion in my colleague's name.

**The Deputy Presiding Officer:** That concludes the debate on the cost of living.

## Business Motion

17:00

**The Deputy Presiding Officer (John Scott):** The next item of business is consideration of business motion S4M-05508, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a business programme.

*Motion moved,*

That the Parliament agrees the following programme of business—

Tuesday 5 February 2013

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Stage 1 Debate: High Hedges (Scotland) Bill

*followed by* Scottish Government Debate: Promoting and Protecting Human Rights - Scotland, Europe and the Wider World

*followed by* Scottish Parliamentary Corporate Body Motion: Reappointment of the Chair of the Scottish Human Rights Commission

*followed by* Scottish Parliamentary Corporate Body Motion: Appointment of a new member to the Standards Commission for Scotland

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.30 pm Decision Time

*followed by* Members' Business

Wednesday 6 February 2013

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Health and Wellbeing

*followed by* Stage 3 Proceedings: Budget (Scotland) (No.2) Bill

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 7 February 2013

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Scottish Government Debate: Local Government Finance (Scotland) Order 2013 [draft]



*followed by* Scottish Government Debate: Debt Arrangement Scheme

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 19 February 2013

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 20 February 2013

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Culture and External Affairs  
Infrastructure, Investment and Cities

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 21 February 2013

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Scottish Government Business

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time—[*Joe FitzPatrick.*]

*Motion agreed to.*

## Parliamentary Bureau Motions

17:01

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

The next item of business is consideration of two Parliamentary Bureau motions.

*Motions moved,*

That the Parliament agrees that the Local Government Finance (Scotland) Order 2013 [draft] be considered by the Parliament

That the Parliament agrees that the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 [draft] be approved.—[*Joe FitzPatrick.*]

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

## Decision Time

17:01

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

There are seven questions to be put as a result of today's business.

The first question is, that amendment S4M-05506.1, in the name of Michael Russell, which seeks to amend motion S4M-05506, in the name of Hugh Henry, on further education, be agreed to. Are we agreed?

**Members:** No.

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

### For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (North East Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)

Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Rutherglen) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**The Deputy Presiding Officer:** The result of the division is: For 64, Against 51, Abstentions 0.

*Amendment agreed to.*

**The Deputy Presiding Officer:** The next question is, that motion S4M-05506, in the name of Hugh Henry, on further education, as amended, be agreed to. Are we agreed?

**Members:** No.

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

#### For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 Lyle, Richard (Central Scotland) (SNP)  
 MacAskill, Kenny (Edinburgh Eastern) (SNP)  
 MacDonald, Angus (Falkirk East) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 Mackay, Derek (Renfrewshire North and West) (SNP)  
 MacKenzie, Mike (Highlands and Islands) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAlpine, Joan (South Scotland) (SNP)  
 McDonald, Mark (North East Scotland) (SNP)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMillan, Stuart (West Scotland) (SNP)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)

Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

#### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Findlay, Neil (Lothian) (Lab)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Goldie, Annabel (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Rutherglen) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McGrigor, Jamie (Highlands and Islands) (Con)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahan, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**The Deputy Presiding Officer:** The result of the division is: For 64, Against 51, Abstentions 0.

*Motion, as amended, agreed to,*

That the Parliament congratulates the Scottish Government on its decision to undertake an audit of college

“waiting lists” to better understand the application and “waiting list” process in colleges and the reliability of recently quoted figures; notes that the preliminary findings have exposed as wildly exaggerated many of the claims made about the number of people who are waiting for a course; notes that the quoted figures do not give any accurate indication of unmet need; further notes that under no previous administration has anyone had an entitlement to their first choice of college or university place; welcomes the current administration’s efforts in going further than any of its predecessors through the Opportunities for All guarantee; recognises the efforts made by colleges in redirecting applicants to oversubscribed courses toward other courses; welcomes the fact that the college sector is being funded in a way that is ensuring that student numbers are being maintained; recognises that the college reform programme is creating more efficient colleges of scale with, as proposed in the Post-16 Education (Scotland) Bill, improved governance and accountability, and welcomes the intention of the reform programme to create colleges that can better address economic need and consequently boost the employability of learners.

**The Deputy Presiding Officer:** The next question is, that amendment S4M-05504.2, in the name of Fergus Ewing, which seeks to amend motion S4M-05504, in the name of Kezia Dugdale, on the cost of living, be agreed to. Are we agreed?

**Members:** No.

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

**For**

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)

Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hume, Jim (South Scotland) (LD)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 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)  
 McAlpine, Joan (South Scotland) (SNP)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McInnes, Alison (North East Scotland) (LD)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 McTaggart, Anne (Glasgow) (Lab)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Neil, Alex (Airdrie and Shotts) (SNP)  
 Paterson, Gil (Clydebank and Milngavie) (SNP)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

## Abstentions

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

**The Deputy Presiding Officer:** The result of the division is: For 104, Against 0, Abstentions 11.

*Amendment agreed to.*

**The Deputy Presiding Officer:** The next question is, that amendment S4M-05504.1, in the name of Alex Johnstone, which seeks to amend motion S4M-05504, in the name of Kezia Dugdale, on the cost of living, as amended, be agreed to. Are we agreed?

**Members:** No.

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

## For

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

## Against

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

Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 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)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 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)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)

Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 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 Deputy Presiding Officer:** The result of the division is: For 15, Against 100, Abstentions 0.

*Amendment disagreed to.*

**The Deputy Presiding Officer:** The next question is, that motion S4M-05504, in the name of Kezia Dugdale, on the cost of living, as amended, be agreed to. Are we agreed?

**Members:** No.

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

#### For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Central Scotland) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Biagi, Marco (Edinburgh Central) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brodie, Chic (South Scotland) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Burgess, Margaret (Cunninghame South) (SNP)  
 Campbell, Aileen (Clydesdale) (SNP)  
 Campbell, Roderick (North East Fife) (SNP)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Crawford, Bruce (Stirling) (SNP)  
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Nigel (Angus North and Mearns) (SNP)  
 Doris, Bob (Glasgow) (SNP)  
 Dornan, James (Glasgow Cathcart) (SNP)  
 Dugdale, Kezia (Lothian) (Lab)  
 Eadie, Helen (Cowdenbeath) (Lab)  
 Eadie, Jim (Edinburgh Southern) (SNP)  
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 Finnie, John (Highlands and Islands) (Ind)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)

Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 Keir, Colin (Edinburgh Western) (SNP)  
 Kelly, James (Rutherglen) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 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)  
 McAlpine, Joan (South Scotland) (SNP)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDonald, Mark (North East Scotland) (SNP)  
 McDougall, Margaret (West Scotland) (Lab)  
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)  
 McLeod, Aileen (South Scotland) (SNP)  
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McMillan, Stuart (West Scotland) (SNP)  
 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)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Robertson, Dennis (Aberdeenshire West) (SNP)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Salmond, Alex (Aberdeenshire East) (SNP)  
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)  
 Smith, Drew (Glasgow) (Lab)  
 Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)  
 Stewart, David (Highlands and Islands) (Lab)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sturgeon, Nicola (Glasgow Southside) (SNP)  
 Swinney, John (Perthshire North) (SNP)  
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Urquhart, Jean (Highlands and Islands) (Ind)  
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)  
 Wheelhouse, Paul (South Scotland) (SNP)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wilson, John (Central Scotland) (SNP)  
 Yousaf, Humza (Glasgow) (SNP)

#### Against

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

Rennie, Willie (Mid Scotland and Fife) (LD)  
Smith, Liz (Mid Scotland and Fife) (Con)

**The Deputy Presiding Officer:** The result of the division is: For 100, Against 15, Abstentions 0.

*Motion, as amended, agreed to,*

That the Parliament recognises that January is a long and hard month for working families, made even worse in 2013 by the ongoing recession and austerity programme; notes with concern the rapid boom in payday loan companies that target low-income working people who struggle to make ends meet; recognises the need to both regulate more heavily payday loan companies and cap the total cost of credit; believes that local authorities and the Scottish Government should demonstrate leadership and seek to curtail the explosion in high interest, short-term lending that results in huge debts and financial misery for thousands of people in Scotland; notes that the welfare reform changes will force more people in Scotland into debt; recognises the important role that credit unions can play in providing a viable alternative; believes that the Scottish Government should take the lead and warn against the dangers of legal loansharking and notes that the Scottish Government has called on the UK Government to consider introducing greater regulation of payday loan companies, including a cap on the total cost of credit, and has contacted all payday lenders operating in Scotland to encourage them to comply with the industry's *Good Practice Customer Charter*.

**The Deputy Presiding Officer:** The sixth question is, that motion S4M-05509, in the name of Joe FitzPatrick, on the referral of a Scottish statutory instrument, be agreed to.

*Motion agreed to,*

That the Parliament agrees that the Local Government Finance (Scotland) Order 2013 [draft] be considered by the Parliament.

**The Deputy Presiding Officer:** The next question is, that motion S4M-05510, in the name of Joe FitzPatrick, on the approval of an SSI, be agreed to.

*Motion agreed to,*

That the Parliament agrees that the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 [draft] be approved.

**The Deputy Presiding Officer:** That concludes decision time.

## Television (South of Scotland)

**The Deputy Presiding Officer (Elaine Smith):** The final item of business today is a members' business debate on motion S4M-05112, in the name of Joan McAlpine, on television in the south of Scotland. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament notes the decision of Maria Miller, the Secretary of State for Culture, Media and Sport, not to block the renewal of Channel 3 television licences in 2014; understands and welcomes that this means that STV will continue to hold the licences for central Scotland and Grampian; expresses concern that ITV, which holds the Channel 3 licence for the former Border Television area, has limited public service content obligations; understands that local news in the Borders and Dumfries and Galloway comes mainly from Gateshead; notes that recent Ofcom research reports dissatisfaction in the area with the ITV local coverage; welcomes Ms Miller's acknowledgement of the deficiencies in ITV's local and Scottish news coverage in the Border Television region in her letter to Ofcom of 16 November 2012; further welcomes Ms Miller's request that Ofcom work with ITV plc. to find a solution, and would welcome real choice for viewers across the south of Scotland.

17:09

**Joan McAlpine (South Scotland) (SNP):** I thank colleagues from across the chamber who intend to speak in the debate.

The granting of commercial public sector television licences is a complex matter that is done by the regulator, the Office of Communications, after consultation with the United Kingdom Secretary of State for Culture, Media and Sport, Maria Miller. In November last year, Ms Miller announced that she would allow the renewal of channel 3 licences across the UK for another 10 years, subject to negotiation. Ms Miller's announcement was broadly welcomed by the industry, for understandable reasons. Commercial pressures have been considerable in the past decade, as advertising revenues have declined, and the renewal offers a period of stability.

I am pleased that STV, a company that has in recent years exceeded its regulatory requirements for opt-out Scottish programming, will continue to hold the licence for central and northern Scotland. However, none of the programmes that STV makes about Scotland, including the much-acclaimed "Scotland Tonight" is shown in the former Border Television area of the south of Scotland, which takes in around 200,000 people, from Stranraer and Dumfries in the west to the Borders towns in the east. That means that viewers miss out on information about services that are decided in the Scottish Parliament—the things that they really care about, such as health, education and justice. Unless things change, the

viewers will have less information than other Scots will have about the referendum in 2014, from both sides of the argument.

In addition to that curtailed national dimension, the local news that covers the Scottish side of the border is inadequate. In February 2009, ITV Border and ITV Tyne Tees merged, making 51 of the 64 staff at ITV Border redundant. Operations for ITV Border, including news, moved from Carlisle to Gateshead, and capacity to cover local news and current affairs was reduced. Many of my constituents will say that the news service pre-2009 was far from perfect but, since then, the level of dissatisfaction has increased considerably. The main regional news programmes are ITV Tyne Tees news and "Lookaround", which airs at 6 pm, with a short bulletin at 10.30 pm each day.

Ofcom research that was conducted last year at the request of Ms Miller concluded:

"viewers in the south of Scotland were significantly less satisfied than those further north with the coverage of Scottish news, with only 49% responding positively compared to 64% and 74% in central and northern Scotland respectively."

According to Ofcom, viewers in southern Scotland felt that stories from the urban north-east of England and Carlisle dominated the programme, and the location of ITV Tyne Tees in Gateshead was seen as a real problem.

A number of constituents have complained to me and offered specific examples. For example, Andrew Simpson of Dumfries told me that the local TV coverage this week of high-speed rail focused on the residents of a place called Church Fenton near York, who were concerned about the value of their houses dropping because of the proximity of the railway.

In addition to such individual comments, my motion has received support from organisations such as the Scottish Borders Chamber of Commerce, a spokesman for which told me:

"The Chamber's view is that a simple question needs to be asked. Will we get better coverage of the Borders by being connected to STV or a station with its HQ in the North of England? More coverage can only be good for our local businesses and tourism. So many great things are happening in the Borders just now and we feel that this is not getting the coverage it deserves. Also, the Borders are part of Scotland. It is simply ridiculous that at the time of a referendum on Scottish independence we are not able to receive programmes such as 'Scotland Tonight'."

Such is the strength of feeling in the Scottish Borders Chamber of Commerce that it intends to hold an event in May on the future of the media in the Borders.

If we look at past coverage of Scottish political issues in the regional TV area, the 2012 local elections provide a good illustration of the disparity between coverage in the ITV Tyne Tees and

Border region and in the STV region, where a number of special reports were shown. Members will see from the briefing that ITV provided that the offering in Scotland is more popular than other regional channel 3 news programmes. ITV also argues that the Ofcom research that I quoted earlier showed that the greatest demand was for more local news and that few individuals in the focus group that was interviewed spontaneously asked for additional coverage from Scotland. However, there are reasons for that. The south of Scotland is poorly served by the BBC. In the south, the BBC has some excellent journalists, but capacity has been scaled back in recent years. The only place for local news is channel 3, which is why viewers tune in to "Lookaround", hoping—often in vain—to see something local.

It is true that Ofcom's research also demonstrates a greater demand for local news. However, when they were asked, people said that the choice of Scottish news was inadequate. Industry experts have pointed out to me that the Ofcom questions were framed in such a way that respondents would ask for coverage that they had already lost due to the merger. It is much more difficult to expect people to ask for something that they have never had. You cannot miss what you have not had.

There is also a democratic aspect to the debate. At the moment, the BBC is the only provider of national Scottish news and current affairs in the south of Scotland. If the BBC was the only provider of news and current affairs for the whole of the UK, with no Sky or ITN, we would not regard that as satisfactory or democratic. Indeed, one of the reasons why the Jimmy Savile affair damaged the BBC so much was the perception that people were not told the whole story and that the BBC had somehow covered up his crimes and left its commercial rivals to expose him.

In its last public service broadcasting review, Ofcom found that 86 per cent of UK viewers thought that plurality of news provision among television channels was really important and 77 per cent assigned a similar value to current affairs. Those findings are reflected in the Scottish research, which was carried out in 2010 for the Scottish Broadcasting Commission and found that three quarters of viewers wanted a choice of providers of Scottish television news.

How do we go forward from here? My preference—and I believe the Scottish Government's preference—is for a single Scottish licence. It is significant that Wales will get a new countrywide licence from 2014 at Maria Miller's instruction. My earlier quote from the Scottish Borders Chamber of Commerce suggests that it shares my view. However, a single Scottish



licence is not possible unless ITV consents, which it has not done.

I am pleased that Maria Miller has asked Ofcom to work with ITV to address the poor news offering in the Borders region. However, I am extremely concerned that ITV is in denial about the problem. In a letter to the clerk of the Education and Culture Committee last February, Magnus Brooke, director of regulatory affairs at ITV, insisted that the company was serving viewers in the Borders “highly effectively”. It has now been forced to accept that the Ofcom research shows that that is not the case. However, the ITV briefing to MSPs for this debate seems grudging, as it complains about the cost of provision and suggests that demands for Scottish content are political.

There is a long way to go and Ofcom must be forceful on the matter. It must demonstrate that, although it reports to the UK Parliament, it appreciates the distinctive needs of Scotland as a nation and the particular requirements of our rural communities, such as those in the south of Scotland, which will be more expensive to serve, no matter who serves them.

There is an easy way forward. ITV could negotiate with STV to take its non-news programming, including “Scotland Tonight”. ITV could provide a local opt-out, which could give in-depth coverage for the south of Scotland.

Given the political choices that Scotland faces, I expect Ofcom to be proactive in facilitating an agreement as soon as possible, long before the licence is renewed, for the sake of democracy and choice.

17:17

**Elaine Murray (Dumfriesshire) (Lab):** I congratulate Joan McAlpine on securing the debate.

TV coverage in the south of Scotland has caused a degree of contention over the years. Indeed, prior to the introduction of digital TV, many of us were unable to access BBC Scotland on an analogue signal, which was extremely frustrating. Some of the frustrations have died down a bit, because we are now able to get BBC Scotland in my constituency.

I appreciate that this may not have been the case across the former Border TV area, but viewers in Dumfries and Galloway were generally content with the service that Border TV offered.

I read with interest Joan McAlpine’s column in yesterday’s *Daily Record*, in which she compared the situation with that of people in the south of England receiving news from France. That is not the case for people in the east of Dumfries and Galloway. We are interested in Carlisle, as it is the

nearest city to most of my constituents. Indeed, in much of eastern Dumfriesshire, Carlisle is at least as accessible as Dumfries, which has sometimes been a disadvantage to Dumfries. East Dumfriesshire residents travel to Carlisle for work, leisure and retail and are probably more interested in what is happening there than in Edinburgh or Glasgow.

Colleagues from the south of Scotland may recall that in the early days of the Parliament we were very well served by Border TV. Dedicated staff were based in this building and regularly interviewed us on all manner of issues, including the legislative programme and everything else. It is unfortunate that tough times and competition with new media hit the broadcasting sector and, as Joan McAlpine said, Border TV was subsumed into the larger ITV Tyne Tees region. I think that that is what created most of the dissatisfaction, certainly in Dumfries and Galloway, or the eastern part of it.

The research that Ofcom commissioned last year bears out what I have heard from many constituents. The area of coverage is now too large and people are not interested in local news from Sunderland and Newcastle, which they rarely visit. There is a perception that the share of news that is local to our area has been reduced.

However, now that we can receive BBC Scotland, the lack of a national Scottish component of ITV news is perhaps of less concern than it was previously, although I am certainly not saying that it is of no concern. Many viewers access the BBC for national news and then hope to go to channel 3 to catch up with local news.

**Joan McAlpine:** Will the member give way?

**Elaine Murray:** I am sorry. I have only four minutes.

Joan McAlpine expressed concern in her column about whether councils are getting enough news coverage. I do not know about coverage in other council areas, but Dumfries and Galloway Council certainly gets some TV coverage in the local news, although maybe not as much as we would like it to get.

Despite what we say about ITV Tyne Tees, the news programme “Lookaround” attracts a higher percentage of viewers in the Scottish Border area—just under 50 per cent—than it does in the entire Tyne Tees and Border area, and significantly more viewers than ITV or STV attracts in general across their areas of broadcasting. We complain about “Lookaround”, but we still like it.

However, given the responses to the research that Ofcom commissioned, which reflect general opinion, as I said, I am pleased to learn that ITV is planning to introduce an enhanced and more

distinct news service for the Border area and that it is taking account of what it described as a political desire for more Scottish content—I am not sure whether that was intended to be offensive.

However, ITV argues—and this is where one begins to worry—that expenditure per capita in the Tyne Tees Border area is already higher than it is in any other ITV region and that news enhancements would incur additional expenses that might be disproportionate. I suggest that the higher expenditure is probably due to the sparsity of the population.

**The Deputy Presiding Officer:** You must conclude, please.

**Elaine Murray:** It becomes difficult to see how the circle can be squared. Ofcom has been tasked by the secretary of state with finding a way forward that preserves or strengthens the public service broadcasting commitment and addresses the need for a greater proportion of local news and increased Scottish content—

**The Deputy Presiding Officer:** I am afraid that I must ask you to finish.

**Elaine Murray:** Given that the issues have been correctly identified, I hope that the next step is to agree how we improve the local TV news services in the Border TV area of Scotland.

**The Deputy Presiding Officer:** I must ask members to keep to four minutes.

17:22

**Aileen McLeod (South Scotland) (SNP):** I congratulate Joan McAlpine on securing this debate on an issue that is of importance and concern to constituents in the Borders and Dumfries and Galloway. I am pleased that the Parliament is pursuing the issue, given the number of constituents who have been in touch with us to talk about their on-going concerns about the poor coverage that they continue to receive.

Members will recall the debate on the subject in October 2011. The concerns that members expressed then have not gone away, but they have been collated, surveyed and assessed by Ofcom. Perhaps now that the regulator, the UK Secretary of State for Culture, Media and Sport, Maria Miller, and ITV have seen for themselves the level of dissatisfaction among the viewing public in the south of Scotland, rather than simply hearing that dissatisfaction expressed here, they will start to take a proper interest in improving the situation.

Let us be clear: the situation needs to be improved. Respondents to the Essential Research study for Ofcom said that the ITV Tyne Tees and Border area is too large and that reporting is

skewed towards the urban centres of the north-east of England. I therefore welcome Maria Miller's recognition that the warnings that were given in 2009 and the concerns that we raised in 2011 were well founded. I am slightly encouraged by her request that ITV and Ofcom address the unmet demand for local news and Scottish programming in the south of Scotland. However, we still need to see action.

There is a fundamental misunderstanding of the south of Scotland audience. The south of Scotland is a rich tapestry of distinctive communities, and ITV has an ideal market for a different and very local model of TV, if it is only bold enough to try it. If it chooses not to do that, the alternatives are increasingly clear.

The Scottish Government favours a Scottish digital channel, which was a key recommendation of the Scottish Broadcasting Commission. That is also strongly supported by bodies that have worked hard on local TV for the south of Scotland, such as the south of Scotland alliance and the Scottish Local Television Federation.

There are a number of hyperlocal TV channels, including Annandale TV in the south. When people do not like what they have, they will find ways of doing it themselves. Hyperlocal TV is hindered by broadband speeds and availability across a rural region but, as next generation broadband is rolled out with the assistance of the Scottish Government, those technical obstacles will fall.

Ultimately, there is nothing to protect any commercial television company's news provision from the same fate that has befallen print journalism through the growth of the internet; there is nothing except a willingness to change—to move away from large multiregional conglomerations that please nobody—and give viewers the content that they want, rather than what suits the company.

As matters stand, people from Drummole to Eyemouth learn more in their local TV news about what happens in Carlisle and Gateshead than about their own areas. They hear much more about Carlisle City Council, instead of the decisions that their locally elected members take on vital services in the Borders and Dumfries and Galloway. Any mention of events that affect the region is fleeting at best. As my colleague Joan McAlpine said, both sides of the argument on Scotland's independence referendum will lose out.

Nowhere else in Scotland—and certainly nowhere else in Britain—would tolerate such a position. It is up to Ofcom, the UK culture secretary and ITV to come up with a better offer. I hope that that will be substantial, but it certainly cannot be more of the same.

17:26

**John Lamont (Ettrick, Roxburgh and Berwickshire) (Con):** I welcome the opportunity to debate television services in the south of Scotland, and I congratulate Joan McAlpine on securing parliamentary time to discuss the issue.

The quality, as well as the plurality, of television programming is a matter of great importance in the Borders constituency that I represent, especially when it comes to national and local news provision.

The UK broadcasting map is a complicated business, with licensee boundary lines seemingly drawn more by historical accident than careful planning, with the result that licence boundaries do not directly duplicate geographical ones. Not only that, but in the south of Scotland the profile of Borders television has changed significantly since the amalgamation of ITV Borders with ITV Tyne Tees in 2009. For many, that was one merger too far, with viewers in the Borders becoming understandably upset at the loss of regionally tailored services that resulted in programming and news coverage from areas that were of little local interest or relevance.

Therefore, it comes as little surprise to me that contentment levels with channel 3 have been in decline, with satisfaction in Scottish news programmes in particular decreasing by 9 per cent between 2007 and 2010. It was against that background that the UK culture secretary, Maria Miller, announced in November 2012 that channels 3 and 5 are to have their licences renewed for another 10 years in 2014. That move is to be welcomed; it gives much-needed certainty to the broadcasting industry that depends on those channels and the significant investment that they attract in their regions.

The secretary of state has instructed Ofcom to begin discussions with licence holders on the cost and terms of possible renewals. I agree—and endorse—the two issues that she has highlighted as important components of any negotiations. Those issues are, first, the need for licence holders to maintain, or increase, current levels of public service requirements; and, secondly, the requirement for careful scrutiny of proposals advanced by ITV that could leave viewers in the south of Scotland with a lower level of Scottish programming than elsewhere in Scotland.

On the first point, it is, of course, essential that licensees deliver quality public service programming. It is therefore pleasing to see that Ofcom's recent report, "Licensing of Channel 3 and Channel 5", concluded that licensees of both services exceeded their respective production and programming obligations between 2007 and 2010. However, although exceeding current obligations

is to be applauded, that does not mean that we should not be pushing further.

The secretary of state has secured increased commitments for UK-sourced children's programming on channel 5 from Northern and Shell, and there is no reason against an ambitious approach to public service requirements for channel 3, for example, in local news or regional content.

That brings me to my second point. Some—including members in the chamber, as we have heard tonight—have used the disquiet and the lack of regionally tailored television services in the south of Scotland as an argument in favour of a Scotland-wide service, as under the model proposed by STV.

However, as Ofcom's report noted, although viewers in the south of Scotland were less satisfied with Scottish news coverage from their channel 3 licensee than viewers elsewhere in Scotland were with the coverage from STV, they placed "considerably more importance" than other Scots on the need for a focus on their local area. On that basis, especially when it comes to news, neither the status quo nor a Scotland-wide STV service appears to be the way forward.

For that reason, last June I asked the Cabinet Secretary for Culture and External Affairs whether she agreed that local broadcasting in the Borders would be better served by having a more local service dedicated to the south of Scotland, which could be supplemented with coverage of national Scottish issues, than it would be by having a Scotland-wide service, as would be the case under the STV proposals. I was pleased that, in her response, the cabinet secretary agreed with me on the matter, and I hope that other members will join us in agreeing that that is the best way forward.

**The Deputy Presiding Officer:** I must ask you to conclude.

**John Lamont:** One way of achieving that could be through a public service requirement obligation on licensees. I urge other members to consider that approach. In that respect, I would very much welcome any proposal from ITV to enhance the news and current affairs service for southern Scotland, and to return to the traditional, smaller Border region without Tyne Tees. I believe that that would more fully reflect viewers' wishes.

I again congratulate Joan McAlpine on securing the debate, and I commend other members for their thoughtful speeches.

**The Deputy Presiding Officer:** Again, I make a plea for four-minute speeches.

17:31

**Chic Brodie (South Scotland) (SNP):** I welcome the debate, which was secured by the highly knowledgeable Joan McAlpine.

We may or may not be bemused that Maria Miller—she of Remploi fame—says that she will not block the renewal of channel 3 television licences, with ITV still covering the Borders. She acknowledges that there are deficiencies in ITV's local and Scottish news coverage in the Border Television region. We should add to that her ministerial predecessor's comment that he wanted people to be able to

“watch television that's truly relevant to them, about what's happening where they live and featuring the people they know.”

What is relevant to the Borders, to Dumfries and Galloway and, indeed, to the communities and people of Scotland as we approach a momentous time in the country's history is that we reassure them that Gateshead, Carlisle and Leeds are not in Scotland. Perhaps we should send Ms Miller a sat nav. The main provider of commercial television to the Borders should be Scots. It should be STV.

People in Scotland spend an average of 4.5 hours per day watching television—that is the highest figure in the UK. According to Ofcom, nine out of 10 adults consume local and national news, and 75 per cent of them rate local news and weather as personal and important types of communication for them. Those are facts that cannot be disputed. There are, of course, some technical and cost issues to do with transmission and transmitters, but they are not insurmountable.

Equally, it is feasible to support that national network with already proven community television, which Aileen McLeod mentioned. Communities are setting up their own local broadband television networks as part of the URTV Community News TV digital network. As has been mentioned, the success of Helensburgh and Lomond TV has been followed by that of Annandale TV. Launched in May 2012, it serves the communities of Annan, Lockerbie, Moffat, Gretna and Langholm.

Those local channels cover major issues. There is a doctor who does a programme on Helensburgh and Lomond TV who says that he can reach 8,500 people, which would otherwise be impossible for him to do. The aim of Community News TV is to create a community-run co-operative network of social enterprise channels. It wants to provide professional public service communication through broadband TV. By working alongside a major licensee for national news and programmes dedicated to the Borders and Dumfries and Galloway areas, it could match the

expectations of the television viewers—the customers—in those areas.

I suggest that local and television news and weather provision on digital terrestrial television that is managed by STV and which is complemented by internet protocol television such as that provided by Community News TV is no less than the people of the south of Scotland deserve.

17:34

**Jim Hume (South Scotland) (LD):** It is a pleasure to speak in this evening's debate, which is on a topic that has vexed many of my constituents as well as me since the merger of the Border and Tyne Tees regions by ITV back in 2009. I, too, congratulate Joan McAlpine on bringing the subject to the chamber for debate.

As is the case with most members who represent the south, I suspect, my contact with constituents often leads to conversations about the relevance of the region's news output on channel 3. It was such conversations that led me to make representations to the Department for Culture, Media and Sport and to have meetings with both Ofcom and—with other members—ITV to press the case for greater Scottish Borders and Dumfries and Galloway content for people in southern Scotland. As others have said, the secretary of state made clear in her letter to Ofcom that she also has concerns about the output that is received by those in southern Scotland, and I welcome her desire for Ofcom to address the matter.

I make clear my admiration for the staff at ITV Border, particularly those who are based at Holyrood and in the region—Kathryn Samson and Jenny Longden are just two of them—as they are hard working and they produce good-quality output. My issue is not the standard of ITV Border's news output, but its relevance. From what others have said, I am not alone in that.

The research that Ofcom published last year revealed that those who had no issue with the content of news service output were those who had low interest in regional news or were infrequent viewers—essentially, it was those who had little need or desire to use the service in any case. Everyone else in the Stranraer, Galashiels and Dumfries focus groups had concerns about the urban bias towards the north-east of England that has become prevalent since the merger.

There is an appetite for change among most of my constituents and indeed most members who are in the chamber this evening. The question is what shape the change should take. Joan McAlpine appears to support STV assuming responsibility for the output that is currently

provided by ITV Border. However, people in Stranraer and Eyemouth would argue, as would I, that Glasgow is as remote from them as Newcastle. The consensus is that, if people want national news, they will watch "Reporting Scotland" on the BBC, as Elaine Murray said. They see channel 3's regional news as the place for more localised content.

The upcoming independence referendum necessitates relevant news output from broadcasters with public service obligations. At present, there is a problem with people being adequately informed about the goings-on here at Holyrood—a problem that is compounded for viewers in the region by the absence of "Scotland Tonight". Although STV news would remedy that problem, I suspect that the north-east of England bias would simply be replaced by a central belt bias. The research project made it clear that, although that option might be slightly preferable to the status quo, the preferred option, as John Lamont mentioned, remains going back to the pre-2009 service, under which it was more commonplace to see news crews on the streets of Dumfries, Selkirk and Galashiels.

I welcome ITV's confirmation that it is discussing the matter with Ofcom and looking at ways in which to retain a local news programme with more local content. That is a positive step and I look forward to monitoring the progress of the discussions in the coming weeks.

17:38

**Alex Fergusson (Galloway and West Dumfries) (Con):** I will be quite brief because members have already said some of the things that I wanted to say. However, I want to touch on a couple of issues. The first is something that almost every speaker has mentioned, which is the dissatisfaction with the news coverage that we get at present. We need to be a little bit careful about the direction in which we point the finger for the cause of that dissatisfaction. As a constituency member, I have to agree with something that Elaine Murray said. Many of my constituents, particularly those in the east of my constituency, are interested in what happens in Carlisle and Cumbria. It would be wrong to write that off as a reason for having to look at the matter.

It is important to look at the research, which showed clearly that the dissatisfaction exists largely because it is felt that the area that is covered in the current offering is too big. The cause of the dissatisfaction is the amount of local news—for Dumfries and Galloway or the Borders—that is contained within the wider offering of ITV regional news. We need to be clear about that. The amount of national news is not a key driver of satisfaction.

That leads me on to the issue of real choice, which the motion mentions. I grew up on the west coast of Scotland, where we could get only BBC Northern Ireland. I missed many punchlines of jokes and high spots of films because of cuts to newflashes in Northern Ireland during the awful troubles, which are, fortunately, largely behind us. The current situation is therefore a lot better than the situation then, despite there being room for improvement.

We must recognise that the Ofcom research showed quite clearly that the respondents believed that the BBC's news coverage acts as quite a good complement to the ITV offering. Jim Hume referred to that. People see the two together. If they want national news, they will possibly go to the BBC rather than to the ITV offering. Therefore, viewers have a choice, particularly when we add in the increasing number of people who watch through digital channels and online systems and programmes.

The desire for much more local coverage is not in doubt. I, too, remember the debate back in October 2011—I think that it was then—when we discussed exactly that matter. Chic Brodie showed clearly what advances are being made in local stations and how people are taking matters into their own hands. I very much welcome that.

I also welcome the fact that Ofcom and ITV are apparently working together to try to address concerns. Maria Miller told them to do so—I welcome that, too. If some of Joan McAlpine's suggested options to improve that are workable, I welcome them, because there is a genuine issue.

The one thing that shines through the debate that is quite clear and on which everybody agrees is that the vast majority of participants and constituents in our part of Scotland have called for a return to the footprint and, indeed, the format of the pre-merger ITV Border news. I strongly endorse that. If something like that comes out of the discussions, I warmly welcome them.

17:42

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Members may wonder why someone from the north-east of Scotland is participating in the debate. I noted that the motion refers to

"real choice for viewers across the south of Scotland",

and thought that it might be useful to talk about what happens elsewhere in Scotland and how that might be relevant to the debate, and to talk more generally about the value of television's being a part of communities engaging with themselves and talking to one another.

In the north-east of Scotland, we talk about “Having a news,” which involves calling on a neighbour, having a discussion and talking about things in general. Good local media support and sustain that.

Good communication and information flow also support economic and political success. Two thousand years ago, it took the Greeks 30 days to send a message to one of their outposts, and it took another 30 days to get a message back—an incredibly long time. A person would have forgotten what the question was by the time they got the answer.

The Romans improved things dramatically; they could send a message from Londinium to Roma and get a reply back on the same day by a system of hilltop signalling. It did not work at night or if there was fog, but it was a huge improvement.

To move forward rapidly, it was a huge step forward when Alexander Graham Bell demonstrated the telephone in 1876. By 1881—only five years later—Edinburgh had 300 telephone subscribers. People want good-quality communications that are relevant to them.

I have done family-tree research for many years, and have a letter to my great-great-grandfather that is dated 1870. It was written over a period of a month and told him that one of his sons who lived in Scotland had died; my great-great-grandfather was in Canada. That was such a precious communication that the writer waited until the outcome of the illness before sending it. It shows that familial conversation, as well as community conversation, is important. I remember that my father's first telephone call to the United States in 1958 had to be booked a day in advance and that it cost half the average working man's weekly wage.

We now have a television pattern that was established when ITV started in around 1955. It will change, and it is changing. We have already seen that with STV. It is not a monolithic news service—there are four separate bulletins across Scotland. More fundamentally, as a commercial imperative STV is now reaching down into communities, with local reporters, local websites and local TV inserts, which are often picked up and used. In my constituency alone there are two STV websites—in Buckie and Peterhead. Such action will be a key part of sustaining companies that were born in the mid-1950s into the next 30 or 40 years. The future will not be like the past.

On journalists from television companies, Colin Wight at BBC Aberdeen goes out with a camera on his own. He writes for the web, he does for radio and he does for TV. That will be the pattern—people getting to the root of what is going on. A letter that I got from my relatives in Canada

took 360 milliseconds to arrive—not the 360 minutes it took the Romans to talk to London. In the future, it will be so instantaneous it will not be true. We have to find ways of delivering for the Borders. Perhaps they can show the rest of us how to do it, because their need is greatest.

**The Deputy Presiding Officer:** Thank you, Mr Stevenson. I am glad that you returned to the Borders at the end of your speech.

17:46

**The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop):** I, too, congratulate Joan McAlpine on securing the debate on a very important subject. She set out the issues very well. I also thank all the other members who have spoken. We have probably had more members' business debates on this one subject of broadcasting in the south of Scotland than on any other subject. That says something about how people, particularly in the south of Scotland, view the issue as being important.

As the motion makes clear, the prospective relicensing of channel 3 has particular implications for the south of Scotland, and I will come to those shortly. It is a subject that concerns Scotland as a whole, partly because it matters to all of us that viewers in the south of Scotland should, as a democratic right, be able to see news and current affairs coverage on the same basis as viewers elsewhere in Scotland, and also because, in relation to channel 3 licensing, the future of STV as a major Scottish media company matters to us all.

Lord Thomson of Fleet—the Canadian media entrepreneur, Roy Thomson—who first acquired the Scottish Television licence back in 1957, described an independent television franchise as

“like having your own licence to print money”.

Broadcasting has moved on. In 1957 there were only two channels. Now there are almost 50 on free-to-air terrestrial television, and many hundreds through cable and satellite. The move from analogue television to digital, cable and satellite services has greatly increased the choice that is available, which is good news for viewers. For broadcasters, however, one of the consequences is that simply owning a channel does not guarantee success. Lord Thomson printed money, but now it has to be earned through quality programming.

It is therefore good to see STV doing so well. In 2011, its pre-tax profits rose by 12 per cent. STV has won the local television licences for Edinburgh and Glasgow. We would have preferred a different model for local television. One that was provided through a Scottish digital network with local opt-

out programming would have met John Lamont's call for local coverage in the Borders and elsewhere. However, STV had to bid for what was on offer, and it is to be congratulated on its success against the competition. As STV will not be taking up the minimum £300,000 of BBC funding for local television content, it is vital that that be used to boost BBC Scotland's news and current affairs resources, which are already being cut severely. I am writing to the BBC's acting director-general to that effect.

A public sector broadcaster should not be judged only on financial success or even on the employment that it generates. The key test is the extent to which public service broadcasting requirements are met. In that, too, STV is doing well. The advice from Ofcom to the Secretary of State for Culture, Media and Sport, on channel 3 relicensing, in May last year, specifically praised the level of regional news programming by STV, which has been mentioned by a number of members. The recent announcement by the culture secretary that she will allow Ofcom to proceed to renew channel 3 licences for a further 10 years is to be welcomed. For STV, that ensures a stable basis on which to plan for the future.

I also welcome the fact that renewal will be on condition of addressing the issues in the south of Scotland. The Scottish Government has persistently pushed for that, and it was highlighted by the Scottish Broadcasting Commission that we established in 2007. I have personally pursued the case in meetings with the chief executives of both STV and ITV, and in meetings and correspondence with UK ministers. I know that many members of this Parliament have also pushed the cause; I welcome the fact that so many have done so again tonight.

It is clearly right that viewers across Scotland should receive coverage about Scottish health, Scottish education and the range of matters that are devolved to the Scottish Parliament, in a way that is appropriate to their experience and locality, and to what matters to them. It is a case that we should consider under devolution, because it is about reflecting to people what matters to them and their experiences. However, it is also a cause that is now more important than ever, as over the next two years Scotland approaches its most momentous decision in over 300 years.

That highlights a problem of timing. The renewal of the channel 3 licences will take effect at the earliest from 1 January 2015—after the independence referendum in autumn 2014. It is therefore essential that we see progress in the south of Scotland, not just in the context of the new licences but under the existing licences. I will give an example of why that progress is needed soon.

In the spring this year—which is not, however wintry it might seem now, that far away—STV will show a major three part three-hour documentary on the background to the current referendum debate, entitled “Road to the Referendum”. The series will take an in-depth look at how the constitutional debate has evolved over the past few decades. That is exactly the sort of programming that people in the south of Scotland deserve to see as much as people in the rest of Scotland do, regardless of what side of the debate they are on. Such programming should be shown, as part of the public service broadcasting condition to inform and educate, at an appropriate slot in the schedule rather than in the small hours.

ITV has, in the past, made available significant events including the debates for the Scottish Parliament election of 2011, so I call on it to take a similar proactive stance during the next two years. I emphasise that this is about democracy; it causes me concern that people see it in a political way. It is about educating and informing as part of public service broadcasting.

We all have an interest in seeing a referendum that fully meets modern democratic standards, of which adequate coverage throughout Scotland by the broadcast media must surely be part. If Dumfries and Galloway and the Borders do not have the same extent and range of coverage, that will result in a democratic deficit in public service broadcasting. We will see Ofcom consult on channel 3 relicensing, which will obviously take place after 2015 and the other date to which I referred. However, we need to see three particular things in that consultation. First, it must be an open consultation that involves everyone and does not just reflect negotiation with the licence holders. Secondly, it must be an informed consultation that sets out all the options, including for adjusting the transmission infrastructure to direct Scottish content to Scotland and, thirdly and probably most important, it must be a consultation that is rooted in the public service broadcasting mission to inform, educate and entertain.

The interest in democracy transcends any party political interest. That is why this is a subject on which all parties in the Parliament can unite. However, it is important that for the channel 3 relicensing we think about not just what will happen after the relicensing but what will happen in the period up until the relicensing. The intense and intellectual arguments that everyone in this debate made, very much informed by the experience of local constituents, were well founded.

This is not an issue that will easily go away; it should not go away. I agree with all members who have spoken that their constituents deserve better.

We have yet to see what “better” looks like, but we can all agree that they deserve it.

*Meeting closed at 17:53.*



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