



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 7 February 2013

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Scottish Parliament

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[The Presiding Officer *opened the meeting at 11:40*]

General Question Time

Railway Network (Access for Disabled People)

1. Stewart Maxwell (West Scotland) (SNP): To ask the Scottish Government what it is doing to improve access to the railway network for disabled people. (S4O-01789)

The Minister for Transport and Veterans (Keith Brown): Through £41 million of access for all investment, 17 inaccessible stations across Scotland will have been made step free by April 2014, and I have recently recommended to the Secretary of State for Transport that we increase that number to 19 by adding Gleneagles and Milliken Park stations to the programme. That dedicated investment is complemented by Scottish Government support for other projects, such as improved access at Edinburgh Waverley and the construction of seven accessible stations to serve the Borders railway.

ScotRail will deliver more than £8 million of additional station improvements across Scotland for disabled passengers, such as lower ticket counters and accessible toilets, by the end of its current franchise term in March 2015. Those station investments are supported by a commitment that the ScotRail train fleet will be compliant with European vehicle accessibility standards by 2020.

Stewart Maxwell: Last month, I wrote to Transport Scotland to make it aware of concerns that disabled and elderly commuters from Lochwinnoch are being prevented from using their local train station because of inadequate provision for disabled access. Transport Scotland replied confirming that it is aware of accessibility concerns at Lochwinnoch and that there might be an opportunity to enable step-free access for passengers through the Scottish stations fund. Will the minister outline details of the fund and confirm how stations and local groups can go about applying?

Keith Brown: For station improvements, a local group or other promoter will be required to prepare a proposal that demonstrates the anticipated benefits of the scheme and any available source of third-party funding, whether that is a regional transport partnership or, in some cases, a private developer. Once a proposal is put together, the group should then discuss that with Transport Scotland officials. More information on the process

to access the Scottish stations fund is available on Transport Scotland's website. I should say that another opportunity exists in future tranches of the access for all fund, to which stations can bid.

Kezia Dugdale (Lothian) (Lab): Is the minister willing to revisit the issue of automated audio announcement hoods at Waverley station? As he knows, I have written to him previously about that and I am concerned that Waverley is not part of the current work up to 2015.

Keith Brown: We have listened to representations from Kezia Dugdale and others on Waverley station, most notably in relation to access for taxis. If the member wants to write to me again to raise the issue, I will be happy to consider it once more.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): Further to the answer to Kezia Dugdale and with reference to the Borders railway and the stations in my constituency, what measures are in place not just for disabled access but for those with visual impairment?

Keith Brown: The seven new stations that I mentioned will comply with modern railway accessibility standards. There will be step-free access to all platforms from the station entrances. ScotRail will implement existing arrangements whereby, for example, wheelchair users are assisted on to trains by staff deploying a boarding ramp to bridge the gap between the train and platform, where that is necessary. Rolling stock tends to be of different heights in relation to the platform.

I expect that Network Rail, in constructing the new railway and stations, will have regard to the latest requirements on accessibility for all, including those who are visually impaired.

Alison McInnes (North East Scotland) (LD): In December 2011, the minister accepted the case that had been made by me and others in the north-east that Dyce station should be included in the latest phase of the access for all programme. The minister will know that Dyce station is regionally significant and is used by around 580,000 passengers a year, yet is inaccessible to those with disabilities. Despite the minister's promise that a detailed option study would be completed by spring 2012, Network Rail will say only that the issue is still under discussion. Will the minister give an update on the progress that is being made on the design of the scheme and reassure my constituents that the planned delivery date of the end of March 2014 will be achieved?

Keith Brown: I am happy to confirm that Network Rail is progressing the plans for Dyce station. It is going through the same process as Dunblane, in my constituency, and Newton,

Rosyth and Shotts stations. The work will be completed by April 2014.

Credit Unions

2. Kezia Dugdale (Lothian) (Lab): To ask the Scottish Government what plans it has to support credit unions in light of the reported rapid expansion of high-interest short-term lending. (S4O-01790)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): The Scottish Government recognises the valuable role that is played by credit unions in providing financial services and products, including affordable loans, to a wide range of customers. We will do all that we can to promote credit unions as an alternative to high-interest short-term lending, where that is appropriate.

Kezia Dugdale: We will of course be returning to this issue in Parliament this afternoon. Nevertheless, will the minister agree to meet me to discuss the creditor status of credit unions, given that they are very much at the end of the queue in bankruptcy cases?

Fergus Ewing: I am happy to meet the member to discuss such matters. I am also delighted to note that today's *Daily Record*, that campaigning newspaper for ordinary people in Scotland, has a 16-page pull-out containing very useful advice for those suffering the misery and despair of debt. If it is in order, Presiding Officer, I suggest that purchasing a copy of today's *Daily Record* would be a very prudent investment.

Linda Fabiani (East Kilbride) (SNP): Is the minister aware that East Kilbride Credit Union in my constituency has recently agreed to provide much-needed homes on the piece of land where it is building its new headquarters? Does he also agree that credit unions can be a hub of such innovative practice in their own communities?

Fergus Ewing: I am aware of what the member has highlighted. The 110 credit unions that operate in Scotland have 250,000 members and truly provide a marvellous service. We in this chamber want to promote their excellent work and I am happy not only to endorse the work that is being carried out in Linda Fabiani's East Kilbride constituency but to pay tribute to the work of credit unions elsewhere such as 1st Alliance (Ayrshire) Credit Union, which is working in partnership with local registered social landlords to deal with the problems that are going to arise when the United Kingdom welfare reforms hit home and ensure that those who will be hit hard by those reforms can get access to their services. Such work is truly excellent and I commend that example to other credit unions across the country.

Margo MacDonald (Lothian) (Ind): I apologise for arriving in the chamber only just now, Presiding Officer.

I want to put on record my thanks to the Cabinet Secretary for Finance, Employment and Sustainable Growth, who yesterday gave an undertaking to do what he could to give credit unions a kick-start. As I think Linda Fabiani suggested, quite a bit of training and recruitment will be required. If the minister could add his tuppence-worth, that, too, would be welcome.

The Presiding Officer (Tricia Marwick): Minister—your tuppence-worth, please.

Fergus Ewing: Although Margo MacDonald did not ask me a question, I am happy to agree with her comments. One might also reflect on the fact that credit unions manage their financial affairs a lot more effectively than many banks we might want to think about.

Gaelic-medium Schools

3. Dave Thompson (Skye, Lochaber and Badenoch) (SNP): To ask the Scottish Government what progress it is making on the provision of Gaelic-medium schools. (S4O-01791)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Scottish Government has made good progress in supporting local authorities to establish Gaelic-medium schools. When the current Administration came into government, there were two Gaelic schools in Scotland; by the end of this session of Parliament, we expect there to be eight such schools either established or planned.

I am also pleased to say that this morning we announced a further £800,000 for Glasgow City Council to assist the construction of the city's second Gaelic school at Glendale. The announcement follows other Gaelic capital support to Argyll and Bute, Edinburgh, Glasgow, Highland and North Lanarkshire over recent years.

Dave Thompson: The minister will know that although the Gaelic-medium school in Portree has been in the planning for a number of years now, it is not likely to begin until 2015-16 at the very earliest. Is he able to give any encouragement that a quicker timetable might be possible?

Dr Allan: First of all, I point out to the member that the Scottish Government is prepared to make a significant investment in the project. For that reason, we will seek a firm reassurance from the council that it will go ahead and be delivered—as the member has suggested—as soon as possible, in line with parents' clear expressed wishes.

The Government's commitment to funding the project is not undermined by the present delay. Indeed, in addition to that commitment, I intend to

explore in discussion with the council local concerns that we understand have been expressed about timescale, overall costs and the link to hostel renovation in Portree and, again, will seek reassurance that the Scottish Government is supporting a project that will be delivered without undue delay.

Consumer Focus (Abolition)

4. James Dornan (Glasgow Cathcart) (SNP): To ask the Scottish Government what discussions it has had with the United Kingdom Government about devolving consumer-related powers in light of the UK Government's plans to abolish Consumer Focus. (S4O-01792)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): A formal request for devolution of consumer powers was submitted in June last year with the support of, among others, the Convention of Scottish Local Authorities and Consumer Focus Scotland. In December, the UK Government confirmed that those powers, which are already devolved to Northern Ireland, would not be devolved to Scotland.

James Dornan: Does the minister share my disappointment about that grudging response and agree that it will have a detrimental effect on Scottish consumers, who are already suffering from the draconian decisions that the Westminster Government has taken? Does he agree that, if the UK Government is not willing to continue to provide a scheme such as Consumer Focus, it is incumbent on it to ensure that the Scottish Government is given the powers to do so, at least until March 2016, when we will have all the powers of an independent country?

Fergus Ewing: Yes. We must ask ourselves whether it is fair to pass the powers to Northern Ireland but not to Scotland. What is the rationale for that? Just yesterday, an example of the importance of the powers was manifest when Richard Lochhead, I and consumer bodies discussed the higher charges for parcel deliveries to places in rural and island Scotland compared with those to urban conurbations. Those higher charges penalise consumers and small businesses, who rely on reasonable costs and fair parcel deliveries. Westminster has not dealt with that. Maybe we would do a better job.

Scottish Local Authorities Remuneration Committee

5. Kevin Stewart (Aberdeen Central) (SNP): To ask the Scottish Government what discussions it has had with the Scottish Local Authorities Remuneration Committee regarding its forward work programme. (S4O-01793)

The Minister for Local Government and Planning (Derek Mackay): I met the convener of the Scottish Local Authorities Remuneration Committee on 23 January 2013 and our discussion included the future work programme of SLARC. In line with the provisions of the legislation that created SLARC, I believe that there is no work to commission to SLARC at this time.

Kevin Stewart: I have spoken to many councillors across the country who believe that SLARC has been rather ineffective in carrying out its duties. What is the view of the Convention of Scottish Local Authorities on the issue?

Derek Mackay: I have discussed the matter with COSLA and it is content with our approach and my view. I have also written to the relevant committee in the Scottish Parliament to seek its views. Many people would call for the abolition of SLARC, not least the leader of the Labour group at COSLA. We value its role, but there is no work to be commissioned at this time.

Sarah Boyack (Lothian) (Lab): The committee was set up under statute by this Parliament. Is it not unacceptable that, rather than the minister volunteering that information today, the committee members have all resigned due to their feeling that the minister was completely uninterested in their work? Given that the committee has done some good work in the past on council remuneration and arm's-length external organisations, would it not have been more appropriate to do work on this far in advance of all three members feeling that they had no option but to resign?

Derek Mackay: There is no work to do. I have to ask the Parliament: what is the point of appointing people to a committee with no work to do? That does not seem to be an appropriate use of public funds. If we require SLARC's advice in future, we will be happy to take it. Sometimes we will agree with its recommendations, such as on ALEO places, and sometimes we will disagree with its recommendations, such as on substantial pay increases to councillors, which we do not feel are appropriate at this time.

We value SLARC's role and, if we require its input in future, we will of course seek it in line with the provisions in the legislation.

Green Deal

6. Bruce Crawford (Stirling) (SNP): To ask the Scottish Government what discussions it has had with the United Kingdom Government regarding the transition from the carbon emissions reduction target to green deal. (S4O-01794)

The Minister for Housing and Welfare (Margaret Burgess): In order to ensure that the programmes achieve positive outcomes for Scottish households and the energy efficiency

industry, Scottish ministers have engaged regularly over the past two years with UK Government ministers on the transition from the Great Britain-wide carbon emissions reduction target, which ran from 2008 to 2012; on the development of the new energy company obligation, which replaced CERT; and on the development of green deal, which is a GB-wide programme that provides a market-driven finance mechanism to support individuals and businesses to install wider energy efficiency measures in their properties.

Bruce Crawford: Does the minister agree that the UK Government's failure to ensure a smooth transition from CERT to green deal has resulted in unnecessary hardship for consumers and employees in the insulation industry? Is she aware that, in the recent past, 4,000 people have lost their jobs, including 230 in Scotland, and that approximately 30,000 insulation works have been cancelled? Will she urgently lobby the UK Government to get its act together and avoid continued bad news for employees and consumers alike?

Margaret Burgess: We recognise that any change from one major programme to a new programme can impact on the delivery market. United Kingdom Government actions delayed from 1 October to 1 January the introduction of the energy company obligation, which replaces the carbon emissions reduction target scheme. I agree with the member that that will not have helped the situation and will have put additional pressure on the insulation industry.

Although we have no specific information on the total number of jobs that are affected, we are concerned about any job losses in relation to these programme changes.

Scottish ministers have been lobbying the UK Government on the design of the ECO and the green deal in relation to a number of issues, specifically to ensure that Scottish small and medium-sized enterprises can fully benefit from the programmes.

Recently, Fergus Ewing wrote again to the Secretary of State for Energy and Climate Change to outline his concerns that, unless householders are able to choose their own installer under the green deal, uptake will suffer. It is our view that, unless local trusted tradespeople are fully engaged in the green deal, householders will be less willing to undertake the necessary improvements to their homes, which, of course, will have a direct impact on installers' level of activity.

In addition, anyone facing redundancy will get help through the Skills Development Scotland co-ordinated local response team.

Transport System (Integration)

7. George Adam (Paisley) (SNP): To ask the Scottish Government what progress it is making to integrate the transport system. (S4O-01795)

The Minister for Transport and Veterans (Keith Brown): Our transport vision is for an accessible Scotland with safe, integrated and reliable transport that supports sustainable economic growth.

We are promoting integration between different services and modes of transport. An example of that is that the next rail franchise process will include an obligation on bidders to come forward with ways to properly integrate the different transport modes. In addition, our long-term ticketing vision is for all journeys on Scotland's bus, rail, ferry, subway and tram networks to be accessed using some form of smart ticketing or payment.

Combined with those measures, Transport Scotland provides or supports five travel information services that provide key travel information, before and during the trip, to people travelling by car, public transport or heavy goods vehicle.

George Adam: The minister is aware that my constituency of Paisley is well served by rail links, the M8 motorway and an international airport. He may be aware that I have been working closely with partners on the development of a bus station for Scotland's largest town. Will the minister confirm that such developments are in the best interests of the local economy? Will he come to Paisley to see and discuss our plans for Paisley's bus station?

Keith Brown: I will be delighted to go to Paisley to meet Mr Adam. The purpose of our transport system is to connect people to jobs, education services, recreation opportunities and various other places. Local authorities are well placed to understand the need for bus services in their area and to work with transport operators to develop interchanges between transport services and modes, as is happening in Paisley.

As part of the work that has been carried out with the bus stakeholder group, the Scottish Government is considering the use of additional investment to help with the development of local initiatives that are aimed at improving bus services and integration.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Given that plans for transport in Edinburgh are based on an integrated bus-tram network and that there is a need to move seamlessly from one to the other, how does it make any integrated transport sense for the

Scottish Government to say that concessionary travel will apply to one and not to the other?

Keith Brown: I refer Malcolm Chisholm to today's editorial column in the *Evening News*, which is headed, "Leaders: 'Trams decision is victory for common sense'", and says:

"We should also acknowledge the role of the new city council administration and the Scottish Government who have got their heads together to ensure this impasse will be overcome."

Working with the council, we have reached the right destination. That should be applauded.

Year of Natural Scotland

8. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government what events it will hold to promote the year of natural Scotland. (S4O-01796)

The Presiding Officer: Please be brief, minister.

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): The year of natural Scotland got off to a great start with the great Edinburgh international cross-country and winter run on 5 January 2013. The programme for the year includes more than 40 flagship events and more than 500 partner events, which are happening the length and breadth of the country.

The Presiding Officer: Briefly, please, Mr Beattie.

Colin Beattie: Does the minister agree that having themed years, such as the year of natural Scotland, the year of creative Scotland and the year of homecoming, brings greater interest to Scotland from the international tourism market?

The Presiding Officer: Briefly, minister—"Yes," perhaps?

Fergus Ewing: Surprisingly enough, I agree with the member. The point that he raises is the reason why CNN voted Scotland the top country in the world to visit. Scotland—number 1.

The Presiding Officer: Before we come to First Minister's questions, members will wish to join me in welcoming to the gallery Ms Gordana Čomić and Ms Vesna Kovač, Deputy Speakers from the Serbian National Assembly. [*Applause.*]

First Minister's Question Time

12:00

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day.

The First Minister (Alex Salmond): Today we have the fantastic news that the Lanarkshire life sciences facility BioCity Scotland, together with the Scottish universities life sciences alliance and the University of Dundee, has won a £100 million drug discovery contract. That means 40 highly skilled jobs in Newhouse immediately, with the promise of many more developments to come. That puts Scotland at the very centre of European drug discovery, and I know that that will be welcomed by the whole Parliament.

Johann Lamont: Indeed.

Yesterday morning, the First Minister visited the technology company Clyde Space in Glasgow, where he said:

"This is one small satellite for Clyde and a giant leap for their extraterrestrial export business".

In the afternoon, his back benchers applauded a £24 million cut in college budgets. Does the First Minister feel that he and his party are in touch with real Scots?

The First Minister: Yes.

Johann Lamont: Scotland needs jobs. Last year, the Scottish Government said that it would spend £353 million on shovel-ready capital projects. In reality, it spent just £20 million. Of the £119 million that it said it would spend on new schools, it has spent nothing—not one coin. On Monday, however, the Deputy First Minister said that, within 15 months of the referendum, we could be like Namibia or Togo. Does the First Minister feel that he is in touch with the real priorities of Scots?

The First Minister: The direct capital budget, from which shovel-ready projects are funded, is being cut by 26 per cent by the Westminster Government. The Westminster Government's defence of that is that it is better than the 35 per cent cut that was the projected cut of Alistair Darling, the man who wanted to implement cuts that would be "deeper and tougher" than those of Margaret Thatcher.

The great advantage of direct capital spending by Government is that it can be spent on shovel-ready projects and can be spent quickly. The fact that Johann Lamont does not know the difference between direct Government spending and the

non-profit distribution trust is a signal feature of the Labour Party's inability to understand the basics of public finance. NPD funding is project based—we have to build a project and we have to gather in the finance. The great virtue of NPD is that it is a lot cheaper than the private finance initiative. We introduced the NPD programme because we did not want ever again to see the Scottish people pay out billions of pounds over the following 30 years on PFI projects, resulting in payments of many times their capital value. The fact that even the Conservative Party now admits that PFI was a ghastly mistake exposes the better together campaign as two right-wing parties competing over which one can be the more extreme.

Johann Lamont: Even I, in my least charitable moments, did not imagine that the First Minister planned not to spend any money through the NPD programme on schools. It is not that I do not understand the project; it is that the First Minister said that the Government would spend the £119 million but has not spent one coin. The jobs have not come. The complacency is astonishing.

I ask the First Minister to come back with us to the real world. This morning, we spoke to Anne Fisher, a 50-year-old mother of three who has cancer. She lives in Greenock. If she lived in England, she would be receiving drugs that could prolong her life. However, because she lives in Scotland, she does not get that treatment. The Government's delayed drugs review will be too late for Anne. Her case, sadly, is not an isolated one.

While Anne Fisher fights for treatment, the former health secretary Nicola Sturgeon had time this week to publish the words of Abraham Lincoln on, apparently, a written constitution. Does the First Minister believe that he and his Government are in touch with the real needs of people such as Anne Fisher?

The First Minister: The whole area of access to drug treatments is an extremely serious issue and should be treated as such in the chamber. The Labour Party will remember that it agreed with us on not going down the road of a cancer drugs fund, and many of the cancer charities agreed with us on that aspect. Labour also welcomed the health secretary's recent announcement on the introduction of the rare conditions medicine fund.

It should be accepted that, in trying to deal with these extraordinarily difficult issues, we are trying to find the best possible system that allows our people to have access to the best possible treatment. The idea that these issues are easy to deal with—as if they could be waved away—is extraordinary, given that they are one of the great challenges facing health services across the world. We believe that the combination that we have tried to arrive at in Scotland, where we have

the Scottish Medicines Consortium, the newly introduced rare conditions medicine fund and individual patient treatment requests, is the best possible system that we can have at present, as we move to the new drug-pricing system.

I hope that, whatever view people across the chamber take, they will recognise that this Government, like all parties in the chamber, is trying to deal with that issue in the best possible way to help the greatest number of people.

Johann Lamont: I can assure the First Minister that I take this issue extremely seriously. What I ask the Government to do is to listen to what people are saying and to act. It has taken newspaper headlines to get Alex Neil to act, and I think that that is a problem. Even now what the First Minister says does not address Anne Fisher's problems, so I ask him to look again.

Whatever the First Minister is doing, he is certainly not addressing the real needs of Scots. He would rather play games, imagining where he might be in three years' time, than face the reality of today. While he pretends, the needs of Scots seeking jobs are ignored, patients such as Anne Fisher go untreated and students miss out on a college education—all while the First Minister prepares the seating plan for our independence ball. The First Minister even seems to have given up on trying to make the case for independence and is instead trying to persuade Scots that they have already voted for it. When will the First Minister start addressing the real needs of Scots rather than continue his own game of let's pretend?

The First Minister: First, I remind Johann Lamont that the Labour Party voted with the Government not to establish a cancer drugs fund. Secondly, Alex Neil as health secretary took the advice that was coming forward in setting up the rare conditions medicine fund. Thirdly, the Routledge review is looking at this very issue to ensure that we have the best possible system in Scotland. That indicates to me that we are taking these things extremely seriously, as every member should.

This Government's commitment to the national health service is, in my view, beyond argument. We are the party that in two successive elections promised to increase funding to the national health service; Johann Lamont leads a party that in two successive elections would not give that commitment. Therefore, on the national health service, which like all public services is under great pressure at present, it should be remembered that it is because of this Government's success in being re-elected that the national health service revenue budget is increasing in real terms. There has been no guarantee on that from anyone else.

The difficulty for the Labour Party in making political points about the national health service was well exemplified only yesterday by the extraordinary and dreadful revelations about Mid Staffordshire NHS Foundation Trust. Those things occurred not when Margaret Thatcher was Prime Minister or under the Tory-Liberal coalition but under Labour's watch.

According to page 19 of the inquiry report,

"Management thinking during the period under review was dominated by financial pressures and achieving"

Foundation Trust

"status, to the detriment of quality of care".

I submit to Johann Lamont that this Government's decision to have a properly integrated national health service, instead of one that competes internally and is on the road to privatisation—which was started by the Labour Party south of the border—is vindicated by events in both Scotland and England.

Johann Lamont: The First Minister accuses me of making a political point and then goes on to do precisely that in complacent defence of what is happening in the national health service. All I ask is that he understands that the people of this country are not talking about constitutional platforms—they want a First Minister who will address the needs of women such as Anne Fisher now.

The First Minister: The fact that in the House of Commons I voted against foundation hospitals and the Labour Party voted for them is something that is worthy of political debate.

Johann Lamont says that she does not like constitutional politics, and she worries that the SNP's attention is devoted to constitutional politics. I have been doing a bit of analysis on the questions that Johann Lamont has asked me. What is the number 1 subject that she has asked me about at First Minister's questions? Is it the economy, the health service or education? No—it is Scottish independence.

The woman who accuses this Government of being obsessed by independence comes along here and invariably asks about Scottish independence. Johann Lamont asks about Scottish independence because the Labour record on everything else is so lamentable. I enjoy her asking about Scottish independence because it is only by accessing the resources—human and material—of this nation that we can put to rights not only the public services but the economy of this country.

Prime Minister (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when he will next meet the Prime Minister. (S4F-01167)

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

Ruth Davidson: By asking about college funding, non-profit-distributing model failures and the cancer drugs fund, I am not sure whether Johann Lamont has just gone through the Scottish Conservatives' greatest hits. However, I want to take the First Minister through some of his pet projects.

First, the rural parliament for Scotland was announced in September 2011, but 17 months on it has not been established; legislation on the Scottish sentencing council was passed in June 2010, but two years and eight months on it has not been established; and, although the college reform programme was announced in September 2011, there are no timescales at all for some of the mergers. That is from a First Minister who says that he can build an entire independent nation in just 18 months.

The constitutional expert Professor Adam Tomkins says that that timetable is

"not just unrealistic, but hopelessly unrealistic."

Given the First Minister's own failings, why is he right, but the acknowledged expert in the field is wrong?

The First Minister: As far as the Conservative and Labour parties' greatest hits being one and the same is concerned, presumably that is all part of the better together campaign.

As far as the college reorganisation is concerned—I thought that the basis of many Conservative MSPs' concerns was that we are proceeding too fast on that—that, of course, is an essential part of the future of Scotland's colleges.

During yesterday's budget debate, I was struck by two things. First, Mr Swinney has managed to devote to Scotland's colleges the highest revenue figure—higher than any figure during the entire Labour-Liberal coalition—of £522 million. The coalition's highest figure was £510 million. That seems—*[Interruption.]* I am glad that Tory members are asking about real-terms funding. I have been casting my eyes south at the position, as we understand it, on college funding in England. *[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

The First Minister: It appears that the cut that is coming is not 4 per cent, but nearer 20 per cent in terms of the comparable budget. Given the fact that Scotland's finances—as the Conservative

Party knows, having drawn a line in the sand—are directly dependent on Barnett consequentials, is it not a triumph that we have avoided the near 20 per cent cut in college funding that the Conservatives' colleagues are inflicting with Liberal Democrat support south of the border?

On the timetable for independence, if 30 countries across the world managed to progress from a referendum to independence more quickly than that timetable, the Conservative Party should ask itself why on earth Scotland should not manage to do that as well. The reality is that, whatever timetable the Scottish National Party laid out and however many international examples it gave, the Conservative Party—mired in its negativity—would always say, “No, ye cannae.” Well, yes we can.

Ruth Davidson: Despite the bulging-eyed bluster, the only thing that happened yesterday was that Mr Swinney cut college funding by more than £24 million while his back benchers clapped and cheered.

Let us focus on only one body—quite apart from a welfare state, a Scottish treasury and a Scottish supreme court—that the First Minister needs to establish in that 18-month timeframe: the armed forces, because the defence of the realm is the first responsibility of any Government.

There are—*[Interruption.]*

The Presiding Officer: Order. *[Interruption.]* Order, we will hear Ms Davidson.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Ten thousand jobs cut.

The Presiding Officer: Mr Stevenson—

Stewart Stevenson: Ten thousand jobs.

The Presiding Officer: Mr Stevenson—enough!

Ruth Davidson: Thank you, Presiding Officer.

There are 65,000 Ministry of Defence civil servants supporting the United Kingdom military right now, but the Scottish Conservatives have learned that the number of people that the Scottish Government has planning for a Scottish defence force is just seven. That is seven people who not only face an impossible task but who were better deployed delivering the public services for which this Parliament is responsible.

In fact, defence is only one of 16 policy areas in which officials are being diverted from their devolved duties to work on the First Minister's separatist obsession. *[Interruption.]*

The Presiding Officer: Order. Settle down, please.

Ruth Davidson: It is no wonder that the First Minister cannot create a rural parliament or a Scottish sentencing council, or get the college merger programme through in time. Will he admit that he is failing to run a devolved nation, never mind planning a new one?

The First Minister: I was waiting for the climax.

I restate again that, if the average time period for the 30 countries that were listed is 15 months, I find it difficult to understand why Scotland and the UK as developed democracies could not achieve a similar or, actually, slightly greater time period. That seems an entirely reasonable point. Actually, for the four European countries on the list, the average time period seems to be four months. That position is pretty well established by international comparisons.

I do not know whether the defence industry and the troops—the ones who are being made compulsorily redundant; the ones who are fighting for the country and then being handed their P45s by the Tory-Liberal Government—are the Conservative Party's strongest suit at present.

I thought that the Conservative Party's complaint was that there were too many people in the Scottish Government planning for independence. Now it seems to be suggesting that there are too few. The thousands of folk in the Ministry of Defence that Ruth Davidson quotes in aid are the thousands of planners who planned to have aircraft carriers and then forgot to have the aircraft to put on them. I see her noting down, “That's a point, yeah. Great aircraft carriers; no planes to put on them.” It is not the most fantastic example of Ministry of Defence planning.

People used to say that military intelligence was an oxymoron; MOD planning is the real oxymoron.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD): To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-01166)

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

Willie Rennie: Yesterday, in the budget debate, I was told that the Government had rejected my realistic and costed proposals to give 24,000 two-year-olds a free nursery place. I was told that the First Minister's Government preferred family nurse partnerships instead. Will he tell me how many children currently benefit from family nurse partnerships?

The First Minister: It is a low figure at the present moment, which is exactly why the programme is being rolled out across Scotland, as we announced last October. The pilot was in

Lothian, and the programme is now being rolled out across Scotland.

Willie Rennie's argument was carefully considered, and the reasons why the Government took the stance that it did are twofold. First, we believe that we should get to the provision of 600 hours of early learning and childcare—I remind him that we inherited the figure of 412.5 hours, I think—make it apply to three and four-year-olds, and give it statutory backing. Our partners in councils say that we can achieve that with the high-quality standards that Scotland is used to in childcare and nursery provision, which, as Willie Rennie should know, are much higher than in England and Wales at the present moment, given the qualifications that staff need.

Secondly, there is a strong belief in England, which has been expressed by many local authorities, that the only way that the Conservative-Liberal coalition will be able to extend provision to two-year-olds is by reducing the standards. Willie Rennie shakes his head, but it is only a week since it was announced that there would be a relaxation of the number of children per worker in nurseries.

There is a case to be made about the quality of provision as well as the incredible extension of provision to 600 hours, which many families across Scotland will increasingly welcome.

Willie Rennie: I suspect that even the most sycophantic back bencher will have recognised that my question was about family nurse partnerships, not three and four-year-olds. The First Minister should check his facts: in England, the Government is increasing the standard for nursery education, not reducing it.

The First Minister is right that the number of children benefiting from family nurse partnerships is low. It is only 908. Family nurse partnerships are a good thing, but they are no substitute for 24,000 nursery places. The authorities are providing both in England—not one or the other.

I should not have to remind the First Minister that all the experts say that investment before the age of three is the best investment to make as it gives the best return.

If the First Minister is not going to use his budget to make the change, how will he close the gap between the 900 people who he wants to help and the 24,000 people who could benefit under my plans?

The First Minister: As I have already pointed out, the family nurse partnerships will be rolled out across Scotland because of their success in the pilot study. That was the purpose of the October announcement.

I hope that Willie Rennie will go back and revise his question in terms of the record. He said that standards were being increased. Perhaps he was referring to the qualifications of the staff in England, but that was not the point I made to him. The point I made was about the relaxation of the number of children per staff member: increasing the number of children allowed per staff member would tend to indicate to me a lowering of quality of provision, as many people have said.

We are very happy to debate with Willie Rennie the best way forward. However, I think that, with the expansion to 600 hours provision, the initiative has been taken. Early years development is a substantial part of this Government's programme; there is a stress on the early years.

I hope that we listen and respond to Willie Rennie's argument about early years planning, but I must remind him that he represents a party that, in government, is destroying the livelihoods of low-income families across Scotland. Those families have lost hundreds if not thousands of pounds in respect of tax allowances and childcare, and they now face the prospect of being forcibly evicted from their homes, due to the changes in finance, if they happen to have a spare room. Given that Willie Rennie represents a party that is engaged in that sort of policy, he has a bit of a brass neck to come along here and pretend that he is on the side of young families.

Fishing Fleet (Mackerel Quota)

4. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the First Minister what the impact will be on Scotland's fishing fleet of Iceland's proposed 15 per cent reduction in its mackerel quota. (S4F-01177)

The First Minister (Alex Salmond): Iceland's declaration of another large unilateral quota is disappointing. Although it has reduced its quota by 15 per cent, it continues to take 22 per cent of the total allowable catch—a share that is well in excess of its claim to 15 per cent of the fishery, which is in itself too high, given the short time for which Iceland has participated in the fishery. That behaviour is unsustainable and is putting at risk Scotland's most valuable fishery, which in turn puts at risk the jobs that are important to vulnerable coastal communities.

Rob Gibson: Can action be taken to set up a mediation process to bring Iceland into the overall stock-management arrangements for mackerel in the north-east Atlantic?

The First Minister: The current process has involved 15 rounds of negotiation over four years and clearly has not worked. The Cabinet Secretary for Rural Affairs and the Environment is therefore right to call for a new approach. That is why he

has put forward the idea that there should be an international mediator—an independent and respected person—who can help to bring the parties together and facilitate an agreement. We are liaising with the appropriate European commissioner and with other mackerel-fishing countries to take forward that notion. I know that Parliament will appreciate the situation's seriousness and I hope that we have unanimous support for Richard Lochhead's initiative.

Tavish Scott (Shetland Islands) (LD): Does that answer mean that the First Minister and his Government have turned their back on the European Union sanctions that the European Commission previously agreed? Does he recognise that white-fish boats from Shetland, as well as those from north-east Scotland, are now prevented from fishing in Faroese waters because the Faroese Government has taken unilateral action, too?

The First Minister: My answer did not mean what Tavish Scott suggested: we pressed for the sanctions as a means of getting people back to the table. However, the member must accept that we must find a new approach. We have had 15 rounds of negotiation over four years and neither the fishermen whom he represents nor those whom I used to represent are in any doubt that the situation cannot be allowed to drag on.

We have strongly supported enforcement of the sanctions, on which the European Union has dragged its feet. However, we also support a new initiative to try to bring the parties back to the table. International mediation is a new idea in this context, and I think that it will get a broad welcome from the people who realise how important it is for us to make a breakthrough.

Victims Surcharge on Offenders

5. Lewis Macdonald (North East Scotland) (Lab): To ask the First Minister who will administer any fund established from the proceeds of a victims surcharge on offenders. (S4F-01178)

The First Minister (Alex Salmond): Lewis Macdonald refers to an important proposal that is in the Victims and Witnesses (Scotland) Bill, which was published today. It will help to raise funds that are to be used to support people who are affected by crime. The detail will be in subordinate legislation, but our first choice for an administrator of the victims surcharge fund is Victim Support Scotland, working in collaboration with other national victim support organisations.

Lewis Macdonald: A victims fund is a splendid idea that is to be welcomed. However, the issue—as ever—is how the idea will be implemented. Has the First Minister read the Government's policy memorandum to the bill, which was published

today? It says that the Scottish Court Service expects fully one third of court fines to remain unpaid 12 months after they have been imposed and that more than half the fiscal fines that have been imposed in the past three years have not yet been paid in full. How will the victims surcharge be different?

The First Minister: I welcome the welcome for the initiative. Lewis Macdonald is right. We have proposals on legislation exactly so that they can be discussed in Parliament and so that we can get to the best possible position in order to secure the victim support fund's success. Now that we have agreed on the principle, perhaps Lewis Macdonald and Kenny MacAskill can agree on the practicalities.

The Presiding Officer: Be very brief, Ms Grahame.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): The Victims and Witnesses (Scotland) Bill will go to the Justice Committee. I note that the bill proposes separate and distinct police restitution orders. How will they work?

The First Minister: Offences against police officers are unacceptable. In the bill, we propose to create a new penalty—the restitution order—whereby those who are found guilty of assaults on police will be required to contribute to treatment and rehabilitation services for police officers. Restitution orders are not intended to replace existing compensation orders for individual police officers.

Hospital-acquired Infections

6. Aileen McLeod (South Scotland) (SNP): To ask the First Minister what progress the Scottish Government has made on tackling hospital-acquired infections. (S4F-01180)

The First Minister (Alex Salmond): The Scottish Government established the Healthcare Environment Inspectorate to help to reduce healthcare acquired infections and the risk to patients, through a rigorous inspection framework. The chief inspector's annual report was published earlier this week. It highlighted that, between October 2011 and September 2012, the number of cases of *Clostridium difficile* had reduced by 42.7 per cent, and the number of cases of MRSA had reduced by 52.2 per cent, in comparison with the numbers when the inspectorate was established in 2009-10.

Aileen McLeod: The progress in the past year is very welcome. The First Minister might recall that, in January last year, Jackie Baillie claimed that Scotland was the supposed "superbug capital of Europe". However, she failed to notice that her statistic related to 2005-06, when Labour was in

office. Will he tell me what progress has been made since 2005-06 to reduce MRSA cases?

The First Minister: From October 2005 to September 2006, there were 1,002 cases of MRSA. From October 2011 to September 2012, there were 185 cases. That is an 81.5 per cent reduction in cases.

Aileen McLeod is absolutely right, of course. Jackie Baillie issued a press release that said that Scotland was

“the superbug capital of Europe”.

She was no doubt unaware that the statistic referred to 2005-06, when the Labour Party was in office. Now we have had a dramatic reduction. An 81.5 per cent reduction is incredible and is not the full extent of what we are trying to do, but it is substantial progress.

Jackie Baillie will no doubt accept that her “superbug capital of Europe” epithet—I do not know that that is the wisest thing she has said—applied to her party’s administration of the national health service. Thank goodness that administration and the Government have changed.

Jackson Carlaw (West Scotland) (Con): I whole-heartedly applaud the Government’s success and the focus that it has brought to the issue through both the current cabinet secretary and his predecessor, and I congratulate all those in the NHS who have made that progress.

However, we cannot afford to be complacent. Will the First Minister respond to a message that I received this morning? The person said:

“As a Nurse I was rather disgusted to see the Scottish Health minister park his backside on a patient’s bed while opening a new hospital and wittering on about infection control.”

I implore the First Minister to encourage his colleagues to desist.

The First Minister: It is absolutely true that one of the successes has been to instil changed behaviour on the part of patients, visitors and staff throughout the national health service, and that includes Government ministers. In the future, every single one of us will aspire to the high standards of Jackson Carlaw.

Sarah Boyack (Lothian) (Lab): Given the recent concerns of public health officials in NHS Lothian about the unexplained rise in HAIs, what discussions has the First Minister’s Government had with public health officials in NHS Lothian? What assurances can he give that the health improvement, efficiency and governance, access and treatment target will be met?

The First Minister: One of the reasons why hospital-acquired infections are falling so fast in Scotland is that the process is on-going; it is part

and parcel of, and integrated into, the health service.

I know that people will have noticed that, in response to the serious situation in health in Mid Staffordshire NHS Foundation Trust, the Prime Minister called in a former adviser to President Obama, who, when looking at the health improvement and safety initiatives that are being taken in the health service in Scotland, gave them the highest praise and said that they are world leading. That indicates that, even in an area in which substantial progress has been made, there can be no complacency in terms of how the situation is developing. There has to be an on-going process in order to ensure that we continue to make improvements, and that is what is being done with hospital-acquired infections.

Retail Sector

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a members' business debate on motion S4M-05350, in the name of Margaret McCulloch, on retail in Scotland. The debate will be concluded without any question being put.

Motion debated,

That the Parliament welcomes what it considers the continued and important contribution that the retail sector makes to the Scottish economy through investment in skills, jobs and local communities, including in Central Scotland; understands that, despite a challenging economic climate, retail remains the largest private sector employer in Scotland, accounting for 240,000 jobs; believes that one in eight Scottish households includes someone who works in retail and that the sector invests an average of £1,275 annually on providing training for each member of staff; recognises that the retail sector often provides flexible employment opportunities for those who would otherwise be excluded from work, including younger people and women, and commends the Scottish Retail Consortium on the publication of *Retail in Scotland: The Nation's Favourite Job*.

12:34

Margaret McCulloch (Central Scotland) (Lab): I begin by thanking all the members from across the chamber who signed my motion on retail in Scotland and allowed this debate to take place.

As the motion states, retail makes an

"important contribution ... to the Scottish economy through investment in skills, jobs and ... communities",

not just in my region but across Scotland. Retail accounts for 9 per cent of all employment in Scotland, which makes it the biggest source of private sector employment in the country. The sector continues to contribute to the economy, even in these tough times. However, no one would dispute that retail has been rocked by two recessions and the threat of a third, and by a longer-term shift to online shopping.

Let me be clear: I do not take a rose-tinted view of retail. It is a sector in which levels of pay and union organisation could be higher, but we have to celebrate good practice and recognise investment in the workforce where it takes place if we are to bring out the best in one of the country's largest employing sectors. That is why I welcome the Scottish Retail Consortium's report on retail jobs, which provides a snapshot of the retail sector and gives some insight into how employers develop their people.

Before I address the substance of the report, I want to reflect on where the Scottish retail sector finds itself. Consumer spending patterns change over the Christmas period and the January sales,

and we had positive sales growth in December, but the overall picture across the year is not as encouraging. Indeed, the SRC has confirmed that sales growth was negative in Scotland in 2012.

Perhaps more worrying is the fact that consumer confidence in Scotland is significantly lower than in the United Kingdom as a whole. That underlines the need to restore confidence in the economy's prospects and give some semblance of security to hard-pressed consumers if we are to put the Scottish economy back on the right track. However, reports of more high street casualties over the past few weeks—Jessops, Blockbuster and HMV—make it difficult to rebuild confidence in an economy that is simply not growing as it should.

There is an on-going debate about the extent to which retail drives growth and the level to which it benefits from the disposable income of those who are employed in other sectors. However, it is indisputable that consumer confidence has a bearing on retail employment and the sector can go on to contribute more if we secure for Scotland a more confident and resilient economy.

There are good reasons for doing that, which go beyond the normal economic arguments. The retail sector is a flexible employer and many of the part-time and flexible job opportunities that it offers attract women, young people and those with family lives or other commitments to work around. As we have seen, a drop in retail employment adversely affects women and young people in an economy in which they are already at a disadvantage.

In suburban communities such as those that I represent, retail often provides young people with their first experience of the labour market. In the report, major employers such as Boots, Sainsbury's, John Lewis and Tesco outline how they bring workers into their organisations and develop them. Since the debate was scheduled, I have received communication from Asda, which was keen to brief me on the initiatives that it is undertaking, such as its national skills academy and modern apprenticeships.

In my professional life as a training consultant, I had a number of trainees in retail. It struck me that, with the right people and the right training, someone can progress from an entry-level position to management more easily and much sooner than in other sectors. Indeed, one of the stories in the report is that of Sarah, who joined McDonald's while still at school. She went on to become a shift manager and continues to progress through that organisation.

When workers have the right mix of autonomy and responsibility, backed up with training, they can go on to become more than just good workers; they can go on to become valued citizens

of an organisation. Workers who feel valued and responsible are often among the most productive.

Work in retail is not about the most basic level of customer assistance. It should be about knowing the product and the workplace, so that the worker has the knowledge and skills that they require to be able to anticipate their customers' needs. Such a workplace culture does not come about by accident; it takes intervention by the employer.

A connected issue is the future of Scotland's town centres. Last night, there was a meeting of the proposed new cross-party group on towns and town centres. I was overwhelmed by the response that the proposal received. Many contributors to the Scottish Government's on-going review of town centres attended the meeting. They are keen to open up another forum for debate. Lively discussion is taking place on the issue and contributors include the Centre for Scottish Public Policy, Scotland's Towns Partnership and Malcolm Fraser and his external advisory group.

Retail is changing rapidly, with consequences for town centres and local economies. In my region, we have town centres that have gained business improvement district status, such as Hamilton and Falkirk, we have covered shopping centres in East Kilbride and Cumbernauld, and we have more high streets and traditional town centres than I could name in the time that I have left. The regeneration of all those town centres is about more than just retail. A variety of uses could help to breathe new life into our precious public spaces. However, town centres will always have to capture some of the wealth and jobs that retail creates, if they are to survive and flourish.

When the report of the Fraser review has been published and the Scottish Government is deciding how to respond, I hope that the Government will take on board the fact that retail accounts for 5 per cent of UK gross domestic product.

I thank all members who are attending the debate. Retail is a vital employer in every constituency and region, so I hope that members agree that today's debate presents a useful opportunity for us to reflect on how the sector is changing and what that means for employment in Scotland.

12:42

Richard Lyle (Central Scotland) (SNP): I thank Margaret McCulloch for securing the debate.

People often ask me what I did before I entered politics. After I left school, my first job was in retail grocery. I was fortunate to be employed as an assistant grocery manager for the Bellshill and Mossend Co-operative Society, where I stayed for

three years. After that, I moved on to the Dalziel Co-operative Society, in Motherwell, first as an assistant manager and then, after a few years, as the co-operative's youngest manager, in the Brandon Street branch.

Retail grocery was a job that I really enjoyed. Over the years, I was put in charge of bigger and better shops in Dalziel Co-operative, and eventually I was promoted to assistant grocery departmental manager. That co-operative is now Scotmid. I was in retail grocery until I was 28, when I moved on to another side of retail and credit selling. Working in a shop is certainly an experience.

Retail is the UK's largest private sector employer, employing 3 million people. In Scotland alone, the sector employs around 239,000 people, or 9 per cent of the workforce—more people work in retail than work in tourism.

The retail workforce is one of the UK's most diverse. Some 62 per cent of the workforce are women, 13 per cent are disabled and 12 per cent are ethnic minority workers, in proportions that reflect local populations. Just under a third of people in the retail workforce are between 16 and 24 years old. One in eight households has someone who works in retail.

Scottish retail is extremely important to the economy, as Margaret McCulloch said. There were sales of £28 billion in 2011, and more than a third of consumer spending took place in shops. Five per cent of the UK's gross domestic product is generated by the retail sector. Retail accounts for 20 per cent of turnover and 15 per cent of gross value added in the whole Scottish services sector—higher proportions than in the UK, for which the comparable figures are, respectively, 15 per cent and 11 per cent. Retailers account for 9.7 per cent of enterprises in Scotland. Again, the proportion is higher than in the UK, where the proportion is 9 per cent.

Shopping is something that we all do, whether it is for essential items such as food and clothing, or for leisure goods such as CDs, DVDs and books. Through our experiences in the local convenience store, the nearby supermarket, the high street or online stores, we all have a view on what retail has to offer.

From customer services assistant to fashion buyer, from butcher to store manager, and from fleet manager to food technologist, the sector offers a wide variety of roles, with opportunities to learn. People can learn skills, and can progress within the sector. They really can start on the shop floor and work their way to the top. Many well-known retail chief executives have done just that.

The growth in private sector jobs is critically important to the health of our economy, which is

why now is the time to champion the retail sector and what it has to offer. With the support of the Government, retail can grow vital jobs and provide essential services to our communities.

I thank all who have supplied briefings on this subject. Margaret McCulloch mentioned the excellent Asda briefing. The writing is a bit small, so I had better put my other glasses on. Asda is investing in communities and supporting the young and long-term unemployed. It is

"Scotland's retailer of choice for a vocational career".

I am an Asda shopper, but I also go into Sainsbury's and other shops. I compliment all the shops that help people in Scotland.

12:46

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I congratulate Margaret McCulloch on lodging this important motion, commend the Scottish Retail Consortium for its report and recognise the important contribution of retail to local communities, training and employment, including flexible employment.

The motion refers to women and young people in particular. I note that 62 per cent of jobs in retail throughout Scotland are taken by women and that almost a third are filled by young people aged between 16 and 24.

As the consortium's report points out, many young people's first experience of the world of work takes place in customer service in the retail sector. It provides a great environment, where key skills can be developed. Being able to communicate clearly and concisely, understanding the value of courteous service and working as a responsible team member are all transferable skills that will benefit employees and future employers enormously.

The popularity of the retail sector as chief area of employment in Scotland is reflected in the recent recognition given to employees through apprenticeship schemes, such as the John Lewis programme that is highlighted in the consortium's report. Those apprenticeships go further, building on the experience learned through employment and allowing employees to progress and feel that they have a stake in the success of the company. A member of staff in Edinburgh named Sarah, aged 21, expresses the view in the report that it is

"a career rather than just a job".

That shows how truly investing in the development of employees in the retail sector can change mindsets and increase the enjoyment, and indeed the stability, of their position.

The content of retail apprenticeships has been developed following extensive discussions with a

cross-section of retailers. The focus is on ensuring that young people gain the core knowledge that is needed to work effectively in the modern retail world. However, there is flexibility in the programme content. Choices are possible within retail apprenticeship programmes to ensure that the programme suits the apprentice's work role and their working environment.

We must also recognise the challenges faced in the retail sector at present and ensure that the policies that are enacted in this Parliament do as much as possible to strike a balance between protecting support for small businesses and encouraging investment from larger employers, many of which provide the apprenticeships that I have just discussed.

I am very lucky to have a large number of excellent small businesses in my constituency, particularly in streets such as Leith Walk and Broughton Street. Notwithstanding the difficulties that the former has suffered as a result of the tram works, I hope that the reinstatement of Leith Walk that will take place over the next year will lead to those businesses flourishing once again.

Nationally, though, it is not good news everywhere. This week, experts have warned that there could be as many as 40,000 empty shops in Scotland's high streets in the near future, some of which would be small businesses and some larger. There has already been reference to the fact that long-established high street chains such as HMV, Jessops and Blockbuster have gone into administration in recent months.

In 2006, the City of Edinburgh Council published a review of the key sectors of Edinburgh's economy that noted that

"retail is central to the revitalisation and renewal of communities in the city, providing a vital community service, a focus for physical regeneration, and sustained investment in people and places. The future success of this sector is therefore central to the future success of the city's economy as a whole."

Now, with the council's publication of "Edinburgh by Numbers 2012/13", we can see just how crucial the sector is for the regeneration of infrastructure in the capital and as a source of employment and an economic driver. A table in the document registering the number of people in employment in Edinburgh by industrial sector for 2010 illustrates that the wholesale, retail and repair sector employs 36,300, or 12 per cent of the overall workforce. The figures also show that Tesco and Asda are the two retail employers in the top 15 of job creators in Edinburgh.

Edinburgh is a city looking to compete on a global scale; it is home to the Parliament and a successful financial sector and, in the foreseeable future, it is set to benefit from a truly 21st century

transport system. I believe that that transport system, in particular the tram, notwithstanding its controversies, will ultimately contribute to the development and success of retail in the city centre.

12:51

John Mason (Glasgow Shettleston) (SNP): Having just heard a little about Edinburgh, members will not be surprised to know that they are going to hear a little about Glasgow now. I thank Margaret McCulloch for raising the issue of retail for debate. I certainly agree that retail is a key part of our economy. It is also appropriate to thank the Scottish Retail Consortium and the John Lewis Partnership for hosting a briefing event earlier this year, at which the minister spoke. I thought that it was a useful evening, with a lot of information and useful contacts from a wide range of backgrounds.

Obviously, I am particularly interested in Glasgow, which is the largest retail area in the UK outside central London. In the city centre, we have both malls and stand-alone shops, and throughout the city we have major shopping centres, such as the Fort and the Forge in the east end. There are also town centres within the city, which we perhaps forget sometimes, such as Partick and Byres Road, and there are also more local shopping facilities.

When we hear about new shops being opened in our areas, most of us are positive about it. Sometimes, we look below the surface at why a new shop is open and find that it is because there is increasing demand and consumption in the area, which is positive and will, we hope, attract more people to the village, town or city where the shop will be. On the other hand, it is not good if people are spending more and getting more into debt, as happened for a number of years, although I hope that that has reduced now.

Margaret McCulloch referred to consumer confidence with regard to shops opening. My only word of caution about that would be that although confidence can be a good thing, if it is wise, it can also be a bad thing, if it is unwise.

Another reason for shops opening is that they are replacing other shops, either in the same or other locations, which are then led to close. That may be good if it provides better choice, more convenience, better prices and so on. We have seen a trend, certainly over my lifetime, of supermarkets replacing smaller shops. However, I do not like the claim that some shops create jobs—okay, some jobs may be additional, but in many cases they are simply replacing jobs in smaller stores. We also see out-of-town developments replacing town centre

developments and, within Glasgow, we see Buchanan Street and Ingram Street growing at the expense of Sauchiehall Street.

I am grateful to Asda for its briefing for the debate. I have one of its major stores in my constituency. My impression of Asda and its community involvement is generally quite positive. I quite like the fact that it calls everybody colleagues rather than employees, although everybody will have their own view on that. Asda talks in its briefing about creating jobs across Scotland, which I feel is a little bit disingenuous when in fact it is the same money that is switching from other shops into Asda and presumably some of the same employees—or colleagues—who are moving from other shops.

Perhaps that is just inevitable progress and the way life goes. I am old enough to remember the Glasgow bookshop John Smith, which had been around since Burns's time—1751, in fact. That business was replaced by a Borders bookshop but, ironically, Borders has now been replaced by Amazon. I liked both the John Smith shop and the Borders shop. However, the temptation nowadays is to use online shopping. Because I am going away for a few days next week, I was looking for a guidebook. I knew exactly what I wanted and I knew that it cost £6.99, but when I looked on the Amazon website, I found that it would cost 1p, plus £2.80 for postage—it is difficult to argue with that.

Retail is changing, but I want to finish on a positive note. I echo the point about getting a foot on the employment ladder. Asda provides an example of somebody who has gone from the bottom to the very top and who is now chief executive of that organisation. Perhaps schools need to do more to show young people that retail is a good career. I welcome the fact that we still have many small family businesses. Probably in every constituency, we still have good local butchers and bakers, although candlestick makers seem to be thin on the ground. Many shops sell Scottish produce, which I welcome. I remember that, when Morrisons came to Scotland, my mother could not get her Baxters soup any more, but I am glad to say that that is a thing of the past.

12:55

Elaine Murray (Dumfriesshire) (Lab): I, too, congratulate Margaret McCulloch on drawing Parliament's attention to the importance of the retail sector to Scotland's economy. Like Richard Lyle, I earned my first wage in the retail sector. At the age of 16, which was quite a long time ago, I took a Saturday job with one of the retailers that are featured in "Retail in Scotland: The Nation's Favourite Job". I worked full time between leaving school and going to university and I seem to recall that my first wage was a whole £9 a week,

although it was surprising how many clothes I managed to purchase with my first wage packet.

All three of my children have worked in retail at various times and, as Margaret McCulloch's motion states, retail continues to provide "flexible employment opportunities" for younger people. As Malcolm Chisholm said, it also develops many useful skills. As well as the customer service skills that he spoke about, things such as the need to be punctual and to turn up for work with a smart appearance are good training for other employment.

Retail is a major employer, with around 9 per cent of the workforce in Scotland and with women and young workers well represented. However, as Margaret McCulloch says, the recession and the ever-increasing use of online purchasing have presented the retail sector with a number of challenges, which have affected our high streets and shopping malls, most recently with the collapse of Comet, Jessops and HMV. The situation was particularly tough in 2012, with Scottish retailing consistently underperforming the industry in the UK as a whole, although sales rallied a little in December, with a positive increase in non-food goods for the first time that year. Total sales were 1.5 per cent up on December 2011, although in real terms that is just flatlining.

We heard from Malcolm Chisholm about Edinburgh and from John Mason about Glasgow, so I will tell members about Gretna. In contrast to the overall situation, the Gretna Gateway outlet village reported its most successful trading year in its 13-year history in 2012, with sales up 3 per cent on 2011 and with about 2 million visitors. The last five weeks of 2012 were the best weeks ever for the outlet village and ended a year that showed growth in 30 successive weeks. Several new premium brands have moved on to the site in the past year. All that is good news for the local economy and for the 400 people who are employed at the centre. In a rural area such as Dumfries and Galloway, a site where 400 people are employed is a pretty major employer.

Gretna is of course world famous for its weddings and for the Gretna Green blacksmith's shop. However, the outlet centre is proving an additional attraction to the gateway to Dumfries and Galloway. There are probably two main reasons for the success. The first is that the shops sell brand items at a discount and therefore they are competing with online purchases—as we have heard, people can often get things more cheaply by googling. Secondly, the outlet village is well situated, despite being in a rural area, with easy access to the M74, the A75 and the M6. Indeed, there was a long campaign to persuade the former Scottish Executive to amend its signage policy for trunk roads and motorways to enable the outlet

village to be signposted from the motorways. As someone who corresponded on that issue with my own ministers over the years, I like to think that that change in policy has contributed to the success of the Gretna outlet village.

Despite all the problems that the sector faces as a result of the tough economic times, retail continues to play an important role in the Scottish economy. As we can see from the case of the Gretna Gateway, the sector can provide substantial employment opportunities in rural and urban areas, especially when those areas are well connected to larger population centres. Our high streets probably face the biggest challenge, through competition from out-of-town shopping malls and online retailing. That is where we need creative thinking on the mix of leisure, business and retail opportunities that can make Scotland's town centres vibrant again.

12:59

The Minister for Youth Employment (Angela Constance): I, too, congratulate Margaret McCulloch on securing this debate. I always think that the Parliament is at its best when its members bring to bear their expertise and knowledge from their previous lives, and it is important to note that nearly 40 members signed the motion.

Malcolm Chisholm told us about the shopping that is available in Edinburgh; John Mason highlighted the facilities in Glasgow; and Elaine Murray spoke about the outlet village at Gretna. Over the years, I have frequented all of those as well as the shops and facilities in Livingston in my constituency. Like Richard Lyle, I believe that shopping is important.

Turning to a more serious issue than my own guilty pleasures, I am heartened by the cross-Parliament and cross-party recognition of the importance of the retail sector not only to our economy but in its investment in skills, jobs and, crucially, our communities. In my constituency, Morrisons runs a great programme that takes primary school children into the store and exposes them to a great learning environment where they can find out not only about food but about the range of jobs that support supermarkets. It is also a great example of the opportunities that are afforded by curriculum for excellence.

There is no doubt that retail makes a significant contribution to our economy and its health is a very visible barometer of the economic climate. Like other sectors, it has had its own challenges, difficulties and, indeed, successes. Unlike other areas, retail continued to grow in the early part of the recession in 2008-09. However, from 2010 onwards, growth was far more modest and, over the past year, it has very much flatlined and now

lags behind other areas. That said, the fact that retail sales in December were 1.5 per cent higher than those the previous year will, I hope, give some grounds for optimism.

Retail employs 251,000 people—or 10.2 per cent of the employed population—if we include the owners of shops or retail outlets who actually work in their business. However, I have always been interested not only in the direct employment opportunities that are created by retail; in its briefing, Asda highlights the additional 10,000 jobs that it supports via its supply chain. We must feel heartened when we hear of the Asda store in Forfar that employs the previously long-term unemployed; in fact, 80 per cent of the staff who were recruited for that store had been unemployed.

Malcolm Chisholm and others spoke of the opportunities that the retail sector affords young people and I certainly know that it is very often a young person's first experience of work. I experienced it myself in my mid to late teens; indeed, I attribute my varicose veins to standing in a shop for many hours. However, we must recognise the range of jobs in the retail sector and the opportunities that are available from entry level right up to graduate level. It is heartening to find that the sector is recruiting on the basis of aptitude and attitude; it is very much a meritocracy, where people such as Andy Clark can rise from the shop floor to become the chief executive officer of a major supermarket.

It is also worth mentioning that Aldi is recruiting 17 and 18-year-olds to train them up as store managers and that, in my capacity as Minister for Youth Employment, I have met representatives of these stores and visited Asda, Tesco, John Lewis and so on. Indeed, one young person whom I met in a major supermarket told me that, if I was serious about youth employment and boosting the economy, I would use the £30 million of youth opportunities funding to build three supermarkets. However, such a suggestion would, to say the least, get me into hot water.

There is no doubt that retail has an important contribution to make as part of the make young people your business campaign. There is a positive business case for employing young people, and the retail sector demonstrates that well.

It is important to recognise that 96 per cent of retail businesses are small. For that reason, the employer recruitment incentive for small employers to employ young people, which will go live in April, is important. As a result of an earlier members' business debate, I gave a commitment to ensure that all members get good information on the make young people your business campaign and the employer recruitment incentive,

in addition to information on other offers that are available locally and nationally, so that MSPs can go out and engage with businesses in their localities.

On the skills agenda, it is important to recognise the difficulties in the current climate. Members have mentioned HMV, Jessops, Blockbuster, Comet and so on. There is no doubt that, as shoppers, our habits are changing, and the fact that online sales have increased presents challenges to the high street. One facility that I would like to emphasise is the flexible training opportunities initiative, which can be used by small businesses for practically any training opportunity that can allow them to retrain their staff. There may well be a great opportunity for small retailers to train up their staff in things such as e-commerce.

However, there is a lot of work to do to regenerate our high streets. The proposed cross-party group on towns and town centres will, no doubt, be crucial in taking forward, among other things, dialogue with the Government on how we can continue to celebrate the successes and push for further success in retail but also reinvigorate our town centres.

13:07

Meeting suspended.

14:30

On resuming—

Local Government Finance (Scotland) Order 2013 [Draft]

The Deputy Presiding Officer (Elaine Smith):

Good afternoon. The first item of business is a debate on motion S4M-05549, in the name of John Swinney, on approval of the draft Local Government Finance (Scotland) Order 2013.

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Today's order seeks agreement to the main allocation of revenue funding to local government for 2013-14, to enable local authorities to maintain and improve the vital services on which our communities across Scotland depend. It also seeks agreement to the allocation of additional money for 2012-13 for changes in funding that have taken place since the 2012 orders were discussed and approved by the Parliament.

Before I get into the detail of the order, I reiterate that the partnership that the Scottish Government established in 2007 with local government, which is based on the principle of mutual respect, has freed up councils from central government micromanagement and continues to deliver benefits for the people of Scotland in the design and delivery of public services in their localities.

Building on that partnership, we have agreed joint priorities regarding the delivery of better outcomes and a programme of public service reform that is informed by the Christie commission's report. Following a joint review with the Convention of Scottish Local Authorities, we have agreed a package of measures to strengthen community planning and single outcome agreements as the best means of councils, the national health service, the police and other public sector bodies working together with the voluntary sector and communities to deliver better services and outcomes for all our local communities. That partnership working is vital and I will continue to listen to and challenge local government as we fulfil our respective obligations.

The importance that we attach to the community planning agenda is illustrated by the significance of the partnership theme that runs through the Government's response to the Christie commission. It is reflected in a number of areas of joint working between different public services and in the principal area of significant innovation in adult health and social care, which are drawn together through the community planning activities that Derek Mackay and former councillor Pat

Watters have taken forward and that have been agreed jointly by the Government, the local authority sector and our wider public sector partners. That will structure much of the joint working that is undertaken at local level.

I turn to the detail of today's order for 2013-14, which is the second year of the current three-year settlement. Although local authorities were advised this time last year of the provisional allocation for 2013-14, a number of changes have taken place since then, on which I will provide more details later.

In 2013-14 the Scottish Government will provide councils with a total funding package that is worth almost £10.3 billion. That includes total revenue funding of £9.7 billion and support for capital expenditure of £552 million. Today's order seeks the Parliament's approval for the distribution and payment of £9.5 billion out of the revenue total of £9.7 billion. The remainder will be paid out as specific grant funding, for which separate legislation already exists, or will be distributed later.

Next month I will bring a second order before the Parliament to pay out £70 million to compensate all councils that budget to freeze their council tax again in 2013-14, which will be the sixth consecutive year that the Scottish Government has funded the council tax freeze. A range of local authorities have already decided to freeze their council tax and I expect a range of other councils to follow suit as they take decisions on their budgets in council chambers the length and breadth of Scotland.

The most significant changes that have happened in relation to the 2013-14 allocations were the transfers of responsibility and accompanying resources for the police and fire services from local government to the new Scottish Police Authority and the new Scottish fire and rescue service. Following agreement with COSLA, that has resulted in the removal from local government funding of a sum in excess of £1.2 billion.

The other significant change was the transfer from the Department for Work and Pensions to the Scottish Government and local authorities of responsibility for supporting vulnerable people in meeting their council tax liabilities, following the abolition of council tax benefit. That comes with a funding transfer of £328 million, which is 10 per cent less than the council tax benefit that is currently paid in Scotland—less money is being provided in England and Wales, too. The Scottish Government has provided an extra £23 million for our new council tax reduction scheme in 2013-14. Together with local authorities, which are contributing £17 million, we will fill the gap that the United Kingdom Government left, to ensure that

people who currently get help with their council tax will have access to the same support in 2013-14.

The remaining changes, which amount to £8.2 million, are in respect of: £3 million for free personal and nursing care; £3 million for family support funding; £1.5 million for looked-after children; and £0.7 million following the transfer of responsibility for administering the blue badge scheme.

As well as seeking approval for the 2013-14 funding allocation, the order seeks approval to distribute an additional £58.5 million, which was either held back from the 2012 order or added to allow councils to carry through a number of agreed spending commitments, which have arisen since the 2012 order was approved.

Lewis Macdonald (North East Scotland) (Lab): In December 2011, the cabinet secretary made a commitment that no council in Scotland should receive less than 85 per cent of the average revenue allocation to councils. Given that he has reported on the transfer of resources in relation to the police and fire services, can he tell us what percentage of the revenue average will be allocated to Aberdeen City Council in 2013-14?

John Swinney: The point that Mr Macdonald is getting at is one that Mr Rennie has raised with me and which I have explained to the Parliament. We had a commitment that no authority would receive less than 85 per cent of the Scottish average. We calculate that at the outset of the spending review period, and that is applied for a fixed period, over the spending review, as is the other floor that is added to the local government settlement. As we applied that at the spending review in 2011, it was delivered for Aberdeen City Council and, on the basis of that calculation, it is consistent during the three years of the spending review. The issue will of course be revisited when the spending review period elapses.

Willie Rennie (Mid Scotland and Fife) (LD): The cabinet secretary gave a rather complicated explanation; the reality is that Aberdeen City Council is getting 79 per cent of the average, which is £20 million short of what it was promised. It was promised 85 per cent and it is getting only 79 per cent. Of course the budget has changed, but the reality is that Aberdeen has been short changed.

John Swinney: Mr Rennie has made the point a number of times and I have tried to be as helpful as possible in explaining the realities of the local government finance formula. We make calculations about the floor arrangements by agreement with local authorities in the spending review. In the spending review in 2011, the 85 per cent floor for Aberdeen was established, as it was for the City of Edinburgh Council, and that has

been fulfilled for the duration of the spending review period. The commitment has been unreservedly delivered by the Scottish Government.

I return to the changes that the Government is making for 2012-13: £27.5 million will be allocated for the teachers induction scheme; £9 million for youth employment, opportunities for all; £5 million for additional work resulting from the 2012 local government elections; £3.5 million to help with the introduction of curriculum for excellence; £3 million for family support funding; £1.5 million for looked-after children; and £1.5 million for free personal and nursing care. Those additional sums have been provided to help local authorities to fund additional tasks that have been identified during the course of the current year.

The total revenue funding paid out to local authorities but not included in the order in 2013-14 includes: £86.5 million paid directly to criminal justice authorities; £70.2 million for the council tax reduction scheme, which, as agreed with COSLA, will be distributed later, when more up-to-date information is available; £70 million to fund the council tax freeze; and £37.6 million for the teachers induction scheme.

Although it is not part of the order that we are considering, the overall package for local authorities includes support for capital funding in 2013-14 of more than £552 million, which includes local government's full share of the capital consequential that I announced to the Parliament on 19 December.

I turn to business rates, which are a key issue for Scotland's business community and an integral part of local government finance. In November, I announced that we would again match the poundage rate in England. I also announced that a record number of small businesses across Scotland were benefiting from the small business bonus scheme. In 2006-07, just £24 million was awarded under the previous Administration's relief scheme for small business. Under this Administration, it is estimated that the small business bonus scheme will save Scottish business around £151 million in 2013-14, which is almost seven times as much.

Along with the reforms to empty property relief, combined with our fresh start initiative, which aims to encourage landlords to let out empty properties, as well as create new discounts for entrepreneurs across Scotland who take on such properties, these reliefs, which are the most generous in the United Kingdom, provide a real boost to businesses in Scotland.

In summary, the total funding from the Scottish Government to local government next year will amount to almost £10.3 billion. In the present

difficult economic times, we have worked constructively with our local government partners to agree an overall funding settlement and package of measures to help sustain and develop the services on which the people of Scotland depend, wherever they live.

I move,

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

14:41

Sarah Boyack (Lothian) (Lab): These are indeed tough times for local government. The order that we are considering shows that we cannot trust the Scottish National Party to protect local services. As ever, the cabinet secretary is pretending that the settlement represents a good deal for local government and that it will protect local services. We all know that that is a complete fiction. Today's debate is our chance to hold the SNP Government to account and to put on record the impact of the SNP's budget settlement on local services across the country.

That story needs to be told. This year, the Local Government and Regeneration Committee did not even take evidence from the cabinet secretary or the Minister for Local Government and Planning on the budget proposals, so we have had no chance to scrutinise the implications of the budget cuts that are made by the order under consideration.

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

Sarah Boyack: No, we have only a short time. [Interruption.] I might take an intervention later, but I am only 50-odd seconds into my speech.

The challenges that local government in Scotland faces are stark as funding is squeezed. This time last year, the SNP Government passed on the brunt of its cuts—83 per cent of them, in total—to local government. That provides the backdrop to this year's budget, which still represents a real-terms cut. It will put further pressure on hard-pressed local authorities, which will have to make increasingly difficult decisions.

Yesterday, the SNP pushed through cuts to housing, further education and the Edinburgh to Glasgow improvement programme. It was not a budget for jobs. There is a massive underspend on non-profit-distributing schemes and, today, a whopping £52 million has been chopped off capital spending for local government. Today's financial settlement will mean that local government will again be forced into a financial straitjacket, and will be forced to reduce staff numbers and the services that they provide. Make no mistake—the

consequences will be felt by families and local businesses across the country.

John Swinney: Yesterday, the Labour Party said that its input into the budget had been highly focused and that it had pressed us to change our position on college funding, housing and the EGIP. There was no mention of local government. Does that not make the member's speech utterly worthless?

The Deputy Presiding Officer: I can give some time back for taking interventions.

Sarah Boyack: Thanks very much, Presiding Officer.

Mr Swinney will know, if he listened to what Ken Macintosh said yesterday, that the impact that housing is having on local government is central. We know that the social housing system is broken and needs to be fixed. That is why we suggested putting so much money into housing in the budget proposals that we made yesterday. That would impact materially on local government. It is not a case of putting up lots of one-bedroom flats tomorrow; it is about getting local companies going and encouraging the building of houses across the country. That would make a real difference to local government tax payers.

This year, we have seen a further 2.2 per cent real-terms decrease in local government funding, and that is after the money for police and fire services has been removed from the budget line. Let us not forget, either, that the Scottish Government is trying to sneak through redundancies from police and fire boards before the national services are set up in a few weeks' time. This year, the trend continues, with local government core funding falling as a share of the Government budget. However, every time I raise the issue of SNP cuts in the chamber, local government ministers praise the "generous" settlement. I put it on record that I think that the business rates incentive scheme is a great idea, but what is its context? The toughest economic climate for decades, with shops disappearing daily. That issue was debated in the chamber earlier this afternoon.

Local government needs to be funded effectively. We know that the die was cast by yesterday's budget, but I point out for the record that most of the key services that we and our constituents rely on daily are provided by local government's budget choices, which are hamstrung by the SNP Government's choices. That means tough choices across the country. We are beginning to see increased charging for care services, newly qualified teachers finding it hard to get permanent posts and youth unemployment rocketing. That is the context for the budget ambitions that were announced yesterday. We

need to get people back into work and get the shovels in the ground for the projects that the SNP loves to talk about.

Alongside the loss of vital services, hard-working council staff are bearing the brunt of the cuts. Since 2008, 25,000 local government jobs have gone, which impacts on councils' capacity to deliver services and on the economy, and it removes money from people's pockets that is then not spent in local shops and businesses. We know from Treasury figures that the loss of 51,000 public sector jobs means the loss of 52,000 private sector jobs. That is the squeeze that is being put on our local economies.

Ministers tend to trumpet the council tax freeze, but although more and more money goes into the local government budget as the years go on, it is not enough to fill the gap. The true cost of the freeze is nearer £100 million a year—that is the squeeze that local authorities feel day and daily.

The cabinet secretary said that the Scottish Government has generously offered £23 million towards the £40 million gap created by the cut that the UK Government made to council tax benefit when it devolved it to the Scottish Government. In Wales, the Labour Welsh Assembly Government is providing for the whole of the 10 per cent gap this year. Meanwhile, our councils in Scotland are taking a hit of £17 million.

We will hear this afternoon that there are no negative consequences for hard-pressed council tax payers. The SNP's regularly suggested local income tax solution, however, is hidden away in a filing cabinet somewhere in Victoria Quay, not to be allowed out until after the referendum. That is no solution for hard-pressed council tax payers. The upshot is that for all the talk about partnership, local authorities do not have flexibility. They have to sign up to what the Government proposes, otherwise they will face huge financial consequences and, what is worse, so will their constituents.

In our election campaigns across the country last year, Labour highlighted supporting people through these tough economic times by investing in local jobs and training, in our schools and in support for carers. Our Labour council colleagues are now doing their utter best to protect and improve services, working with local businesses and investing in training through their own schemes, even though their hands are tied behind their backs by an increasingly centralising SNP Government.

Today, we got the welcome news that the Edinburgh trams will be included in the national concessionary scheme. We all thought that that was great news until we looked at the detail: there is no commitment to any cash and it is left up to

the local authority to sort out the details. No surprise there, then; passing the buck as usual.

We want to tackle the social injustice and inequalities in our communities that have become more acute in these tough times. Whether it is families trapped by debt, children being denied the best start in life or people facing the future without decent care, local government has the potential to make a difference in addressing those serious social inequalities, but it needs the resources to make the difference to people's lives that they want. Next year's budgets will be even tougher as the impact of Tory welfare reform kicks in.

The Local Government Finance (Scotland) Order 2013 will only hamper economic recovery across Scotland and damage the lives of vulnerable people who rely on our local government services. Today's settlement is therefore not good news, and SNP back benchers know it.

The Deputy Presiding Officer: I call Margaret Mitchell, who has five minutes. There is a little bit of time on hand for interventions.

14:49

Margaret Mitchell (Central Scotland) (Con): Thank you, Presiding Officer.

The Scottish Conservatives welcome today's debate on the Local Government Finance (Scotland) Order 2013, which provides a vital opportunity to discuss the current and future funding of Scotland's local authorities. I confirm at the outset that the Conservatives will vote to approve the order. Nonetheless, the debate gives us the opportunity to look at the background to the provision of the order.

For the financial year 2013-14, the total Scottish Government settlement to local authorities will be almost £10.3 billion, which is substantially lower than the settlement for that year that was originally set out in the 2012-13 draft budget and spending review. As the cabinet secretary confirmed, the reduction can be explained by the transfer of responsibility for policing and the fire service from local government to the new Scottish Police Authority and Scottish fire and rescue service.

Our consideration of the order follows yesterday's stage 3 proceedings on the Budget (Scotland) (No 2) Bill. The order sets out the amount of revenue support grant that is payable to, and the non-domestic income for, local authorities in 2013-14. Excluding the police and fire moneys, to allow us to make a like-for-like comparison, local authorities in Scotland over the next financial year will have a 1.8 per cent decrease in funding in real terms.

The Scottish Conservatives have supported the council tax freeze, so the remainder of my opening and closing remarks will concentrate on the revenue support grant and non-domestic rates income.

The order reveals a projected 7 per cent increase in non-domestic rates income for 2013-14 yet, to date, no information has been forthcoming on the current collection rate for non-domestic rates. Last year, the Local Government and Regeneration Committee and the Finance Committee recommended that the figures should be published regularly and, this year, both those committees again stated that the figures should be published regularly. Given that the cabinet secretary receives collection rate figures quarterly, it is difficult to understand why, despite the recommendation of both those committees for two years, not to mention the best efforts of my colleague Gavin Brown to get the information released, the cabinet secretary has steadfastly refused to do so. As a result, it is just not possible to assess accurately whether that 7 per cent increase is even feasible.

Furthermore, the cabinet secretary will be aware that the Scottish Conservatives have argued consistently that the decision that local authorities will retain only 50 per cent of the income surplus that is collected under the business rate incentivisation scheme represents an opportunity lost. The similar scheme that the Scottish Conservatives suggested as far back as 2009, under which local authorities would have retained 100 per cent of the surplus, should have been introduced.

It should be stressed that businesses were desperately looking to the review of business rates that was to be undertaken in 2015 in the hope that it would result in the introduction of more realistic rates that reflect the dire economic circumstances in which they operate. Instead, the cabinet secretary has delivered a cruel blow to businesses by announcing that the revaluation of business rates will be delayed until 2017. That decision was taken without having put in place the sort of transitional relief scheme for businesses in Scotland that is available to businesses in England.

The coming period will clearly be a difficult time for local authorities. I look forward to hearing other members' views during the debate.

The Deputy Presiding Officer: As this is a short debate, we will have speeches of four minutes, although I have a bit of time in hand for interventions.

14:54

John Wilson (Central Scotland) (SNP): In the debate on the order, we must recognise the cabinet secretary's contribution in obtaining significant financial outputs to accelerate key priorities for the Scottish people. It is worth reinforcing the point that the Scottish Government deserves credit for creating a degree of security and sustainability in local government budgets, and its strong commitment in that regard should enhance local government spending priorities. After all, from 2008 to 2012-13, local government's budget has increased by nearly 9 per cent.

Since 2007-08, all councils have frozen council tax rates and I welcome the cabinet secretary's commitment to continuing support for that move. We will have to wait and see whether local authorities, too, support the continuation of the freeze, which, I should point out, saved the average band D household more than £300 in the period from 2008 to 2012.

The more than £591 million revenue allocation for North Lanarkshire Council is not to be dismissed lightly. I note that, unlike the previous Labour-Liberal Executive, which clawed back local authority efficiency savings, the Scottish Government has since 2007 allowed authorities to retain them for spending on priorities in their areas and has given authorities the opportunity to invest in their strategic priorities and increase service provision as they deem necessary.

As has been mentioned, there has been much discussion about the resource allocations. It is worth pointing out that, as Sarah Boyack indicated, local government expenditure is being squeezed in cash terms by 0.2 per cent in the 2013-14 budget; however, that should be seen in the light of a real-terms cut to the Scottish Government's budget. It could be argued that existing budgets should be prioritised and take account of the best practice that many local authorities throughout Scotland have already established.

The arguments that have been made by local authorities about the financial settlement are rather ironic, given the difficulty of comparing this year's figures with those of previous years as a result of the removal of fire and police service budgets from the settlement. That money will now be paid directly to the agencies concerned, and local authorities will have to take account of the fact that those budgets have been withdrawn from their settlements. We look forward to seeing how that will work out in future years.

Other issues are worth further examination, but I have to say that the issue of executive pay in local government is a real concern for me. Scrutiny of the parameters for those pay levels looks

increasingly self-serving, and the area needs to be addressed. For a start, the right tone needs to be set in this financial environment and at a time when many local authorities are still trying to deal with equal pay and single status claims that have been outstanding since 1999.

To provide some context to the debate, I point out that the Government is taking account of reality outside the chamber and, as the cabinet secretary has mentioned, is addressing the issue of the social wage by encouraging—I was going to say “insisting”, but I meant “encouraging”—local authorities to introduce it for all local authority employees. That must be welcomed. Many people, including low-paid workers in local authorities, are benefiting from the cabinet secretary’s decisions, particularly with regard to continuing the freeze.

I support the motion on the order that has been placed before Parliament, look forward to discussing the issues further and hope that the Opposition will face up to the reality with regard to budgets and make a positive contribution to the debate.

14:59

John Pentland (Motherwell and Wishaw) (Lab): Once again we are debating an underfunded settlement with a Scottish Government intent on pushing councils off the economic cliff. Over the next two weeks, councils will meet to agree deep cuts in their budgets. John Swinney, who yesterday was quick to accuse others of hypocrisy, says that he is proud of his budgets, but will he be proud of the cuts and the damage done when councils are forced to consider increasing charges for their services, closing schools, cutting play parks and leisure facilities, reducing staff, cutting voluntary sector funding and closing or reducing opening hours for libraries, local offices and other facilities? Possibly the only thing that they will not be cutting is the grass. Councils simply cannot reduce spending without reducing employment, and the minister should know that that hits the local economy, further depressing council income.

Local authorities face further decline in their share of Scottish Government expenditure. Despite local government’s share of the budget now being less than 30 per cent, it is getting 50 per cent of this year’s cuts on top of the heavy cuts last year. The council tax, which is the main alternative source of income, is frozen. The Scottish Government talks of partnership with COSLA, but it withholds £70 million until councils surrender to its diktat. Is that a partnership? I do not think so. Good partners do not use a big stick to get their own way.

John Wilson: Will the member take an intervention?

John Pentland: No. I will not take any interventions from people who applaud college cuts.

We hear a lot from the Government about prevention, but preventative services are being eroded by Mr Mackay’s and Mr Swinney’s cuts. A stitch in time saves nine, but that is a bit difficult when the Scottish Government has cut the thread. The deeper the cuts, the harder the decisions become. Local authorities are beyond trimming excess. They are now cutting to the bone, and that means jobs. What price the Scottish Government’s policy of no compulsory redundancies if it forces others down that road?

Doubtless Mr Swinney will claim that it is not his fault. It is your fault, Mr Swinney. The public know that it is your fault, for you have compounded the UK austerity with council cuts that are two and a half times the cuts to the Scottish budget.

Ministers say that they would make different choices after separation, but why not make them now? Why make local government pay the price while ministers fail to stimulate growth with their grossly underperforming non-profit-distributing model? Why hit local authorities with an additional £17 million funding gap on council tax benefit? Why are you not protecting local authorities from the impact of the Tory welfare reforms? Why spend so much time and use so many resources on the dogma of separation?

No doubt councils will be blamed—particularly those that are run by other parties—for any problems that arise from the Scottish Government cuts, but let us be honest. This is not a settlement but an imposition. You, cabinet secretary, and the Minister for Local Government and Planning, Mr Mackay, in being so weak and not standing up for local authorities, are responsible for the damage that the Scottish Government is doing.

As for the Scottish Government’s tame back benchers, who are chained to their leadership by a goal of independence, are they really happy with the cuts to local government? How far does the prospect of independence need to recede before we find out? Or will their seal-like applause just get louder to hide their growing unease?

The Deputy Presiding Officer: I remind members to speak through the chair, please.

15:03

Mike MacKenzie (Highlands and Islands) (SNP): Once again, the local government finance settlement is, considering all the circumstances, a generous one. It maintains local government’s share of the Scottish Government’s budget, which

is higher now than it was in 2007-08. Once again, council tax will be frozen, ensuring that hard-pressed households are protected, supported by £70 million allocated on a needs basis. That is economically important because our ailing economy lacks demand, and cutting household budgets would only further depress demand. It is the right thing to do both economically and morally.

Teacher numbers will be maintained, supported by £39 million, and a range of measures are being introduced to ameliorate the worst effects of the UK Government's welfare reform, including £40 million to plug the gap that is left by reductions in council tax benefit. That is another measure to protect hard-pressed households. It is morally wrong that the cuts should fall hardest on those who are least able to bear them but it is a mistake to think that the Scottish Government, with limited resources, can fully protect Scotland from those Westminster-imposed cuts.

Councils, too, are receiving their share of extra capital—a further £46 million to fund shovel-ready projects. All that will provide much-needed local economic stimulus, supporting jobs and demand.

Of course, we have—incredibly—heard the Tories continuing to deny their austerity policies and arguing that the UK Government is not making cuts. They do that at the same time as they lobby on behalf of big business. I do not think that the Scottish public are likely to be fooled by that.

Labour—just as absurdly—continues to call for more spending on virtually everything. It seems to be equally in denial of the Tory austerity policies. Today, Labour members will fail, as they have failed since the draft budget was first introduced several months ago, to provide any meaningful alternatives in terms of showing where they would get the extra money from to fund their long and expensive wish list. The only thing that we have heard from them in that regard this afternoon is that they want to increase council tax, adding hundreds of pounds to the bills of hard-pressed households.

The position of Labour members is wonderfully complacent. They seem to calmly accept the Tory cuts and somehow seem to believe that the Scottish Government can fully protect the Scottish people against the ravages of their better-together friends in the UK Government.

With the limited powers at its disposal, the Scottish Government can never fully protect the Scottish people in these circumstances. It cannot do so without the full range of powers that will come with independence. Given all the circumstances, and most notably the Westminster

cuts, the local government settlement is both fair and prudent.

15:07

Willie Rennie (Mid Scotland and Fife) (LD): It is worth taking a moment to consider today's order, which is quite significant. It is probably the most significant local government finance order for many years because, following the SNP's decision to centralise the police—which we opposed—local government has seen £1.2 billion stripped from its control. The Government claims that it is in favour of local government and has a respect and trust agenda with local government, but I think that stripping £1.2 billion from its control shows a certain degree of disrespect.

It is worth reflecting on the fact that this is probably one of the most significant orders for some time, which probably represents one of the biggest-ever transfers of fiscal power from local government to central Government since around the time of the poll tax.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Would Mr Rennie care to remind members how much the removal of ring fencing contributed to local government's control? It went from some 20 per cent of expenditure down to some 4 per cent.

Willie Rennie: Stewart Stevenson is right—removing the ring fencing was a good move and gave a certain degree of control to local government. However, the order that we are discussing has undermined all those efforts. The stripping of that finance from local government control has significantly reduced its powers.

It is also worth reflecting on the fact that the promise of the 85 per cent funding floor has been broken. Mr Swinney promised that the funding floor would be 85 per cent. He gives a long explanation of his thinking, which, I am sure, convinces some people. However, I wonder what the current view is of the SNP MSP who said, at the time, that the funding floor represented a great victory and that, with regard to Aberdeen,

"the new funding floor will give the city a fairer deal for years to come."

They said "years", plural. Not one year, but years. We need an SNP Government that follows through on that commitment.

On a Scotland-wide average, spending per person is about £1,795, based on the Scottish Government's allocation of more than £9 billion to local councils. In Aberdeen, with a budget of about £311 million and a population of around 220,000, the figure is £1,412. That accounts for £20 million—that is how much Aberdeen has been short changed. I hope that all the Aberdeen

members in the chamber are able to explain to their constituents why that funding has not been followed through and why the funding floor has not been kept. That will have a significant impact over the years to come. When John Swinney winds up the debate, I hope that he will at least reflect on the fact that the commitment has not been maintained, and I hope that it will be maintained in future settlements. Such commitments are important.

In the few seconds that I have left, I will reflect on what I think should be the direction of travel in Scottish politics in years to come. Many parties in the Parliament are in favour of more powers for this Parliament, some more than others. I do not think that it should necessarily stop at Holyrood. We also need to consider the transfer of powers to local government. That is why, in our proposals for home rule in a federal UK, we have set out that council tax and business rate powers should be much more in the hands of local government, so that it, too, can have control over the purse strings. Holding the purse strings brings fiscal responsibility in the same way that holding the purse strings in this place, in partnership with the UK, is what we should be trying to achieve. I hope that that is what members of the Parliament will agree to in the years to come.

15:11

Kevin Stewart (Aberdeen Central) (SNP): There have been some interesting speeches. I turn, first, to some of the comments that Ms Boyack made. She said that local authorities cannot trust the SNP. She said:

“local authorities do not have flexibility.”

I can tell Ms Boyack something, as a former councillor. Certainly, councils did not trust the former Labour-Liberal Executive, which held most of the purse strings through ring fencing, so that councils were forced to spend money on things that were not priorities in the areas concerned. That was economic and financial madness as far as I am concerned, and I am glad that that has disappeared off the agenda. There is more flexibility under this Government, given the signing of the concordat and the respect agenda with local authorities.

Many things have been said in today's debate. However, I quote the COSLA finance spokesperson, one Councillor Kevin Keenan—a Labour councillor. On 13 December 2012 he said, after the announcement that day:

“There are no surprises in what the Minister told Parliament this afternoon ... but it has to be accepted that there are challenges in there, challenges that will need to be faced by all 32 Councils in Scotland.”

Lewis Macdonald: Will Mr Stewart take an intervention?

Kevin Stewart: Not at the moment, thanks.

In that man's sensible comment is recognition of the fact that the Government faces challenges because of the Westminster cuts that we have had to bear. That was not the typical moans and groans that we often hear.

Yesterday, we heard from Labour members that the priorities were housing, colleges and the Glasgow to Edinburgh rail link. Today, it seems to be local government. That is one of the things that really annoys me. Since the draft budget order was made, Labour has made announcements with spending commitments of £2.74 billion. Let us consider the realities of local government finance, and let us—

Sarah Boyack: Will Mr Stewart take an intervention on that?

Kevin Stewart: No. Ms Boyack would not take an intervention from me. I might let her in later.

Between 2007-08 and 2012-13 the Scottish Government's budget increased by 6.4 per cent. Over the same period, local government's budget increased by 8.9 per cent. That is showing respect to local government—an increased share of the Scottish Government budget over the piece.

Lewis Macdonald: What is the member's response to Mr Swinney's decision that Aberdeen City Council should no longer receive 85 per cent of the Scottish average revenue funding per head?

Kevin Stewart: As an Aberdeen MSP, I was going to come to that. First, I point out that the 85 per cent floor applies over the spending period, as Mr Swinney has explained. Ours is the first Government to have put in place such a floor, and I am very proud of that.

At the same time, I still firmly believe that there should be a change to the funding formula. Given our respect agenda, Mr Swinney cannot impose that on local government, so the issue needs to be dealt with by the Convention of Scottish Local Authorities. I fought for such a change within COSLA, and I will continue to call for a change to the funding formula. Mr Rennie may well sit and smirk, but the key thing is that we need a fair funding formula. If Mr Swinney were to impose a change on local government, there would be absolute uproar in this place. Mr Swinney has done what he promised to do in the SNP manifesto, and I am glad that he did so. Do I think that Aberdeen should get more? Yes, and that could be achieved through a change to the funding formula.

15:16

Neil Bibby (West Scotland) (Lab): Yesterday's budget was bad news for my constituents. It was bad news because the Scottish Government has turned its back on students in pressing ahead with a £24 million cut to college budgets—a decision cheered and applauded by SNP back benchers—and it was bad news because the Government's cut to the housing budget has come at a time when a shortage of affordable housing is one of the most urgent issues facing my constituents.

Today, there is more bad news. We know that the SNP Government is passing the buck by passing on the vast majority of cuts to local authorities. As Sarah Boyack said, last year 83 per cent of the cuts were handed down to local government. The most painful decisions are being passed on, but the effect in our communities will be the same.

Chic Brodie (South Scotland) (SNP): Will the member take an intervention?

Neil Bibby: No thanks.

Nowhere will the impact on local services be felt more than in my area, which is Renfrewshire—an area that the Minister for Local Government and Planning knows well. When Renfrewshire Council sets its budget next week, I know that the new Labour administration will make the best use of the limited resources available. Renfrewshire Council has already shown a determination to do all that it can to assist the most vulnerable people in our communities. The council recently announced a number of measures to support local residents in dealing with the impact of welfare reform cuts. The council is also investing heavily in tackling youth unemployment in Renfrewshire.

That work is being completely undermined by a Scottish Government that is cutting not only the local government settlement but other financial support. Renfrewshire Council needs to plug not only a £16 million shortfall over the next two years but the £800,000 of youth employment money that was allocated by the Scottish Government last year but is not being continued. With around 13 people chasing every job vacancy in Renfrewshire, funding to tackle youth unemployment should be an absolute priority. We need to do all that we can to help people back into work. The Scottish Government's answer appears to be not to give additional money but to pass on disproportionate cuts, which could result in Renfrewshire Council losing 250 staff in the coming year.

Ministers have described the settlement as a good deal, but the people in Renfrewshire will regard it as a bad deal. As the cabinet secretary and the minister know, Renfrewshire Council is the only mainland council in Scotland to have been

allocated the minimum possible grant floor funding by the Scottish Government year on year since 2009. During that time, deprivation has increased significantly. According to the Scottish index of multiple deprivation, last year 48 zones in the 15 per cent most deprived areas of Scotland were found in Renfrewshire, compared with 43 in 2009 and 36 in 2006. Renfrewshire has also experienced an increase in the number of zones in the 5 per cent most deprived areas. Ferguslie in Paisley was judged to be the most deprived area in the whole of Scotland last year. It is no coincidence that the level of deprivation in communities in Renfrewshire is increasing at the same time as the Scottish Government's financial support is decreasing.

In difficult times, support should be provided to those most in need. Why should an area such as Renfrewshire, which has above average social and economic need, receive below average funding? John Swinney and Derek Mackay can change funding settlements when they want to. They have made extra finances available for other areas, so why not give Renfrewshire a fair deal?

In the past two days, we have seen the Scottish Government make damaging decisions that will have a serious impact in many communities across Scotland. Yesterday's cuts are unwelcome, but I fear that, with the Government passing on the buck to local authorities once again, even worse may be yet to come. It is time that this Government stood up for local communities. It is time that the Minister for Local Government and Planning stood up for Renfrewshire and gave Renfrewshire a fair deal.

15:20

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I congratulate the Cabinet Secretary for Finance, Employment and Sustainable Growth and local councils on what has, over the years, been an effective collaboration, despite the variety of political views and objectives held by all the councils and members in the chamber.

Scotland has the lowest number of elected politicians per 100,000 of population in any European country: it has 33.5, while south of the border has about 42 and Greece has about 660. I am certainly not advocating any change one way or the other, but that illustrates that we expect a great deal of our councils and councillors. Most councillors serve without thought of self-interest and work hours that would be hardly contemplatable if one were to look at the minimum wage. We are fortunate—in all political parties—in the broad sweep of the councillors that we have.

Willie Rennie—who is no longer in the chamber—talked about Aberdeen. I noted that he did not choose to talk about Aberdeenshire. Aberdeenshire Council, which is Tory led in partnership with the Lib Dems and an assorted group of independents—the word “group” is hardly appropriate; the phrase “ferrets in a sack” comes closer to it—has had a massive underspend of tens of millions of pounds in consecutive years. That fatally undermines any arguments for increases in resources. More fundamentally, because of that underspend the Liberals and Tories in administration are unnecessarily cutting services in relation to the funding that they have. The removal of wardens from many of our sheltered housing schemes is particularly resented by my constituents.

There are individual councillors who do not rise to the challenge, and I am going to take the opportunity of naming one in my constituency because of his long-running failure to earn his keep. Councillor Alan Buchan is a vice-convenor in the council administration. He cannot even find it in his heart to stay with the pack when he is leading a delegation to meet people in the energetica corridor—the most important of our economic environments. It is time that that councillor in particular looked at his own performance and that the council leadership looked at it, too.

Interesting things have happened. We have seen councils agree to maintain teacher numbers in line with pupil numbers, which is entirely welcome.

As in the past, Lewis Macdonald has made reference to funding for different councils. I am slightly surprised that we have not had a reminder about that, so let me provide one. Labour, in essence, controls COSLA. It can change the formula, and I encourage Labour to look at doing so.

I want to look at the numbers in the letter that the cabinet secretary has produced that relate to private finance initiative and loan charges. In Glasgow City Council, which has long been run by the Labour Party, such charges account for nearly 10 per cent of the updated service provision, which is quite out of line with any other mainland council. The island councils are in a different position because they have different circumstances. The Labour Party, in particular, needs to look a little closer to home in relation to effective administration.

In September 2012, I joined the Local Government and Regeneration Committee, which has responsibility for local authorities. I very much enjoy being there, and I expect that we will see more support for councils. That committee will

work on behalf of councils—and with the Government—as we always do.

The Deputy Presiding Officer (John Scott):

We now move to closing speeches. I remind members who have taken part in the debate that they should be in the chamber for the start of the closing speeches.

15:25

Margaret Mitchell: A number of valid points have been made from all parts of the chamber during the debate. It is not in doubt that the order confirms budget reductions to local authorities for the next financial year and that, consequently, Scotland's councils will have to make some tough decisions.

In my opening speech, I concentrated on the non-domestic rates income provisions in the order. I would be grateful if the cabinet secretary or the minister would answer the following questions in their closing comments. How much has been collected so far under the business rate incentivisation scheme? What is the Scottish Government's prediction for the year's total? How many of Scotland's 32 local authorities will receive money back and how much will they receive?

I turn now to the revenue support grant. Although it is welcome that ring-fenced grants have more than halved since 2006-07, concern has been voiced in the Parliament and elsewhere about the ability of local government to act independently and respond to local needs when councils are becoming more heavily dependent on central funding sources.

That concern was neatly summed up by the respected economist and adviser to the Finance Committee, Professor David Bell, when he stated that local government is

“increasingly dependent on funding from the Scottish Government and therefore potentially less able to take an independent stance on policy.”

I would be interested to hear the cabinet secretary's comments on that.

Nigel Don (Angus North and Mearns) (SNP): I am wondering how far back I have to remember to the days when large and, it seemed, significant parts of the council budget were ring fenced and separately accounted for at great expense.

Margaret Mitchell: I covered that. Of course it is welcome that that is no longer the case but, as Professor Bell highlighted, local government is increasingly dependent on central funding and not able to make the choices that it would ideally want to make.

The Scottish Conservatives have consistently argued for the town centre regeneration fund. We

made its creation a condition of supporting the minority SNP Government's budget in 2009. We welcome the announcement of the £2 million for town centre regeneration but, as it is spread over 32 local authorities, it is unlikely to make any significant impact on our town centres, which are reeling from the prospect of the empty property tax and the reality of the retail levy.

Local authorities knew that the financial settlement for 2013-14 would be challenging, and the debate has confirmed that view. However, it is to be hoped that Scotland's councils can turn the challenges into opportunities to consider better ways of delivering services in the wider debate about public sector reform.

15:28

James Kelly (Rutherglen) (Lab): I welcome the opportunity to take part in the debate and to scrutinise the SNP Scottish Government's record on local government.

Throughout the debate, we heard from the slavishly loyal SNP back benchers about how outstanding the settlement is for local councils. We need to follow the money.

Let us look at the figures that the Scottish Parliament information centre has provided on the settlement. Those figures tell us that, when we strip away all the transfers and police and fire money, local councils have £216 million less in real terms than they did last year.

Despite the fact that local government accounts for around a third of the Scottish Government budget, the share of cuts being apportioned to councils is over the 50 per cent mark. This SNP Government is penalising councils, so let us not hear any more about what an outstanding settlement it is and what a great relationship the SNP Government has with councils.

John Swinney: I am grateful to Mr Kelly for giving way. Can he help us by telling us by how much money the local government settlement should be increased?

James Kelly: The point that I am making is that, in the budget that Mr Swinney is laying out, more than half the cuts are being made to local government—passed on from the UK Government. The local government budget represents only a third of the Scottish Government's budget, so it is a matter of record that the local government section of the budget is being more penalised than the other areas.

John Swinney: Will the member give way?

James Kelly: No. I am sorry, but I want to make some progress.

Stewart Stevenson quite rightly paid tribute to the work of local councillors, but let us look at the practical effect that this settlement has had and the difficult decisions that councillors will have to make. They face the prospect of having to close or curtail the activities of sports facilities in the run-in to the Commonwealth games, when we are trying to encourage participation in sport.

Stewart Stevenson: Will the member give way?

James Kelly: Just let me make these points. At a time when the elderly population is rising, we see compromises being made in care packages, which puts real pressure on pensioners and councils. It is a matter of fact that some schools cannot afford to print out the homework for pupils so pupils have to get it printed at home. Some families in the very poor areas that Neil Bibby talked about cannot afford computer printers.

Chic Brodie: Will the member give way?

James Kelly: I will give way to Stewart Stevenson.

Stewart Stevenson: Now that the Labour members on Aberdeenshire Council have recently joined the administration, will the policy of significant underspend be sustained? Mr Kelly should bear in mind that he will be held to account for his answer at a later date.

James Kelly: I am proud of that council's record in delivering a living wage—but even that policy will be compromised in different councils across the country by today's settlement from the SNP Government.

The SNP Government has made a political choice. It has passed the buck and is trying to pass the blame to local government.

Kevin Stewart: Will the member give way?

James Kelly: I am sorry, but I need to make some progress.

As Sarah Boyack rightly pointed out, 25,000 local government jobs have been lost since 2008, which will have an impact on local economies.

Neil Bibby was right to mention the report issued before Christmas that highlighted areas of deprivation, such as Ferguslie Park in Paisley, Whitlawburn in South Lanarkshire, and Brucehill in Dumbarton. How is this settlement responding to the challenges of deprivation in those areas? What do we see from the Government? We see 32 workstreams set up to look at independence. The Government should take the people from those workstreams and set them to work on how we can challenge deprivation in our communities and help the very people that Neil Bibby talked about.

The fact is that, as Mike MacKenzie's speech suggested, this Government is locked in the independence bubble. It has announced independence day when it cannot even give us a date for the referendum, and its members are cheering on the council cuts. It is time that the likes of Mr Mackay got out of their ministerial offices, listened to people on the ground and produced a fair settlement that gives councils a chance to face up to the challenges that they find in their communities.

15:35

The Minister for Local Government and Planning (Derek Mackay): When the Labour Party was directly asked how much additional revenue or capital funding it would give local government, the silence was deafening on absolute figures and an alternative budget. I listened closely to Ken Macintosh's speech in the budget debate yesterday; he said that he had only three simple requests. They were for extra resources for colleges, for housing and for rail. Not a penny was requested for local government capital or revenue spend.

Sarah Boyack: Who does the minister think would construct the houses? It is perfectly obvious that local authorities and housing associations would do it.

Derek Mackay: In addition to the Barnett consequential, of which a 28 per cent share will go to local government, there will be the housing resource from the Scottish Government, to which Mr Swinney committed the Government and Parliament. The views that the Labour Party says it holds would take away resources from local government, schools, roads and other priorities. Labour Party priorities depend on which debate it is attending, so members should expect no consistency from it on such matters.

Margaret Mitchell asked appropriate questions about the business rate figures. We must look at the business rates incentivisation scheme in the end-year process, when we will have the outturn figures. I cannot say how much will be realigned through that and how much will be returned to local government through the 50 per cent mechanism, because targets are set for the end of the year. However, we will of course return to that.

Margaret Mitchell: Is not the cabinet secretary regularly updated on the figures throughout the year?

Derek Mackay: Margaret Mitchell asked how many councils would benefit from the business rates incentivisation scheme. My answer is that we will not know until the end-year process takes place, when we will have the outturn figures on business rates and the targets that have been

reached. However, local government has certainty, in that the Scottish Government guarantees the resource to local government.

Labour conveniently left the non-domestic rates income out of the local government settlement figures, which is how it arrived at amounts of 50 per cent, 85 per cent and 83 per cent. Labour members have accused SNP back benchers of being loyal, but at least SNP members can stick to the same line in a debate, instead of giving four different figures in accusing the Government of reducing local government's share of the resource.

Incidentally, local government's share has increased under this SNP Government, although it was decreasing under the Labour-Liberal Executive. An interesting statistic for folk who would like to indulge in doom-mongering is that, in the period when the Scottish Government budget increased by only 6.4 per cent, the local government budget increased by 8.9 per cent—by more than the increase in the Scottish Government budget. We recognise that times are tough.

I turn to Willie Rennie's speech. The cabinet secretary again clarified how the figures were produced and how, as a consequence of the 85 per cent floor, Aberdeen City Council and the City of Edinburgh Council received contributions that were less than would be the case under the funding formula. The 85 per cent commitment was delivered. Mr Rennie misunderstands that mechanism and also misunderstands the transfer to local government for police and fire services. The transfer from the Scottish Government to local authorities for police and fire purposes was largely ring fenced and was to be passed on to the police and fire authorities. By transferring the money—incidentally, the approach was agreed in partnership with local government in the spirit of the concordat and our partnership approach—local authorities have largely agreed with the transfer figures to the new single authorities. However, like Mr Kelly, Mr Rennie is obsessed with the constitution rather than with the bread-and-butter issues that we face daily.

Mr Pentland pleaded with us to mitigate the impact of Westminster decisions, although we have done that in respect of council tax benefits and in other areas. Would not it be better to cut out of the equation the Tory-led Administration in Westminster so that we can make decisions for ourselves in Parliament with Scotland's own resources?

Alex Johnstone (North East Scotland) (Con): Will the minister take an intervention?

Derek Mackay: I would like to make some more progress.

The figures that the Labour Party has given are inaccurate, of course, because they ignore the non-domestic rates income. It will be for councils to make choices.

I return to Mr Pentland's colleague Mr Bibby. We are no longer sparring in the council chamber—we are in Scotland's national Parliament—but I am left wondering why he does not support the floor mechanism, which provides the safety net and the recognition of deprivation that we would expect in order that we can care for the most vulnerable people in our communities. The floor is not a disadvantage; it compensates less-well-off areas and gives additional resources to local authorities that are in positions such as that of Renfrewshire Council.

Kevin Stewart: Will the minister give way?

Derek Mackay: I would like to make more progress.

I want to probe the budget choice for Renfrewshire Council, which did not invest in some of the priorities that Mr Bibby suggested, but managed to find resources for new councillors' accommodation, for big new flat-screen televisions in the council chambers, and for more senior Labour councillors. How are they the priorities of the people of Renfrewshire?

A number of speeches have been made on what the order will achieve in respect of new resources for local government, in areas in which we have reached agreement, on commitments on free personal care, family support, teacher induction and the council tax freeze.

Hanzala Malik (Glasgow) (Lab): The minister has made a very interesting point. Does he not have a TV in his office?

Derek Mackay: I believe that there is one that dates back some time. There we are. The Scottish Government has been exposed; my office has a television that was purchased some time ago by the parliamentary authorities. I thank Mr Malik very much for his intervention.

I am not quite sure why the Labour Party would rather leave it to Westminster to determine our resources, when the settlement for local government achieves £9.7 billion revenue support and £552 million capital for local government. On capital to help to stimulate the economy, the deal that will be agreed with local government will encourage the transfer to capital and the new resources from the Barnett consequential to be invested in new capital projects, which will be achieved timeously. Those decisions feel like the right kind of decisions to stimulate economic recovery at this time.

The share to local government has increased under the SNP, and it will still be higher than that

which we inherited from the previous Labour-Liberal Executive when it was in power. We are guaranteeing the non-domestic rates income for local government, and we have in Scotland the most generous package of rates relief in the United Kingdom. Rates relief amounts to more than £0.5 billion in Scotland. There is the small business bonus as well as the new town centre fund, which the Conservatives voted against yesterday in the budget process. The approach gives certainty, no surprises, investment in Scotland's priorities, and the continuation of the council tax freeze. If I remember correctly, that was also a Labour Party manifesto commitment in the Scottish Parliament elections. That commitment has, of course, been abandoned since then by the Labour leader.

Sarah Boyack asked what we are doing for the "hard-pressed" council tax payers of Scotland. In partnership with local government, we are freezing the council tax for the "hard-pressed" council tax payers of Scotland. That is a shared manifesto commitment. We are able to abide by that commitment, whereas the Labour Party is disowning it.

A number of SNP members quite rightly identified the de-ring fencing of large sums of money from the Scottish Government to local government. That is absolutely the right approach. Willie Rennie asked us—

The Deputy Presiding Officer: You might wish to draw to a close.

Derek Mackay: Just as we require to do, we want to seek to transfer powers from London to Scotland, but there is also the potential to transfer more powers to the local level.

I will finish with a challenge—to the Labour Party, in particular. If it wants to revisit the distribution mechanism and how local government finances are distributed across Scotland, the cabinet secretary and I will be more than happy to work in partnership with COSLA to do that, because it will show the hypocrisy of the Labour Party and others on how local government finances are actually distributed.

Debt Arrangement Scheme

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-05586, in the name of Fergus Ewing, on the debt arrangement scheme. I invite members who wish to speak in the debate to press their request-to-speak buttons now, or as soon as possible, and I call on Fergus Ewing to speak to and move the motion.

15:45

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): I am delighted to have secured this debate on debt, which is a subject that touches many people across Scotland. The number of members here highlights the importance of the debate and the shared concern across all parties.

I am sure that all members will join me in welcoming the publication in today's *Daily Record*—a copy of which I happen to have with me—of a 16-page practical supplement to help families to take control of their debts. I have read the supplement, which sets out excellent advice, and I commend it to all members and everyone who has an interest in the topic. I congratulate the *Daily Record* on the supplement's publication; it will be of great help. A helpline has been set up to offer people a free financial health check from an independent approved money adviser. That step will help people to take responsibility for their finances and will encourage good money management. I say, "Well done," to the *Daily Record*.

The *Daily Record's* supplement is helpful in highlighting to the people of Scotland that turning to high-interest payday lenders is seldom the answer. The number of people who take out payday loans is increasing, sadly, all the time. A report that Consumer Focus commissioned indicates that no less than 1.2 million adults in the United Kingdom took out an estimated 4.1 million payday loans in 2009, to the value of £1.2 billion. The report goes on to suggest that those figures could continue to rise steeply, potentially by 40 to 45 per cent, or up to half a million additional UK payday borrowers.

Members across the chamber will have heard many of the sad tales that borrowers have to tell about how they have found themselves trapped in a cycle of debt that they are unable to pay back. When their payday loan is rolled over—or "flipped"—that means, in effect, that a new loan is taken out and that even more interest is charged. In one example I heard, a loan of £400 cost £800 to repay after six months. That is not unrepresentative.

Interest rates and control over payday lending rest, of course, with the UK Government. As a Parliament, we lack the power that we would like to possess to curb high interest rates; we do not have the power to do what the Labour amendment exhorts us to do, although we would like to have it. However, lack of power over those things will not stop this Government taking action where we do have powers. We will ensure that in relation to enforcement of debt, which is a devolved matter, individuals are not placed in an adverse position in our statutory debt management scheme, which is the debt arrangement scheme, or DAS. I will say more shortly about our plans for changes to DAS, which we hope to introduce before the summer recess and which will be aimed at supporting people who are affected by continued interest charges, including high-interest lending.

The changes that we will make will help to alleviate the burden on individuals in Scotland, but that is only part of the answer. The full solution can be found only if the UK Government is willing to take action to address the extortionate interest rates that are applied by payday lenders. Although I welcome the modest steps that have been taken at UK level—principally, the introduction of codes of practice—they simply do not go far enough.

Ken Macintosh (Eastwood) (Lab): I think that the debate will be generally consensual. The Labour Party certainly wants the UK Government to take action, but I do not think that there is anything in our amendment that calls on the UK Government to take action. The amendment is limited to actions that the Scottish Government can and should take.

Fergus Ewing: I will revert to the point in my closing speech, because I am interested in hearing what Labour has to say and I want a consensual debate, as I think this will be. However, let us be in no doubt: we want the powers in this Parliament, but we do not have them at the moment. That is a fact. If we did have them, we would do far more than we are currently doing and would go further than the action that I will announce today.

Let us consider what other countries are doing. In Finland, the Government has introduced a bill to cap charges and costs resulting from payday loans at 50 percentage points above the European Central Bank reference rate. The approach ensures a cap of 51 per cent for 2013. In France, there is a tightly specified ceiling on interest rates, which I am advised is set at 33 per cent above the average Banque de France quarterly rate. Such changes have been made in order to improve the ability of consumers in those countries to assess the total cost of their loans and to prevent predatory lending to households that are in

financial difficulty. Those are laudable aims that the Scottish Government supports.

The UK Government, however, has declined to take similar steps, which leaves us again with the sense that the UK is not acting in the best interests of the people of Scotland. If the approach is good enough for France and Finland, why is it not good enough for Scotland or, indeed, for the whole UK? The Scottish Government does not want people who are in debt to be unable to access fair remedies, whichever side of the border they are on. In an independent Scotland, we would have an opportunity to learn lessons from other countries and to choose our own solutions.

In 2014, the UK Government will transfer regulation of consumer credit from the Office of Fair Trading to the new financial conduct authority. I hope that the FCA will understand, as the Scottish Government understands, that some payday lenders are extending credit to borrowers who have no means of paying back what they owe, and that it will therefore take firm action to regulate the sector. I want to work with the UK Government on such matters, which is why we will support the Conservative amendment, which perfectly reasonably calls on us to do so.

The Scottish Government will not wait to do what we can do with the powers that we have. Later this year we will introduce our bankruptcy reform bill, which will deliver on our proposals for a financial national health service and ensure that Scotland leads the way in the development of modern insolvency practice that responds effectively to the rights and needs of debtors and creditors.

The hardships that relate to payday loans require us to act faster. People who might be legitimately seeking to improve their financial wellbeing by taking out payday loans sometimes find that instead of curing the problem they have made it much worse. Individuals whose payday loans have been flipped and rolled over can be charged interest that accrues at punitive annual percentage rates of up to 4,000 per cent.

In a proposed change that is not directed only at payday loans, the Scottish Government will, in the spring, make changes to DAS in order to freeze interest and charges earlier in the process; they will be frozen from the date when a debtor's application is submitted to creditors. In practice, that could protect the debtor from as much as two or three months of additional interest charges. That might not sound like much, but we are talking about two or three months during which the debtor would be worried sick about the mounting interest charges; I remind members of the £400 debt that rose to £800 over six months. I hope that all parties will support the measure, which will have to go through the parliamentary process. We expect

that if it receives support from other parties, and subject to the scrutiny of Parliament, the measure could come into force before the summer recess.

Kezia Dugdale (Lothian) (Lab): I thoroughly welcome what Fergus Ewing is doing, which will provide significant help to the 3,000-odd people who are on debt arrangement schemes.

Does the minister realise that in order to get on a DAS, a person must have access to a DAS-approved money adviser? There are only 90 DAS-approved advisers in Scotland, of whom there are none in Angus, Orkney, Renfrewshire, the Scottish Borders, Shetland or West Lothian. Will the Government seek to redress the problem?

Fergus Ewing: Kezia Dugdale has made a very important point. The issue is constantly under review because we need to ensure that there is access to appropriate advice throughout Scotland. I will come back to the member, after the debate, on that. We acknowledge its seriousness. Although we have improved access, there is always more that we need to do.

Other changes to the scheme include a review process for decisions by the DAS administrator and the introduction of composition where the debt payment programme has been paid over 12 years or more and 70 per cent of the debts have been paid. We will also make changes to the rules on payment holidays to make them more flexible. If a person loses their job and cannot pay what they have agreed to repay, there needs to be flexibility. That is the principle.

DAS is a uniquely Scottish product. Its use has risen from 128 DAS cases in 2005-06 to 3,319 in 2011-12. This year—2012-13—there have been 3,900 cases, and there are still two months to go. The DAS is popular, its use is rising and it is useful. I hope that the changes that I have set out today will secure cross-party support and, more important, will provide further help for the people in our country who most need it and who are suffering from the misery—and sometimes despair—of being in serious debt.

I move,

That the Parliament notes the benefits of the Debt Arrangement Scheme in taking control of debts that are becoming unmanageable; recognises the despair and misery that financial difficulties bring to many people in Scotland; shares concerns expressed by Citizens Advice Scotland and others that individuals are becoming trapped in a cycle of debt as a result of high-interest lending, and supports the Scottish Government's planned reforms to the Debt Arrangement Scheme to freeze interest and charges from an earlier date, fixing the amount of debt owed to creditors thereby preventing the continued imposition of punitive interest charges.

15:56

Ken Macintosh (Eastwood) (Lab): The *Daily Record* has served us well this week by revealing the deeply troubling extent of Scotland's debt problem. As part of an investigation, alongside Citizens Advice Scotland, it uncovered that we are

"drowning in ... debt"

to such an extent that

"nearly 400 Scots a day are seeking help"

to deal with their debt worries.

The people quoted by the *Daily Record* had contacted a citizens advice bureau, and many said that they had gone without food or fuel because of the severity of their debts. This is the Scotland in which we live—a Scotland of debt spiralling out of control and of the working poor choosing between paying off what they owe and putting food on the table.

Last week, we had a useful and constructive debate on the cost of living and on payday loans. There was almost universal acknowledgement of the shameful practices that are being used to exploit people who are in debt and have run out of other options. In that debate, the minister and other members rightly highlighted the cycle of debt in which individuals become trapped when they are unable to pay back the loans that they have accrued, often taking out one loan to pay off another.

The scale of the debt problem in Scotland is staggering. There were 3,855 personal insolvencies in the third quarter of 2012. During the same period, just over 1,000 new applications were approved for the debt arrangement scheme—an increase of 21.5 per cent on the same quarter in the previous year. I can just about recall the debate in 2002 in which my colleague Richard Simpson and the then Deputy First Minister Jim Wallace introduced to Parliament the bill that created the debt arrangement scheme—I hate to remind the minister, but the Scottish National Party abstained on the vote. However, then, as now, it was recognised that debt management, rather than a simple focus on enforcement, is the important factor in dealing with debt.

As a minister notes in his foreword to the DAS review, the scheme is now entering its ninth year as the only statutory debt management tool in the UK. As with any scheme, it is right that it is being reviewed. We support many of the Government's proposals. The extension of the scheme to couples was a welcome step forward, as were the proposals to increase the length of the payment holiday. Today's proposal of a moratorium on interest payments—in other words, the freezing of interest and debt from the moment someone

applies for a debt arrangement scheme, and not just from when it is approved—is similarly welcome. We hope that that will prevent the DAS from inadvertently driving some people into the arms of payday lenders. Given that the suggestion initially came from Mike Dailly of Govan Law Centre last year and was whole-heartedly endorsed at the time by my colleague Kezia Dugdale, I am delighted that the minister was listening and has taken the idea forward.

Other proposals came out of last year's DAS review but there will not be a huge amount of detail available until we have sight of the Government's proposed bankruptcy bill. I understand that the Government may take forward other issues, such as a single Scotland-specific common financial tool, and that it may propose increasing the minimum debt level to £3,000 for most individuals. We look forward to seeing the detail in due course.

In his opening speech, the minister talked about what he cannot do, but as my colleague Kezia Dugdale noted last week, there is certainly much more that the Government can do here and now. I hope that the Government will support our amendment, which sets out a number of measures that could curb high-interest short-term lending. One such measure would be the use of the Government's social advertising spend, which was almost £1 million last year, to highlight the options that are open to people who are teetering on the edge of the debt cliff. Only £23,000 of that spend was used to highlight debt issues in 2011-12. In the meantime, Wonga, which is undoubtedly one of the most cynical and predatory of the payday loan companies, has grown its advertising budget from approximately £22,000 in 2009 to £16 million in 2011.

I would welcome clarification of where the minister stands on the suggestion about social advertising spend. He showed us a copy of the *Daily Record* in which the Government has advertised. However, in replies to my colleague Kezia Dugdale, he seems to suggest that there are barriers to action in that area.

A guarantee loan fund for credit unions would offer them the security and sustainability to expand into new communities. They would be able to carry out far more outreach work to ensure that people are as aware of the availability of credit unions as they are of payday loan companies. I recognise that we would have to find a way to finance such a loan fund, but we could start with the Government simply underwriting a relatively small amount, allowing credit unions to serve a section of the population that is not just underserved but vulnerable to exploitation. Alternatively, if the assistance or guarantee took the form of a loan, which could be repaid, that

would be another good and affordable starting point. I am sure that I do not have to point out that a measure that stops people falling into greater debt and prevents bankruptcy, homelessness or family break-up is very much in keeping with the preventative spend agenda of the Christie commission and others. Such a measure would stop people having to take out debt arrangement schemes in the first place, because they would not have fallen into debt.

We need to do more to point people in the direction of financial advice. On that note, I am still a little baffled as to why it took the Government more than a year to pass on the debt advice money that was made available across the rest of the UK to citizens advice bureaux but which was not made available in Scotland until recently.

There are other practical steps that we could take, some of which were outlined in the parliamentary debate last week—in fact, some of them were outlined by SNP back benchers. For example, we could prevent payday loan shops from even opening up, as some local authorities are doing; we could use local trading standards teams to clamp down on the mis-selling of payday loans; we could stop payday loan companies advertising loans on publicly controlled computers or websites; and we could emulate the action taken against the sale of tobacco and cigarettes and begin to treat the sale of high street high-interest loans in a similar manner.

Fergus Ewing: I think that we broadly want to pursue the same objective, so the member's approach is positive.

I am delighted that the taxpayer paid zero for the excellent work today of the *Daily Record*, because we are working in partnership with it. That is a good form of advertising from the Scottish taxpayer's point of view.

However, I ask Mr Macintosh to clarify just one thing. My information is that the proposal that he has set out of a guarantee loan fund was not made at any point during the budget process. Can he say what his proposal is, how much money he argues the Scottish Government should set aside for it and from which budget it would come, since as far as I am aware we did not hear about the proposal during any part of the budget process that was completed yesterday?

Ken Macintosh: I am not sure that the minister's question reveals a very consensual way of working.

This is not a specific budget ask. We are suggesting that we would be willing to sit down with the minister and representatives of money advice bureaux across the country, Citizens Advice Scotland, Govan Law Centre and others—particularly the credit unions—to work out how we

could fund the scheme that we have proposed. We would work with the minister in a consensual manner. I made two suggestions about how our proposal could be funded: one related to underwriting and the other related to the provision of a loan. The point that I am trying to make is that both methods are extremely affordable. We would give the minister our support if he was willing to explore that area.

Having said earlier that I was pleased to hear that the minister had followed Govan Law Centre's advice in making today's announcement, he could follow its advice again. The centre has made further suggestions, as part of a fast-track debt arrangement scheme that would further clip the wings of the payday loan companies—for example, treating interest and capital separately would be worth exploring.

At present, for the purposes of establishing a debt payment plan, those with payday loan debt have all the penalty clauses and the rollover interest payments accumulated into one, unlike credit union debt, for example, which is restricted to the original capital and a relatively small interest charge. There are still access problems, which my colleague Kezia Dugdale alluded to, and I welcome the minister's comment that he will take action to follow those up.

We will support the Government's motion. I hope that the minister will support our amendment and our practical and affordable measures to alleviate the scourge of short-term high-interest lending.

I move amendment S4M-05586.1, to insert at end:

“; believes that more can be done by both the Scottish Government and local authorities to curb high interest short-term lending including warning against the dangers of high interest lending through social advertising spend and money advice networks; accepts that there is a demand for credit but a lack of affordable solutions, and believes that credit unions should be supported with a guarantee loan fund to offer affordable and accessible alternatives.”

16:05

Alex Johnstone (North East Scotland) (Con):

It is my pleasure to speak in support of the motion in Fergus Ewing's name and to move the amendment to it in my name.

The availability of credit in society has been changing over many years, and domestic use of credit is far more common than it once was. As the availability of credit moved down the market, more and more people became used to the idea of borrowing to invest in their home or for things to put in it. As a result, the amount of domestic borrowing has regularly increased. However, the situation has got much worse in recent years

because of the financial crisis, which has left more people in Scotland having to come to terms with dealing with debt. It is a serious problem that has left many households having to make tough decisions to keep up with repayments.

The debt arrangement scheme can be a great tool to help individuals who are struggling with debt to acknowledge the money that they owe and to allow them time to pay it off. It is undoubtedly a great scheme that has already helped many people to deal with their debt problems. The Scottish Government's proposals to reform the debt arrangement scheme to allow the freezing of interest charges and the existing amount of debt from an earlier date are also extremely valuable.

I turn to the problems that are associated with payday loans. It is extraordinary that commercial loan companies lend money at astronomical rates that themselves are a major contributing factor to non-repayment and the consequent circumstances that the debt arrangement scheme was introduced to deal with. It would be valuable if we could find ways to limit the interest rates, but there are alternative approaches that should run in parallel. We should take the opportunity to ensure that the mainstream financial institutions can provide loans of a similar character but at more appropriate interest rates. I am ill-informed about but taken by the idea that credit unions should have an increased role. Perhaps surprisingly, I find myself supporting the Labour Party's points about empowering credit unions in the long term so that they can have a greater role.

My amendment is designed to deal with a particular problem that came to the attention of someone in my office who was doing some research in advance of the debate. There appears to be a problem with cross-border recognition of the debt arrangement scheme. Many creditors are based south of the border and do not know how the scheme operates or even that it is available, which can result in issues for debtors and money advisers. Since the Accountant in Bankruptcy took over the administration of the debt arrangement scheme last year, that problem has reduced, but apparently it still exists. Therefore, it is important that Scotland's two Governments work together to ensure wider knowledge of the scheme so that we do not have problems with understanding.

Another problem that has come to light, which again runs close to something that the Labour Party has talked about, relates to the role of the voluntary organisations that are, in effect, working to administer the debt arrangement scheme free of charge.

One such example is the CABx. One adviser from whom I sought information told me that the number of cases that she has had to deal with has nearly doubled, and the £167,000 that the Scottish

Government provides for second-tier training in that sector does not cover the work that goes on in places such as CABx. Although I am very reluctant to demand huge additional expenditure from the Government, I think that in this case a relatively small amount of money could go a very long way.

I would be delighted if, as a result of the debate and the widely held and supported positive views that have been expressed, the Government simply put in place a process to ensure that the debt arrangement scheme became an ever more effective way of dealing with an ever more dangerous problem.

I move amendment S4M-05586.2, to insert at end:

“, and calls on the Scottish Government to work with the UK Government to increase awareness of the Scottish Debt Arrangement Scheme with creditors based in the rest of the UK.”

The Deputy Presiding Officer: We now move to the open debate. I call Mike MacKenzie and ask members for speeches of four minutes.

16:10

Mike MacKenzie (Highlands and Islands) (SNP): I regret that I was unable to take part in last week's debate on payday loans, but I listened to it with interest and found myself agreeing almost completely with Kezia Dugdale. My only point of disagreement is that Ms Dugdale and her colleagues on the Labour benches seem content to allow the UK coalition to keep hammering the Scottish people at every turn while apparently suggesting that the only solution lies with the Scottish Government. The proposition that the Scottish Government, with its limited resources, can ameliorate all the harm that is being done by the Tories and the Liberal Democrats is simply not credible; it is a bit like asking the Scottish Government to chase escaped horses while the UK Government stubbornly refuses to lock up the stable.

The obvious solution is for the UK Government to continue to pay attention to Mr Ewing's call for it to cap interest rates on payday and similar loans. Given the background of what most commentators are now calling the great recession and in the face of the exorbitant loans that the UK Government refuses to regulate, it is hardly surprising that over the past few years and until just recently the number of personal bankruptcies has been increasing. The latest figures apparently show that we might have turned a corner in that respect, with, as I understand it, the number of bankruptcies last year falling by about 30 per cent, but we need to treat such figures with caution, especially as financial difficulties are bound to

increase as the UK Government's welfare reforms come down the track.

Against such a difficult background, the Scottish Government has to be congratulated on its efforts to continue to refine the debt arrangement scheme, which offers a very constructive alternative to personal bankruptcy by making it possible for a debtor to repay the money owed over a reasonable timescale. Indeed, the increase in debt payment plan approvals under the scheme might be part of the reason for the reduction in personal bankruptcies. It is an infinitely preferable solution for both debtors and creditors, who will at least have their original debts repaid. I am delighted that successive reviews of the DAS have shown that it can be improved in ways that strike a balance between the needs of debtors and those of creditors. Given the time that it can take to approve debt payment plans, it is only right for interest and other charges to be frozen at the start of the application process rather than at the end.

However, I have to say that the person who really needs counselling from a money adviser is George Osborne. The problem with very rich people such as Mr Osborne is that they never have to think about money and, because they never have to think about it, they never come to understand it. A debt payment plan for the UK is urgently required and any money adviser would advise Mr Osborne that the debt should be paid over a suitable period. Attempting to repay debts too quickly will not work—and every day we are presented with new evidence that Mr Osborne's plan is not working.

16:14

Margaret McDougall (West Scotland) (Lab):

Under current regulations, the debt arrangement scheme allows money that is owed to payday lenders to be included in a debt payment programme along with priority debts such as mortgage or rent arrears and energy bills. That is a good idea in principle, as it allows the person to pay off the debt in line with their disposable income, and the fact that any creditors must abide by the legislation offers the debtor some protection.

Short-term payday loans can, independent of any other debts, cripple a person's finances. In many cases, people take out another loan to pay off the interest on the first, and then they find it necessary to enter the debt arrangement scheme. However, that highlights a key issue with the DAS. As the cabinet secretary said, the setting-up process can take months. It involves finding an approved money adviser, agreeing pay-backs, the approval of a debt payment programme and its entering on to the DAS register, all of which take time. While that is happening, the interest on the

payday loan is accruing, which puts the person deeper in debt.

Currently, the average time to pay off debts under the DAS is eight years and five months. During that time, the person's credit rating is destroyed. In other words, they are blacklisted. It is therefore vital for the debts to be paid off as quickly as possible so that the debtor can return to financial normality. I therefore welcome the minister's announcement today on the freezing of interest at the point when the person applies for a debt payment programme.

Irresponsible lending has a contaminating effect not only on the lives of debtors but on the viability of the DAS and on those creditors who take their responsibilities seriously, yet up to now the Scottish Government has consistently refused to take action on payday loans, arguing that the way in which to tackle the problem is through the consumer credit legislation. Although greater regulation is needed, the Scottish Government has the power to act, if it wants to, on the particular issue of payday loans as part of the DAS. It could do more to warn people of the dangers of high-interest lending such as payday loans through its social advertising fund and money advice networks. It should not be left to the *Daily Record* to warn people, although I welcome its leaflet today. The Government could also provide more support to credit unions so that they can offer affordable and accessible alternatives such as loan guarantee funds.

The Govan Law Centre has proposed that a separate, fast-track DAS be set up exclusively for payday loans in order to prevent the devaluation of what is a sensible scheme and a vital lifeline to those who are trapped in a debilitating cycle of debt. Such a scheme would be a viable option allowing people to pay off payday loans within two years, rather than their taking eight years to pay off what is supposed to be a short-term loan solution. High-interest and rollover charges could be suspended and then written off following a successful repayment of the debt. In that way, payday loans could be effectively tackled within the context of the DAS. I urge the minister at least to consider that proposal.

The Scottish Government has the powers to advise people against using payday loans and to support credit unions as a reliable alternative. It should use those powers now. I also urge the minister to consider the Govan Law Centre proposal.

16:18

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I welcome this debate. We have all had constituents approach us with concerns about the

indebtedness in which they have found themselves, and that can be a difficult subject to deal with. The early part of any year is a difficult time for families, so it is no surprise that last week we had a debate about the cost of living and today we are debating the debt arrangement scheme.

While it is true that the early part of any year is a difficult time, the current situation is exacerbating matters. We know that the economic downturn is putting increased pressure on household budgets, and that is being further exacerbated by the welfare reform agenda that is emanating from Westminster, which, it is likely, will increase the pressure on families and increase the likelihood that families will turn to the payday loan companies that have been referred to throughout today's debate and in last week's debate. We all know that going to such companies can lead to problems. That might be why this debate is largely consensual, and I will try to stick to that approach, although a few things have been said that I disagree with.

It is clear that the debt arrangement scheme is working well. In 2005-06, 149 debt payment programmes were approved. By 2011-12, the number had risen to 3,319 and, so far in this financial year, there have been 3,655. That indicates a level of success, because those families could have faced real problems if there had been no debt arrangement scheme. It is right to build on that success, and I welcome the changes that the minister has announced today. They will definitely enhance the situation.

I acknowledge the Government's intention to introduce a bankruptcy bill, which, I understand, will have the debt arrangement scheme at its heart. It is clear that the debt arrangement scheme is an important tool in helping people on the ground.

There have been references—including in the Labour amendment—to the fact that the Scottish Government has powers over these matters. To an extent, that is right. We have heard Labour members say, as they did last week, that the Scottish Government could use its advertising budget to help in this regard. It was interesting to hear Margaret McDougall talking about the *Daily Record's* supplement. I agree that it is great that it has published it, and I note that it provides evidence that the Scottish Government has already done what it is being urged to do because, on the back page, there is an advertisement by the Scottish Government and, on the inside front page, there is a message from Fergus Ewing. If that is not the Scottish Government using its resources in the manner that has been requested, I do not know what is. However, we should recognise that the Scottish Government's powers to take action on payday loans are somewhat

limited, although Fergus Ewing has written to the UK Government to call for action.

Kenneth Macintosh suggested that we could close down payday loan outlets. Superficially, that is an attractive thing to do, but it would be better to regulate the industry. At the end of the day, people are still going to be in financial trouble and, if they cannot go to payday loan outlets, where are they going to go? I know that some people will respond that they could go to credit unions, and the Scottish Government has supported the credit union sector. Between 2008 and 2010, some £12 million was invested, so I think that it would be wrong if anyone who is watching this debate came away with the impression that the Scottish Government is not doing what it can with the powers that it has. I wish that the Government had more powers to act further.

16:23

Chic Brodie (South Scotland) (SNP): It is surely a sign of the times that, last week, we discussed payday loans and, this week, we are discussing the debt arrangement scheme. Some £76.2 million-worth of debt must be paid back under the debt arrangement scheme, and the number of debt payment programmes that are approved has risen from 149 in 2005-06 to 3,319 in 2011-12.

I believe that this is an important programme and that there should be a consensual approach to it, so it is regrettable that Alex Johnstone is sitting there all alone—like the Lone Ranger with no Tonto, or Hardy with no Laurel—with no other members of the parties that are in the UK coalition Government to hear how we in this chamber feel about this subject.

If any set of circumstances crystallises the arguments for greater Scottish Government control over, among many other things, the guidelines, rules and laws governing business and personal debtor and creditor interrelationships, this is it.

Again in a spirit of consensus, I ask the Opposition parties when they will accept that, with regard to economics in particular, the circumstances, competency and culture of Westminster rule are wholly incompatible with our shared Scottish values, beliefs and abilities.

Moving away from individual circumstances, which, in many ways, are much more serious, I have had the fortune, or misfortune, to run several businesses and, as a company troubleshooter, was many times confronted by debts as large as six-figure sums—debt mountains that grew larger daily because of punitive interest charges and an intransigent creditor, usually a major bank. As I

said, that is much more serious when it comes to individuals.

I welcome the motion. We have to overcome the recurring disasters of individuals meeting their debts and paying their creditors by incurring further, hidden debt, obtaining the funding to secure that debt through unscrupulous, non-regulated payday lenders and creditors.

DAS, which was introduced in 2004, is a strong debt management scheme to help assuage debt. Since 2011, it has still been providing a vehicle to protect both person and home from creditor threat, but that can be achieved only if there is no continued or incremental interest and no fee charges that continue to make the debt grow, even in the face of regular payments to an approved payment distributor.

I welcome the motion's intention to bring in the date at which interest and fee charges will be frozen—from approval to application, I hope—and to study in detail the intended mechanism, so that we may disseminate the benefits to those we seek to represent. That action implies more rigour and, perhaps, due diligence in considering the performance of creditors or potential creditors, with a slowing down of the cycle of cash flow.

Increasing, punitive debt can disrupt that cycle through bankruptcy—the threat of which is now, happily, through the improved scheme less likely. Although creditors are still entitled to take action to enforce payment under voluntary debt payment programmes, the debt arrangement scheme provides real additional security. Individual debtors are responsible, I believe, for their own indebtedness, just as creditors are responsible for their diligence, risk assessment and credit provision. However, in these straitened times, when there is unintended debt liability, the Government has a responsibility to provide mechanisms to protect both debtor and bona fide creditors. I believe that the improved scheme will do that, and I am pleased to support it.

16:27

Hanzala Malik (Glasgow) (Lab): I am pleased to take part in the debate and to support the Labour Party's amendment in the name of Ken Macintosh. The debt arrangement scheme has been an important statutory tool over the past nine years, and we recognise that fact. However, the economic situation has changed since the creation of the scheme, and not just banks but other high street lenders are now on the scene—high street stores, building societies and the like—which present many opportunities for many people to acquire debt.

When people need money urgently, even a 1,000 per cent interest rate does not put them off if

they do not know other places to go to. Minority communities, in particular, suffer greater hardship. I am referring to communities who are not very good at English, incomers to Scotland, refugees and the vulnerable in society among us.

Data from citizens advice bureaux state that 400 people a day are coming to them for debt advice. That gives us some idea of the number of Scots who are currently worried about debt. The misery created when people go bankrupt or when families suffer hardship is untenable. People who find themselves in that trap always find that there are fewer places to go to for assistance and, without better financial literacy, things could get much worse.

With the introduction of universal credit, I fear that many vulnerable people will choose to pay off high-interest debts rather than their rent and that, in itself, that will have huge implications, which could include family evictions, homelessness and all sorts of difficulties for our society as we know it. We need to recognise that a lot of people out there have difficulties in managing resource and that, without statutory assistance, they will face even greater difficulties. Hence, introducing proper legislative safeguards is important.

I believe that raising awareness of affordable alternatives such as credit unions is a matter of urgency, on which we must take action. In the past, many people perhaps felt that credit unions were for small debts that might be incurred by families in housing associations or by the vulnerable in society. I can assure members that credit unions provide a vital support line for many families in Scotland today. Given the user-friendly attitude of the credit unions, they need to be commended for the work that they do. They do fantastic work, which many families benefit from. Therefore, I believe that credit unions need to be supported even more now than they have been in the past.

In conclusion, debt is a serious issue, so I am glad to take part in today's debate on the motion and our amendment regarding what is a really worthwhile scheme. It is very important that we support our communities, and the debt arrangement scheme is one of the best things that we can do. We must move forward and ensure that we have everything in place to support our vulnerable communities.

16:31

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I speak as someone who has been a proud member of the Kilmarnock credit union for a number of years now.

Although those looking in from outside might be not exactly enthralled by today's debate, it is very

important to highlight the problems of the many thousands of Scots who are caught up in the spiral of debt. Debt can end careers, destroy families and ruin one's health. We should not underestimate the importance of trying to help people to take responsibility for managing what some may regard as an inevitable consequence of the times that we live in.

There can be no doubt that some companies are lying in wait to strike when people are at their most vulnerable and need immediate access to cash. As the minister said in his opening remarks, in 2009 more than 1 million people in the UK took out a combined total of about 4 million payday loans to the tune of more than £1 billion. It is estimated from those figures that, in that year in Scotland, some 100,000 Scots borrowed more than £100 million through such schemes.

People turn to payday loan schemes because they appear more attractive than traditional borrowing routes, such as the banks. Sometimes, that may well be the case, but the business model for payday loans assumes that a percentage of people who take out a loan will go on to extend the loan, roll it over and thus compound their debt problems many times over. That is the point at which people need help from the Government—the UK Government in this case—to provide the necessary regulation to stop the exploitation of debt from becoming a booming industry that delivers further misery to already vulnerable people.

Although some progress has been made by the current UK Government, such as by introducing new codes of practice for the industry and transferring regulation from the OFT to the new financial conduct authority, the UK Government seems unwilling to take some of the steps that other countries have taken to impose caps on charges and costs. That opportunity was also missed by the previous Labour Administration at UK level. As the minister informed us, countries such as France and Finland have introduced measures that either cap charges or apply interest-rate ceilings. I understand that payday loan schemes are outlawed altogether in some states in America.

Under the Scottish Government's existing powers, we can act in matters relating to the enforcement of debt. Through the debt arrangement scheme that was implemented in 2004, as Mr Macintosh explained, and updated again by this Government in 2011, we can provide some degree of protection for consumers, so that they can be helped to manage their debts better without the fear that their debts will run out of control and result in debt spiralling, court action and worse.

Some of the changes that were introduced in 2011 included widening the money advice gateway to give us—notwithstanding Kezia Dugdale's comments—more approved organisations managing the schemes; allowing applications from couples with joint liabilities; and the possibility of debt payment holidays of up to six months. Those changes have all helped a great deal, which appears to be borne out by the number of debt payment plans that are in place.

Under the scheme, there were more than 3,300 plans in place in 2011-12 compared with about 1,400 or so immediately prior to the reviews. This year's proposals to improve the debt arrangement scheme via the Scottish Government's bankruptcy reform bill should bring even more comfort to people who will no doubt continue to access loan schemes.

The intention, as other members have stated, is to freeze interest and charges from the date of application to the creditors, rather than from the date of approval of the payment plans. That will further help hard-pressed consumers who are struggling to repay debts.

Those measures offer considerable hope to many thousands of Scots who face debt problems. However, we all know that, to address consumer debt and punitive interest charges, we need the UK Government to take effective action similar to that taken by others to bring an end to the misery caused by spiralling debt.

I have no doubt that, in the event of a yes vote, our ministers will act to introduce such powers to our independent Parliament that will convene in 2016. In the meantime, I am delighted to support the Scottish Government's motion.

16:36

Alex Johnstone: This is a serious subject, and it is not a debate in which there is really any place for levity, but I am reminded of an old joke that was used, in my day, to attack bankers, although it could be applied to any lender: there is a tendency among bankers to wish to lend money only to people who do not need it. As a result, the people who do need it find it hard to borrow money.

Like many members, I have a mortgage and a car loan. I pay the lenders back regularly as required and, because of that, I am a safe bet. Every day I get letters through the door in which companies want to lend me more money—money that I do not want. The money is so cheap that I should find a job for it.

Cheap money is available, but the problem is that the other side of the joke—it is not funny, I know—is that those who need money are the ones who cannot find it or who find themselves paying

through the nose to get it. The truth is that those who need money and cannot afford it are the ones who are being exploited. That is a sad situation, which undermines the long-term viability of our economy. That is why, even though members hold many different economic and political attitudes about how the country should be run, there is an intense dislike of this exploitation. The desire to bring that to an end unites us all and will unite us in supporting the motion at 5 o'clock.

A number of issues have been raised in the debate that I should address at this stage because, in most cases, I agree with what other members have had to say.

Advertising was raised. It is important that more people know about what is available to them under the terms of the debt arrangement scheme, and what is likely to become more available as time goes on. It is sad that there are people who could exploit the arrangements available, but simply do not know that they exist.

That takes me to the point that has been raised by one or two others—the minister dwelled on it terribly in his opening speech—about the *Daily Record's* contribution in publishing a handbook on debt advice. Margaret McDougall said that that should not be left to the *Daily Record*, but I am inclined to disagree with her. Sometimes I disagree with what is written in the *Daily Record*—in fact, I often disagree with what is written in the *Daily Record*—but it is wonderful that, as a campaigning newspaper with a tremendous record of working in the community with which it identifies, it has published that handbook. That is a sound example of what newspapers should be doing to ensure that their readers have the information that they require. I join the minister and others in the chamber in commending what it has done.

In the longer term, it will be necessary for the Government to support work on this by doing a little more than taking out a couple of adverts in a handbook. Consequently, it is vital that the Government consider how the information can be spread far and wide—even beyond the areas that the *Daily Record* can reach.

We have all come together in the debate and I look forward to voting for the motion at decision time. However, we must adopt key principles that go along with that desire. We need to find ways to cut demand for high-interest lending. We need to promote the availability of alternatives to it, but we also need to evolve the debt arrangement scheme to ensure that it fits need. That is what we are beginning to do today.

I look forward to supporting the motion, commend my amendment and look forward to the legislation that is to be introduced.

16:41

Kezia Dugdale (Lothian) (Lab): I first wrote to Fergus Ewing on 8 May about high-interest, short-term lending asking him to introduce, or at least consider, wealth warnings on payday loans. I said that we advertise health warnings all the time—do not eat fatty foods, do not drink too much and take regular exercise—and asked why, therefore, we could not do that with wealth warnings to warn against the dangers of payday loans and to promote alternatives. He wrote back to me on 29 May and said:

“It would not be appropriate for the Scottish Government to undertake an advertising campaign to advise the public of the issues in the high-interest short-term loan market.”

Not liking to be told no, I wrote again to the minister in June and received a reply on 1 August. In that letter, he again refused to consider my idea of wealth warnings on payday loans. This time, he said:

“With regard to using the Government’s advertising budget to provide ‘wealth warnings’, I must reiterate the comments I made in my letter to you dated 29 May 2012, that it is not appropriate for the Scottish Government to discourage people from obtaining credit which is offered to them in a legal, fair and transparent way.”

When I saw today’s *Daily Record* pull-out, I thought that it was fantastic. It is exactly the type of thing that we need. Then I looked at the front cover and saw the Scottish Government logo and the logo for the Accountant in Bankruptcy. The first thing that it says on the front cover is:

“Avoid the ‘pay day lenders’ with more sensible solutions”.

On the inside page, there is an introduction from the minister himself:

“Borrowing from so-called ‘pay day lenders’ may be an attractive option in some cases but the reality for many is that the high interest rates prevent repayment within the term of the loan.”

He then goes on to say:

“In this booklet, you will find information”

about the

“Debt Arrangement Scheme and access to more affordable credit through Credit Unions.”

That is fantastic. It is exactly what I wanted him to do.

I ask Jamie Hepburn to have sympathy with the Opposition when we despair a little at the state of politics. I have spent months having the minister discredit my ideas only to see the Government adopt them in today’s *Daily Record*. It is difficult to see that and not lose faith in politics generally.

Jamie Hepburn: I point out that my sympathy for the Opposition is limitless.

Kezia Dugdale: Jamie Hepburn is too kind.

The question is what the Government will do today. It might find itself in the position of having to vote against Labour's amendment. In doing so, it will vote against exactly the type of social advertising that it has done in today's *Daily Record*. It will also vote against money for credit unions, which, in yesterday's budget debate, John Swinney promised Margo MacDonald he would provide.

If the Government is going to do that, I ask the minister most sincerely to work with Labour on the issue. I ask him to get us around the table. Let us share our ideas on how to address the problem. We really are trying to do it in the best of faith.

The minister organised a round-table with various money advice groups on 17 January 2012 and promised them another one on payday loans. I waited months and months for that event to take place. When it came to September and it had not happened, I organised my own round-table on payday loans. I invited various money advice organisations from throughout Scotland, Government agencies, charities, the Scottish Trades Union Congress, the Church of Scotland, Govan Law Centre, the Co-operative Party and the Law Society of Scotland—everybody was there.

At that meeting, Mike Dailly of the Govan Law Centre presented what we called a fast-track debt arrangement scheme. That was a scheme that recognised that it can take two and a half or three months to get a debt payment programme set up. For people who have payday loan debt, that is very difficult, because obviously the interest is accruing all the time. The proposal was a fast-track debt arrangement scheme.

Mike MacKenzie: Will the member give way?

Kezia Dugdale: I am sorry, but I really do not have a lot of time today.

Imagine my surprise when the Government took that idea and produced what it has announced today: the introduction of a freeze much earlier in the debt arrangement scheme to remove the anomaly of interest still being charged in the two and a half or three months from the minute someone applies for a debt payment programme and the programme being set up. I congratulate the Government on doing that, but I ask it to recognise that we have been floating that idea for several months.

In a vain attempt to put another idea to the minister in the hope that he will rubbish it for a couple of months and then agree to it, I ask him to consider the fact that part of what the debt arrangement scheme is doing might in fact increase the amount of money that is paid to payday loan companies. I will try to explain that to the minister.

If someone takes out a £100 loan from a credit union and they are charged 26 per cent interest APR for three months, they will pay back £108. If they take out a £100 loan from Wonga for three months at an interest rate of 4,200 per cent, they will pay back £1,050—and that is before the levies, the fees and the administration charges are added. When someone enters a debt payment programme under the debt arrangement scheme, all the interest fees, all the debt and all the extra charges are lumped in with the capital sum that has been lent, which is what is sought back from the debt payment programme. Payday loan companies will profit from the debt arrangement scheme if we are not careful. I ask the minister to look at the possibility of separating out capital from interest charged. He could make sure that the scheme addresses the capital load, so that payday loan companies and credit unions get that back, but treats the interest in a slightly different manner. It is an idea, which I ask him to consider and return to at a later date.

I am also concerned that, at the moment, if someone has substantial debt, they end up on a debt register. It is possible for marketing companies to access that register, phone people up and ask them whether they would like help from a private company to file for bankruptcy. Those companies are profiting from people in extremely dire financial circumstances. Will the Government look at making it illegal to sell that data on to private companies for them to exploit? I believe that that is within the Government's power. I hope that the minister will look at it in the context of bankruptcy legislation.

I hope that the minister can see that we are presenting these ideas in the most genuine manner. We simply cannot wait any longer to act on payday loan companies. I get the points from the SNP back benches about waiting for independence and the need to regulate. I have pointed to the work that Stella Creasy is doing at Westminster on regulation and have said that we cannot wait for a change of Government in 2015 and we cannot wait for independence in 2016. Think of the interest that will be charged in two or two and a half years if we do not act now for people who take out these small loans. We have to do more today. I have put some ideas to the minister about how we can do that. I ask him to please work with us on this issue. These are legal loan sharks who are exploiting vulnerable families across the country. The minister has the ability to crack down on legal loan sharking. I ask him to look to do so today.

The Deputy Presiding Officer (Elaine Smith): I call Fergus Ewing to wind up the debate. Minister, you have until just before 5 o'clock.

16:48

Fergus Ewing: I have thoroughly enjoyed this debate, from which I think a consensus is struggling to emerge.

I undertake to all members who have contributed to this debate that the Accountant in Bankruptcy and I will study carefully what has been said, because a wide range of points have been made. I am determined to ensure that we listen to Parliament and consider any specific, constructive proposals that emerge in these debates so that they have a purpose. A number of specific proposals have emerged during the debate.

There is a great consensus that payday loans represent a contemporary, growing and widespread problem that has very serious consequences. The numbers—4 million payday loans in 2009 and rising—illustrate that the problem is serious. Irrespective of differences of opinion about the constitutional future of our country, it is accepted that the powers to address these matters rest largely with Westminster. It is a sadness to me that the powers have not been used by the current and previous Governments. That is deeply unfortunate, and I would prefer that the powers rest here.

I have made those points clearly, but I will not dwell on them because I think that people who are following the debate—particularly in the light of the *Daily Record's* marvellous contribution, which all parties have praised—are interested in what we can do now to help. A number of suggestions have been made, and I will look at all of them.

I will respond to the amendments. The Conservative amendment asks us

“to work with the UK Government to increase awareness of the Scottish Debt Arrangement Scheme with creditors based in the rest of the UK.”

We are doing that and we will continue to do that. Shortly before Christmas, I met a number of banks, most of whose operations are south of the border, to engage with them on the extent to which they can at least inform their customers who are in difficulty that the debt arrangement scheme exists.

The problem is difficult, because banks' legal duties constrain them in pointing customers in a particular direction. However, Alex Johnstone would expect me to have such engagement, and it is right that I have it. We are working closely with the major creditors that appear time and again in the bankruptcy claims list or the protected trust deeds list and which are the major creditors in most consumers' affairs. We will support the Conservative amendment.

I started with the mindset of wanting to support Labour's amendment. Of course, we support and

are doing all the things that the amendment urges us to do and which we can do. We work closely with local authorities and we warn of the consequences that payday loans can have for some people. I have always done that.

I think that one of the first members' business debates of the parliamentary session was initiated by Margaret Burgess—now a minister—when she spoke with passion about her deep knowledge of the area, and I was the minister who responded. I say with all respect to Kezia Dugdale's comments that I made my position on payday loans very clear then. My position has not changed and has remained ever since exactly as it was. I think that the vast majority of members share that position.

Labour's amendment has two difficulties. First, it invites us

“to curb high interest short-term lending”

but, sadly, we do not have the powers to do that. We cannot adopt a proposition that we know that we cannot implement.

Secondly, rather than ask us to consider a guarantee loan fund, the amendment says that there should be such a fund. As a minister, I cannot accept an uncoded and open-ended commitment in an amendment. That is the precise legal position—if I accepted the proposal, I would be bound to implement it, and I have no doubt that Labour members would quickly urge me to do so. That is how Oppositions are, and I was no different. However, if Labour Party spokespeople wish to discuss the proposal with me at the meeting that I have agreed to have with Kezia Dugdale or in any other way, I will be happy to meet them, because we all want to achieve the same things.

I hope that I have given an explanation. It does not really matter that we will not support the Labour amendment, because we will look closely at the idea. I have to say that, in Mr Macintosh's response to my intervention, the idea transmogrified from a guarantee loan fund to the possibility of underwriting loans, which is somewhat different. Nonetheless, I am happy to look at any options that emerge from the process.

Hanzala Malik: I am a little puzzled. The minister says that we cannot legislate on pegging interest rates, but I thought that we in the Parliament could legislate on how far we would allow banks to go on loans. Will he shed more light on that?

Fergus Ewing: The power to control interest rates is reserved. We do not have the power to cap payday loans. In my opening speech, I alluded to the fact that France, Finland, many states of the United States of America, Canada and many other states and countries have applied thresholds. We

do not have the power to do that in this country. I think that both Mr Malik's party and mine would like to have those powers, but I have already covered that matter.

Kezia Dugdale: Will the minister give way?

Fergus Ewing: With respect, I want to respond to some of the points that have been made in the debate.

Concern has been expressed about the availability of money advice throughout the country. That is an important matter. Before 2011, there were 135 approved advisers throughout the country. In 2011, we changed the law so that individual advisers were no longer approved but organisations that offer money advice and are suitably qualified to ensure that the people who work for them can provide accredited and professional money advice were approved. There are now 105 approved money adviser organisations, which include, for example, Citizens Advice, Money Advice Scotland, local authorities and many private sector bodies. We are therefore better served in respect of the availability of money advice, although there is more work to be done.

Kezia Dugdale: Does the minister recognise that 22 of the 105 organisations that he referred to are in the private sector and are therefore profiting from offering debt advice? Ideally, we would like there to be more debt advisers in the public sector. Labour has put forward that suggestion today.

Fergus Ewing: There are a number of very good—indeed, excellent—money advisers in the public sector, but we must recognise that the private sector plays an important role. The top 10 DAS-approved adviser organisations include several private sector ones.

We want a partnership between the public sector and the private sector in order to ensure that the appropriate advice is available. That, of course, goes beyond the debt arrangement scheme. The other options that may be appropriate for individuals as a last resort include bankruptcy or a protected trust deed. In some cases, especially complex ones, some of the work that is required to be undertaken to administer a protected trust deed or bankruptcy involves a qualified insolvency practitioner, so there is a role for the private sector.

I think that Mike MacKenzie referred to the fact that the numbers of sequestrations in Scotland have reduced, and he made the link between that modest but welcome reduction in the number of personal sequestrations and the growth in the number of people who have entered debt arrangement schemes, particularly over the past couple of years. That is a very important point. In 2005-06 only 128 people entered into debt

arrangement schemes; last year 3,319 did so; and so far this year—we still have February and March to go, of course, so a sixth of the year is yet to elapse—3,900 people have entered a debt arrangement scheme.

The significance of that is that around 4,000 people in Scotland as opposed to just over 100 have adopted the Scottish Government's scheme, which was designed to help people to pay off their debts in full over time, not to help them to get off or free from their debts under bankruptcy or a protected trust deed. That is a major change in our society, which is to be welcomed, as we all believe that those who can pay their debts should do so. Perhaps it indicates that some individuals previously entered into debt relief options instead of debt management options—in other words, they did not pay their debts to creditors when, in fact, they could have done.

That is proof positive that the debt arrangement scheme that we have debated has been a success, and I very much welcome the cross-party support for it. All the parties that are represented in the chamber have welcomed the announcement that we have made today that we will extend and improve further the debt arrangement scheme, and I am very appreciative of the support that we have received from those parties. We will bring forward the statutory instrument for consideration by the relevant committee so that it can be made law by the summer.

I conclude by once again paying tribute to the *Daily Record* for its excellent journal, and I pay tribute to Fergus Muirhead, Christine Sinclair and Kelly Gallagher, who provided the advice in it. I am quite sure that no one would accuse me of shamelessness at any time.

The Deputy Presiding Officer: Minister, I really need you to finish.

Fergus Ewing: We have all united in supporting the *Daily Record*, and I am very pleased that I have taken part as the responsible minister.

Parliamentary Bureau Motion

17:00

The Deputy Presiding Officer (Elaine Smith): The next item of business is consideration of a Parliamentary Bureau motion. I ask Joe FitzPatrick to move motion S4M-05595, on approval of a Scottish statutory instrument.

Motion moved,

That the Parliament agrees that the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 [draft] be approved.—[*Joe FitzPatrick.*]

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

Decision Time

17:00

The Deputy Presiding Officer (Elaine Smith): There are five questions to be put as a result of today's business.

The first question is, that motion S4M-05549, in the name of John Swinney, on approval of the draft Local Government Finance (Scotland) Order 2013, 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, Gavin (Lothian) (Con)
 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)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)

McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Walker, Bill (Dunfermline) (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, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)

Abstentions

Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alison (Lothian) (Green)

The Deputy Presiding Officer: The result of the division is: For 72, Against 36, Abstentions 2.

Motion agreed to,

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

The Deputy Presiding Officer: The next question is—[*Interruption.*] Order. The next question is, that amendment S4M-05586.1, in the name of Ken Macintosh, which seeks to amend motion S4M-05586, in the name of Fergus Ewing, on the debt arrangement scheme, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alison (Lothian) (Green)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, 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)
 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)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Walker, Bill (Dunfermline) (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)
 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)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scott, John (Ayr) (Con)

The Deputy Presiding Officer: The result of the division is: For 37, Against 64, Abstentions 8.

Amendment disagreed to.

The Deputy Presiding Officer: The next question is, that amendment S4M-05586.2, in the name of Alex Johnstone, which seeks to amend

motion S4M-05586, in the name of Fergus Ewing, on the debt arrangement scheme, be agreed to.

Amendment agreed to.

The Deputy Presiding Officer: The next question is, that amendment motion S4M-05586, in the name of Fergus Ewing, as amended, on the debt arrangement scheme, be agreed to.

Motion, as amended, agreed to,

That the Parliament notes the benefits of the Debt Arrangement Scheme in taking control of debts that are becoming unmanageable; recognises the despair and misery that financial difficulties bring to many people in Scotland; shares concerns expressed by Citizens Advice Scotland and others that individuals are becoming trapped in a cycle of debt as a result of high-interest lending; supports the Scottish Government's planned reforms to the Debt Arrangement Scheme to freeze interest and charges from an earlier date, fixing the amount of debt owed to creditors thereby preventing the continued imposition of punitive interest charges, and calls on the Scottish Government to work with the UK Government to increase awareness of the Scottish Debt Arrangement Scheme with creditors based in the rest of the UK.

The Deputy Presiding Officer: The next question is, that motion S4M-05595, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 [draft] be approved.

Meeting closed at 17:03.

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