



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Tuesday 8 October 2013

Session 4

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Scottish Parliament

Tuesday 8 October 2013

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

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business is time for reflection, for which our leader is the Rev John K Collard, interim minister at Brucefield church in Whitburn.

The Rev John K Collard (Brucefield Church, Whitburn): The invitation to lead this time for reflection arrived in my inbox on 18 September—a date with some significance in this place. That day, I had spent a considerable time talking with somebody about the way she sees herself in relation to others. I believe that that person's negative life experience had contributed to a skewed view of herself, and she often felt that others were looking down on her and judging her. The result was that she could easily become prickly and judgmental towards other people.

As I thought about that conversation and this invitation, I wondered whether there was a connection. Perhaps the connection is identity. Psychologists suggest that, in the early years of life, we begin to answer the following four questions about our identity. Who am I? What am I doing here? Who are all these other people? What happens to someone like me? The answers that we arrive at shape the life script that we follow. Those answers become the map of our identity.

For the person I was talking about, the answers have shaped a largely negative script. Who am I? Someone that others disapprove of. Who are the other people? Those who are criticising me. What happens to someone like me? I have to stand up and fight in order not to be bullied. That is her script and her identity.

Issues of identity can play a large part in how the population of Scotland think and vote. For some, identity might be more important than economics.

The Bible has some interesting things to say about identity. In one of Paul's letters in the New Testament, he says:

"If anyone is in Christ, they are a new creation. The old has gone, the new has come."

That implies that our identity—as fundamental as it is—is not set in stone and that, under the influence of religious and perhaps even political conversion, identity can shift.

Perhaps you and I—politicians and priests—have this in common: we believe that the identity that we promote is good and maybe even the best. That leaves us with a question. What is the effect of the identity that we seek for ourselves and promote to others and will it bless our friends and enrich our society?

Business Motion

14:03

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-07953, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, which sets out a revision to today's business programme.

Motion moved,

That the Parliament agrees to the following revision to the programme of business for Tuesday 8 October 2013—

after

followed by Topical Questions

insert

followed by Ministerial Statement: Glasgow Prestwick Airport—[Joe FitzPatrick].

Motion agreed to.

Topical Question Time

14:04

Grangemouth Refinery (Industrial Dispute)

1. Angus MacDonald (Falkirk East) (SNP): To ask the Scottish Government what discussions it has had with INEOS and Unite the Union regarding the dispute at the Grangemouth plant. (S4T-00469)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government has had a number of discussions with senior management at INEOS and the trade union Unite over the past few weeks in relation to the inquiry into the conduct of a trade union official, pension negotiations and the long-term future of the site. We will continue those active discussions in the days ahead. We are disappointed that the discussions between INEOS and Unite have yet to resolve the issues, and we urge the union and INEOS managers to work together to achieve a settlement. The Scottish Government will do all that it can to assist in resolving the outstanding issues with the objective of securing the future of the site.

Angus MacDonald: I thank the cabinet secretary for his detailed reply and for the work that he has done on the issue to date. I, too, have held meetings with INEOS management at Grangemouth and hope to meet Pat Rafferty of Unite in Falkirk tomorrow. The threat by INEOS to close the petrochemical plant by 2017 has created a degree of nervousness and anxiety in the local community, as such a move would have a major impact in the Falkirk district and in Scotland as a whole. Is the cabinet secretary optimistic that, if all parties get back round the table and discuss all the issues, there is light at the end of the tunnel and the investment that is required for the plant can be found?

John Swinney: I agree whole-heartedly with Mr MacDonald that the INEOS petrochemical plant is a substantial contributor to the Scottish economy and particularly to the economy of the Falkirk district. Its significance for employment and economic impact cannot be overstated. As a consequence, the Government is spending a great deal of time and effort in trying to encourage and support the parties to come to some agreement on the outstanding issues. I think that there is the basis for an agreement, based on the point that I made in my original answer that the Government's objective in supporting the discussions is to secure the future of the site. From the discussions that I have had, I believe that that is also the position of the INEOS management and Unite. I hope that,

through collaborative discussion, we can encourage the resolution of the issues and concentrate on securing a strong long-term future for the INEOS plant.

Angus MacDonald: INEOS recently started marketing its spare land on the site to attract new businesses associated with the petrochemical industries. Indeed, we will discuss one of the options for that in the chamber on Thursday afternoon. Given that INEOS has previously stated that

“there is no plan B”,

does the cabinet secretary agree that, with commitment from INEOS, Unite and both Governments, the future for Grangemouth as a major contributor to the Scottish economy is a positive one? Will he undertake to keep me, as the local constituency member, informed of any progress between management and the unions?

John Swinney: I undertake to keep Mr MacDonald, as the local member, informed of developments, and I will keep Parliament informed of any developments that involve the Government's action. I agree that there is a basis on which the site's future can be secured, which involves investment by the company, the participation of a very strong workforce and support from both the Scottish and United Kingdom Governments. I have had active discussions with the UK Government to ensure that it understands our perspective on the issue and that we understand its perspective. That has resulted in a very productive set of discussions with the UK Government. We will continue with those discussions and interventions to support the creation of a long-term future for the INEOS plant.

Iain Gray (East Lothian) (Lab): I draw the chamber's attention to my entry in the register of members' interests, which shows that I am a member of Unite.

It is clear that the current dispute is both holding up and potentially prejudicing the important and potentially difficult discussions that must take place about the long-term future of the INEOS plant. It is also clear that those discussions cannot take place until two things happen. First, the union must end its industrial action and, secondly, the company must end the disciplinary action that is currently under way against a trade union convener at the plant. I realise that this is an unusual intervention to ask for but, in the light of the far bigger issues at stake, will the cabinet secretary use his good offices to achieve both those things?

John Swinney: I agree with Iain Gray's analysis that the issues around the consideration of a disciplinary case against a trade union official are hampering the substantive discussion, which is

about the sustainability and future of the plant. That substantive discussion must be embarked on to ensure that those issues can be resolved in due course.

I give Mr Gray an absolute undertaking that ministers will continue to take all the steps that we can to encourage and facilitate the focusing of the discussion on the substantive issues. The obstacles of the consideration of a disciplinary case and the industrial action need to be resolved to allow us to proceed. That is very much the approach that the Government is committed to taking. I will happily keep Parliament informed of developments in that respect.

Local Government (Powers and Finance)

2. Patrick Harvie (Glasgow) (Green): To ask the Scottish Government what consideration it is giving to the future of local government powers and finance. (S4T-00474)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): We remain committed to a partnership with local government to realise the benefits of integrated and improved services by using the powers and the finances that are available under current constitutional arrangements. That includes strengthening our collective efforts to mitigate, where possible, the impacts of the United Kingdom Government's welfare reforms.

The powers of independence would provide the opportunity for a new relationship between the Government and local authorities to fully address the needs and aspirations of our local communities, and for the status and rights of local government to be recognised in a written constitution. Powers and structures are only one part of our journey towards achieving better outcomes as we empower communities, build on the assets within them and strengthen partnership working to renew local service delivery.

Patrick Harvie: I agree with the cabinet secretary that powers and structures are only one aspect of the debate, but there is a growing appetite for a real decentralisation of power in Scotland and a reinvigoration of local democracy and local democratic participation. In addition, we are dealing with a local government structure that is financed on the basis of absurdly out-of-date valuations of properties.

Does the cabinet secretary agree that, whatever the result of next year's referendum, we must avoid the risk that in the next session of the Scottish Parliament the Parliament will again be deadlocked on the issue of finding solutions to reform local government finance? Does he agree that avoiding that risk is a priority?

John Swinney: I agree whole-heartedly with Mr Harvie's argument about the necessity of decentralising power in Scotland. I presided over the agreement of the concordat with local government in 2007, which transformed the nature of the relationship between national and local government and reduced—over the space of about five years—the level of ring fencing in Scotland to the extent that it now amounts to an extremely small proportion of the local government settlement. When we came into office, ring fencing totalled in excess of £2 billion out of the local authority settlement. Reducing ring fencing in that way gave local authorities significant flexibility to determine their own priorities.

I understand the aspirations of people in local government to debate and consider the future of local government. The Scottish Government has made it clear that we welcome that and think that it is a constructive contribution to the debate. It is a debate that we will engage in. That is why, for example, in Lerwick during the summer, the First Minister set out the approach that the Government would take to local decision making in our island communities. It is why the Government has worked so hard to ensure that the dialogue that we have on legislation on community empowerment, for example, enables us to reinvigorate the sense of community participation in our society, which all of us—especially ministers—recognise to be an important bedrock of the structure of democracy in Scotland.

Patrick Harvie: Although there are aspects of that answer that I welcome, it slightly sidesteps the issue of local government finance reform. The current Scottish National Party Government has its policy on what it would like to do to replace council tax, and I gather that the Labour Party is consulting on options for what it might support as a replacement for council tax. My party is clear about its policy. Surely we have to avoid another session of the Scottish Parliament in which we do not have a clear political way forward on the issue. Having another deadlocked Parliament on the issue would be a genuine problem. Is it not now time for a bit of calm, cross-party discussion that includes those in local government and from across the political spectrum to find out how we can avoid the danger that we will have yet another session of the Scottish Parliament in which we do nothing to reform local government finance?

John Swinney: I have two points to make on that, the first of which relates to the nature of the dialogue. I am all for having calm, cross-party dialogue on such questions, which I think can help advance our consideration of them, but I am also in favour of parties remaining faithful to the commitments that they made to the electorate when they were elected. We were elected in 2011 on a commitment that we would consider the

approach to local taxation during this parliamentary session. We accepted that we were unable to reach consensus on that in the previous session—I think that that is a fair reflection of the position in the 2007 to 2011 session—so we made a commitment, which we will fulfil, to have that dialogue in this session.

Secondly, we should be clear about the nature of the financial support that has been given to local government in Scotland, because it has fared better than the Scottish Government has done in the funding settlements that we have put in place. Resources for local government have risen at a faster rate than those for the Scottish Government. That demonstrates the degree of commitment and priority that the Government gives to funding local authority services properly. Of course we can have a discussion about the approach to local government finance. The Government will do that by fulfilling its manifesto commitments, which of course also include another important commitment to the public: to freeze the council tax during this parliamentary session, which we continue to do.

Sarah Boyack (Lothian) (Lab): When will the cabinet secretary bring forward the SNP's local income tax proposals for wider consideration in the chamber? Does he not consider that the financial sustainability of local government services has to be discussed by all of us across the chamber now, given that we have lost 40,000 public service jobs over the past few years and given the pressures that the Christie commission highlighted for all of us to address?

John Swinney: The Scottish Government accepted the Christie commission's strong and valid conclusions, and we have embarked on a process of public sector reform that I think is now gathering significant pace and delivering improvements to the services that the public experience. It is improving the outcomes that are achieved for members of the public in Scotland. That has been done despite the fact that we are under enormous financial pressure. That is happening because public servants are working in a collaborative way across boundaries and disciplines with the Government under the umbrella of the Government's programmes to improve the services that are put in place for members of the public.

I can only infer from Sarah Boyack's comment about the loss of employment in public services that she is suggesting that we should somehow re-employ the individuals involved and pay for their services. Again, we are back to the hard realities of where the Labour Party fails in its contribution in Parliament, because we cannot employ people if we do not have enough money to pay for them—that is a simple, basic line of arithmetic. It is beyond me that I have to keep on reminding the

Labour Party that we cannot employ people whom we cannot afford and that we must live within our means in this parliamentary session. What we are doing is ensuring that the resources available in Scotland are improving the outcomes for people in our country.

On the question of local finance reform, the Scottish Government will fulfil its manifesto commitment to open up the discussion during this parliamentary session to seek broader agreement around local taxation. The Labour Party is very welcome to contribute to that process, once it makes up its mind what its position is.

Glasgow Prestwick Airport

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Nicola Sturgeon on Glasgow Prestwick airport. The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities will take questions at the end of her statement, so there should be no interventions or interruptions during it.

14:19

The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon): I am grateful for the opportunity to make a statement about the future of Glasgow Prestwick international airport.

As members will be aware, Prestwick airport was bought in 2001 by its current owners, the New Zealand-based company Infratil Ltd. It is operated through Infratil's subsidiary company Prestwick Aviation Holdings Ltd. It is fair to say that the airport has faced many challenges in the past few years. Passenger numbers and freight tonnages have markedly reduced and the airport has been loss making. The airport, along with Manston airport in Kent, which is also owned by Infratil, has been up for sale since March 2012.

A number of private investors have shown interest in buying Prestwick airport, and the Scottish Government, in partnership with Scottish Enterprise, South Ayrshire Council and the other Ayrshire councils, has been working with potential investors and Infratil to help to facilitate a private sector sale. That has involved discussing the support that could be offered within state aid rules to assist a new owner in the early years of ownership. Our approach has necessarily been conducted in commercial confidence, but it has been constructive and, I believe, valued by both Infratil and prospective buyers.

Despite that considerable effort, I must report to the Parliament that we have reached a stage where it is clear that no private investor is able to commit to a successful purchase of Prestwick airport in a timescale that is acceptable to Infratil. In those circumstances, the Infratil board has been considering its options, one of which is to seek to enter commercial discussions with a view to public sector ownership, while the other is to close the airport.

Clearly, the closure of Prestwick airport would be a serious and unwelcome development for both the Ayrshire and the Scottish economies. Therefore, in parallel with our work to help to facilitate a private sector sale, we have been working with Scottish Enterprise, South Ayrshire Council and the other Ayrshire councils on

contingency plans. We have been carefully examining the implications and consequences of both options—public ownership and closure—and I will now deal with each in turn.

Public ownership of airports is a familiar concept. The Scottish Government already has ownership responsibility for 11 airports, and others in Argyll and Bute, Orkney and Shetland are owned and operated by local authorities. They are mainly small airports that provide vital links to our remote communities. However, in England and Wales, some major airports are owned wholly or substantially by the public sector, including Manchester, Stansted, Newcastle and Cardiff airports. The last of those was recently bought by the Welsh Government.

However, members will appreciate that the investment of public funds in commercial environments is subject to European Union state aid regulations, which are designed to prevent the distortion of competition. The effect of the regulations is to require any public investment to yield an appropriate return over time comparable to that which might be expected by a private investor. That market economy investment principle has to be the guiding light in considering public ownership options.

To examine the practicalities of public ownership on that basis, we asked independent financial and aviation consultants to assess the prospect of the airport, with the appropriate financial investment and commercial management, being returned to profitability within a reasonable timescale. The consultants' work indicates that that would be demanding but possible. It would require additional business to be secured in both passenger and freight-related activities, a wide-ranging efficiency programme and the disposal of surplus assets.

The other option is closure of the airport by Infratil. Members will appreciate that the impact of closure would be a devastating blow to the people who work at Prestwick airport, their families and Ayrshire as a whole. Unemployment in Ayrshire is already above the Scottish average and the loss of Prestwick airport would exacerbate that situation. About 300 people depend directly on the airport for employment and, in total, about 1,400 people's jobs depend on or are associated with the airport. That includes approximately 460 people who work at maintenance, repair and overhaul facilities that depend on the airfield being operational.

In addition, if we take account of the important aerospace cluster at Prestwick, a total of 3,200 jobs are directly or indirectly associated with the airport. Although the aerospace jobs are not directly dependent on the airport, it is no coincidence that many of those businesses have located so close to an operational airport. In my

view, it is undoubtedly the case that that important part of the Ayrshire economy would be less secure in the future without the continued operation of Prestwick airport.

In short, the airport is of significant strategic importance to the Ayrshire economy, the wider regional economy and the national economy of Scotland.

The total gross value added associated with the airport in 2012 was £47.6 million in an Ayrshire context and £61.6 million in a Scottish context. The airport also has a very important resilience role in respect of diversions for bad weather and aircraft emergencies, as was demonstrated by the recent EgyptAir incident.

In light of all of that and having carefully considered the options, I want to inform members of the Government's intentions. We believe that Prestwick airport can have a positive future. It will require investment and take time, but we believe that it can be returned to profitability. We also estimate that the cost to the public purse of closure would be very significant, and that was an important factor in our decision. We are therefore determined that the airport's economic contribution, including the direct and indirect employment opportunities that it and its related businesses offer, should be maintained and then enhanced. We want to secure the future of Prestwick airport and the businesses that depend on it, and we want to reassure staff that we will work with them to make the airport a success.

I therefore advise members that the Scottish Government has advised the current owners of the airport of our intention to commence a process towards the acquisition of Prestwick airport. Following the agreement of its board earlier today in Shanghai, we are entering negotiations with Infratil for the potential acquisition of Prestwick Aviation Holdings Ltd and its subsidiaries. The conclusion of that process will, of course, be subject to the Scottish Government carrying out confirmatory due diligence. The terms of sale will be on a commercial basis and in accordance with the market economy investment principle. Our intention is to seek to complete due diligence and detailed negotiations on the terms of sale within a six-week period and to do so on a commercial basis. A copy of our recent exchanges with Infratil will be placed in the Scottish Parliament information centre for members' perusal.

I also advise members that Infratil has agreed that it will continue to ensure that its subsidiaries keep the airport fully open and operational while that process is on-going. I emphasise that point not just to members, but to airport staff, passengers who have already booked to fly, and those who are considering using Prestwick airport for their next holiday or business trip. Prestwick

airport is and will continue to be fully open for business.

Key to public sector investment will be the development of a strong and credible business plan that will kick-start work to turn around the business and lay the foundations for its restructuring and repositioning. Such a plan will also set out a timescale for the airport's return to profitability.

Once the final decision to proceed has been taken and the transaction has been completed, I will make a further statement to Parliament. I emphasise that our intention is that Prestwick airport will continue to operate on a fully commercial basis, and I expect that we will seek to engage a commercial partner to work with existing staff both to operate the airport and to develop its assets in a way that maximises the long-term return on public sector investment. We will also look to involve and work closely with the three Ayrshire councils, whose participation and support are necessary to make a success of the venture.

Prestwick airport is important to the Ayrshire and Scottish economies. We are ambitious for it and, indeed, for the Scottish aviation industry as a whole. Prestwick airport can have a positive future as part of that wider industry, without having any negative impact on Scotland's other airports. It is our belief and intention that, with perseverance, patience and innovative thinking, the airport can and will be brought back into profit.

Over the next few weeks, we will focus on due diligence; legal and commercial issues to provide a firm foundation for Scottish Government ownership; detailed negotiations with Infratil; and the development of the business plan. Our strong desire is to reach a successful conclusion that will allow Prestwick airport to thrive again, help us to protect and sustain employment, and build and strengthen the engineering and aerospace cluster that surrounds the airport. Those will be our priorities, and I very much hope that colleagues across the chamber will support them.

The Presiding Officer: The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities will now take questions on the issues raised in her statement. I intend to allow around 20 minutes for questions, after which we will move on to the next item of business.

James Kelly (Rutherglen) (Lab): I thank the cabinet secretary for advance sight of her statement.

There is no doubt that the situation is serious for Prestwick airport. It comes as a result of reducing passenger numbers, which have consistently translated into expenditure exceeding income in profit and loss accounts.

There is also no doubt that, as the cabinet secretary outlined, the closure of Prestwick airport would have drastic implications for the local Ayrshire economy and the wider Scottish economy. From that point of view, I welcome the step that the Scottish Government has taken today to seek to take Prestwick airport into public ownership with a view to building a sustainable model in the future.

I have three questions. First, in terms of due diligence, can the cabinet secretary provide fuller information on the process? Specifically, what oversight will Parliament have of that process?

Secondly, it is clear that there will be implications for the Scottish budget. How will the Government be able to draw down funds from a fixed Scottish budget, given the additional financial commitments that there will be as a result of the initiative?

Thirdly, how confident is the Scottish Government of finding a future buyer, bearing in mind that finding a buyer has proved difficult up till now?

Nicola Sturgeon: I thank James Kelly for his questions and for the welcome that he has given the Scottish Government's action today to safeguard Prestwick airport and the jobs that depend on it. He asked three specific questions.

First, James Kelly will appreciate that the due diligence process for any such acquisition is complex. Given the circumstances, we intend, and have given an undertaking, to carry out such due diligence as quickly as possible. I mentioned the six-week timescale in my statement.

I commit to coming back to Parliament at the conclusion of that process to report on its outcome and to give more details at that stage on the Government's proposals for the ownership model for Prestwick and the business plan that will underpin our proposals to turn the airport round and bring it back into profit. In the intervening period, I will keep members, particularly those who have a constituency or regional interest in the airport, as up to date as is possible given the commercial nature of the transaction.

I will say two things about the budget. First, John Swinney, the Cabinet Secretary for Finance, Employment and Sustainable Growth, will make such provision as is required within the Scottish Government's budget to underpin the commitment that we are making to Prestwick airport. James Kelly will appreciate that, as I indicated in my statement, we will require to put in place a robust and credible business plan. He will also appreciate that the extent of Scottish Government investment in the airport during the period of public sector ownership will flow from the business plan that we put in place. To date, we have worked on initial

estimates that are based on the initial work that we have done and the initial information that Infratil has given us. Our due diligence process will help us to develop the detail of that plan. That matter will be part of the further updates that I will give Parliament in due course.

In response to James Kelly's third question about a potential future private sector buyer, it is of course our hope and intention to see Prestwick, as a thriving airport, return to private sector ownership at some point in the future. I am not able, nor would I choose, to put a timescale on that at this stage. It will take time to turn Prestwick airport round and bring it back into profit. It will take perseverance, patience and investment. In the Scottish Government, we are dedicating ourselves to that work so that, at some point in the future and working with our partners in Scottish Enterprise and the local authorities concerned, we are able restore the airport to private sector ownership.

Parliament will be updated on all those points as appropriate. I hope that members appreciate that much of what we have done around Prestwick over the past few months has had to be commercially confidential but I thought that, given the stage that we have arrived at, now would be the appropriate moment to update Parliament. I undertake before the Presiding Officer and Parliament to keep colleagues as up to date as possible in the time to come.

John Scott (Ayr) (Con): I thank the Deputy First Minister for the advance copy of her statement and for the courteous way in which she has handled the change of ownership of Prestwick airport. I welcome the fact that the statement ends the uncertainty that there has been since Infratil put Prestwick airport on the market. The statement lifts what I believe was an immediate threat of closure. It also notes the airport's on-going strategic importance.

I also welcome Infratil's continuing commitment to keeping the airport open until due diligence can be carried out and note and emphasise that Prestwick is and will remain open for business. Finally, I note the need to support the airport to remain open to protect and enhance the 3,000 to 4,000 maintenance, repair and overhaul jobs around the airport.

I, too, have three questions. First, although I understand the difficulties in making such a prediction, when does the Deputy First Minister hope to return the airport fully to the private sector?

Secondly, although I note the Scottish Government's intention to buy the airport from Infratil, what further investment does it see itself being able to provide to bring the airport up to full

international standard to support the private sector partner that it will seek?

Thirdly, without breaking commercial confidentiality, what alternative uses for and development of the airport does the Deputy First Minister envisage? Would she welcome proposals from entrepreneurs, even if they lack funding to bring them forward?

Finally, can the Deputy First Minister reassure us that the proposed business model of public ownership—albeit temporary—will be compliant with European and United Kingdom competition law?

Nicola Sturgeon: I thank John Scott for his questions and recognise his constituency interest in Prestwick airport. I will run through his questions as quickly as I can.

I do not think that I can say much more to John Scott than I said to James Kelly about the timescale for a return to private ownership. Of course, our long-term ambition is for Prestwick airport to be returned to private sector ownership, but there is a lot of work to be done between now and then to ensure that that is a viable proposition. We are undoubtedly talking about years rather than a shorter period. Information on the timescale will become more detailed as the business plan for the airport develops.

The airport will require investment by the Scottish Government to put it into a position in which at some point in the future it can be returned to the private sector. The information that I give Parliament on the matter today comes with the caveat that we require to do our due diligence and to put in place a business plan. The estimates that we are dealing with are based on initial work and information provided by Infratil, which estimates its annual losses, including capital expenditure—which is an important addition—to be in the region of £7 million. The airport clearly requires a lot of work to turn it round. It is important that we do the correct preparation and the correct work to put ourselves in the best position to do that.

On John Scott's third question, we welcome all entrepreneurs and business interests that want to do business with Prestwick, whether they are in the passenger or freight areas or have an interest in business that is associated with the airport. When the Scottish Government has ownership, we will be keen to have such discussions.

Finally, I mentioned state aid in my statement. Everything that we do requires to be compliant with not just UK law but European state aid regulations. That is why I talked about the market economy investor principle, which is and will be the guiding light for everything that we do as we take forward this venture.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): I, too, have a constituency interest in Prestwick airport. On behalf of my constituents, I very much welcome the Deputy First Minister's action, which secures the airport's short-term future.

Will the Deputy First Minister say how confident we can be for the longer term and in relation to investment prospects? Will she give early consideration, perhaps in the development of the business plan, to rebranding the airport Robert Burns international and removing the less-than-appealing "pure dead brilliant" logos?

Nicola Sturgeon: I thank Adam Ingram for his questions. I recognise his close constituency interest in the airport, and I acknowledge the interest that he and John Scott have shown in the issue over a period of time.

Adam Ingram asked about long-term prospects. The whole point of the Government's acting as we are acting is to secure Prestwick airport and the jobs that depend on it not just for the short term but for the long term, to ensure that the airport, which is such an important part of the Ayrshire and Scottish economies, has a long-term future. If there is one message that I want to convey today, it is that the airport is open for business and that we intend it to remain open for business, not just in the short term but in the long term.

As for Adam Ingram's interesting suggestion for renaming the airport, I should tell him that there are no immediate plans to do so; I am sure that he will appreciate that we have important matters to deal with along the way. However, rebranding the airport might be part of a wider strategy to remarket it and make it more attractive and, as an Ayrshire girl, I have to say that the Robert Burns reference is not lost on me.

The Presiding Officer: Ten people want to ask the Deputy First Minister questions, so it would be helpful—because I very much want to get through everyone on the list—if members could cut out the preamble and ask one question. That way, everyone can be called and get an answer.

Mark Griffin (Central Scotland) (Lab): I welcome the action that has been taken and support the Government's ambition to bring Prestwick airport back into profit. What will be the Government's position if efforts to do so are unsuccessful? Is it willing to sustain the airport in the long term if it does not return to profit? Indeed, is it able to do so under EU rules?

Nicola Sturgeon: I covered some of that in my statement. We have to operate in line with the market economy investment principle, which requires us to ensure that public investment yields an appropriate return over time, comparable with what might be achieved by a private investor. Our

actions are therefore underpinned by the necessity to bring the airport back into profit and to secure a return on public investment over a period. I must emphasise to Parliament that all the actions and plans that we take forward will be based on that objective.

I am not being at all dramatic, but it is important that I make it clear—as I made clear in my statement—that the very real alternative to the Government's action today was the closure of Prestwick airport, with all the economic and employment consequences that that would have had. I do not underestimate the challenge that lies ahead; indeed, I referred in my statement to the opinion of the independent finance and aviation experts whom we have already commissioned to work on the issue. Our objective is challenging but possible, and I hope that we have the support of all parties in the chamber as we take forward this venture. I certainly know that members support the aim of securing the airport's future.

Chic Brodie (South Scotland) (SNP): I thank the Deputy First Minister for a most acceptable statement.

Last week, I had the privilege of hosting, along with Scottish company Caledonian Aviation Partners, two major aircraft recycling companies from Arkansas in the United States, which are considering investing in Prestwick airport—

The Presiding Officer: Can we just have a question, Mr Brodie?

Chic Brodie: I am coming to my question. There is the potential for 200-plus jobs in recycling aircraft and their parts. Does that kind of potential investment not confirm the huge potential of Prestwick airport—with its hinterland of great aerospace engineering skills and Ayrshire's colleges—as the European maintenance, repair and overhaul airport, in addition to its passenger and cargo capabilities?

Nicola Sturgeon: I thank Chic Brodie for his question and acknowledge the interest that he has shown in Prestwick airport's future over a period of time. He is absolutely right. We are aware of the interest in recycling aircraft that has been shown by the company that he mentioned and are very keen to continue discussions in that direction. As I said to John Scott, we want to encourage any business that sees potential for doing business at Prestwick to come forward and we—and, in particular, Scottish Enterprise—will be very happy to have those discussions.

Chic Brodie is also right to highlight the potential for a cluster or centre of excellence. Prestwick is already home to MRO facilities, principally for Ryanair but on a smaller scale for British Airways, and the aerospace cluster around the airport is also hugely important. With the right attitude,

mindset and support, there exists real potential to capitalise on that excellence and to put it very much at the centre of Prestwick's plans for the future. I welcome Chic Brodie's suggestions and will certainly take them forward.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Can the Deputy First Minister offer, even at this early stage, an indication that we will begin to develop not only Prestwick's potential in a Scottish context for our tourism industry, but its international future?

Nicola Sturgeon: As I have said, the Scottish Government and our partners will be very much focused on developing the business plan. I believe that Prestwick has a big role to play in the future not just in its own right, but as part of the wider aviation industry in Scotland. We are very blessed with fantastic airports in other parts of the country; Prestwick has a part to play.

However, as I said in my statement, that future will require us to increase passenger and freight transport and to think of other business opportunities around Prestwick; for example, surplus assets around the airport will also play a part in any overall business development plan. All that must be taken into account as we try to move the airport from where it is just now to profitability, which we believe is possible. That will involve domestic transport, but it will also involve international transport.

Jim Hume (South Scotland) (LD): As the cabinet secretary mentioned, the commercial aerospace industry at Prestwick airport is important to the area. The airport is also used by many companies such as Ryanair, whose profits have increased to more than £0.5 billion. What discussions has she had with organisations including Ryanair about keeping Prestwick open?

Nicola Sturgeon: Ryanair is a customer of Prestwick airport and will remain very important to the airport's future. Obviously, as well as talking to Ryanair, we will want to talk to a range of private sector businesses that do business in one form or another with Prestwick.

As I said in my statement, in recent weeks and months we have been engaged in a number of discussions, principally to facilitate a sale to a private sector consortium. I make no bones about the fact that my preference for the future of Prestwick airport has been sale to the private sector, rather than bringing the airport into public ownership. However, if the question is whether public ownership is preferable to the closure of the airport, most definitely the answer is yes.

Ryanair remains important to the future of the airport, but the airport's future will be best catered for if we are dealing with a number of different

private sector businesses to ensure that we capitalise on the airport's full potential.

Aileen McLeod (South Scotland) (SNP): Last year's York Aviation report "The Impact of Air Passenger Duty in Scotland" pointed out that, in percentage terms, Prestwick airport is the one that is most affected by APD. Does the cabinet secretary believe that APD has contributed to the current situation, given that the entire aviation industry, including the airlines and the airport operators, are all desperate to see action on air passenger duty?

Nicola Sturgeon: Yes, I believe that APD is a particular factor in the position in which Prestwick airport finds itself. Obviously, APD is a factor not just for Prestwick but, nevertheless, the scale of APD weighs on the decisions that air traffic companies take on, for example, whether to open up new routes. I will continue to lobby the UK Government to see sense on APD but, short of that, I look forward to the day when this Parliament can take decisions on APD that make more sense—and not just for Prestwick airport, but for all our airports, so that we can properly capitalise on their economic, tourism and business potential.

Margaret McDougall (West Scotland) (Lab): I, too, welcome the cabinet secretary's statement, given the importance of Prestwick airport to the Ayrshire and Scottish economies. Given that the three Ayrshire local authorities have committed £2 million each, will they be partners in the Scottish Government's bid? What role will they play if the bid is successful?

Nicola Sturgeon: I will not speak on behalf of the Ayrshire councils in terms of what, if any, financial commitment they may be willing to make—I will leave that for direct discussions with the councils—but Margaret McDougall is right that the three Ayrshire councils have been working hard with us to try both to facilitate a private sector sale and to ensure that we had contingency plans in place for the scenario in which we now find ourselves. I put on record my thanks to South Ayrshire Council, North Ayrshire Council and East Ayrshire Council for the constructive way in which they have worked with us.

As I said in my statement, the councils' continued support and participation in the venture is important. As well as financial support, their support in a range of ways will be very important as we try to turn Prestwick around. I can give the member an assurance that we will talk to the councils. I spoke to the leader of South Ayrshire Council shortly before I came into the debating chamber and we will speak to all the councils on an on-going basis.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): When the airport is returned

to profit, is it absolutely necessary that it is sold back into private ownership? Is it not possible that a profitable venture could stay in public ownership, with the profits returning to the public purse? If not, will the cabinet secretary ensure that all public investment in the interim is recouped with interest?

Nicola Sturgeon: Maureen Watt is absolutely right. There are various models for the ownership of airports that could be feasible and viable. However, at this stage in our plans for Prestwick, it is probably premature to start talking about what happens at the end of a period of public ownership. As I have said repeatedly throughout the statement and in answer to questions, our intention is to earn a return on public investment. It is important that we do that. Obviously, there is a public interest for the people of Ayrshire and the people who work in and surround Prestwick airport in ensuring its future, but there is also a bigger public interest.

I will certainly take on board the points that Maureen Watt makes. I referred to a number of airports in England and Wales that are either partially or wholly owned by the public sector, which demonstrates her point that there are a range of possible ownership models for the future. However, our principal objective is to get into ownership and then to start the hard and serious work of turning Prestwick round and bringing it back into profit.

Alex Johnstone (North East Scotland) (Con): Through the waves of optimism, the cabinet secretary has demonstrated her clear understanding that the deal might have to pick its way through a minefield of state aid rules. Given Prestwick's close proximity to Glasgow airport and the fact that it relies on a single commercial passenger operator as its largest major customer, is there a danger that the commercial relationship that might already exist between the airport and its biggest customer will, if the airport goes into public ownership, render that a breach of state aid rules?

Nicola Sturgeon: I hope that I made it clear—indeed, Alex Johnstone alluded to this—that we are acutely aware of the state aid implications of any action to invest public money in a commercial venture. That is why I took time in my statement to talk through the market economy investment principle, which guides all our actions on the issue. I assure the member that we are mindful of the issue and, at every step of the way, we will be mindful of our requirements under state aid rules and regulations.

The member refers to Glasgow airport. As I said in my statement, I believe that Prestwick airport has a future as part of the wider aviation industry. I do not believe that a successful Prestwick has to be or will be at the expense of our other airports. I believe that all the airports can thrive if the proper

business planning and support are in place and the proper approach is taken, and that is what we intend to do. I hope that that gives assurance to other airports, which are also operating in a very competitive environment. We will operate on a commercial basis, mindful of our obligations under state aid rules. We will do so with the intention of not only seeing Prestwick airport thrive, but seeing it thrive as part of the wider aviation sector in Scotland.

Neil Bibby (West Scotland) (Lab): The cabinet secretary mentioned the need to secure additional passenger business. One way of doing that would be to use the rail network to connect Prestwick airport to the rest of Scotland by going ahead with the Glasgow crossrail project. Will the Scottish Government reassess the positive impact that crossrail could have in light of the need to generate more passenger business at Prestwick, as well as the other benefits that it could bring to Ayrshire, Renfrewshire and even Glasgow airport?

Nicola Sturgeon: One advantage that Prestwick airport has is that it has a railway station right on its doorstep and a rail line that runs right to Glasgow Central station. I have used that rail line many times and I am sure that many other members have, too. Let us look at that as a positive and one of the advantages on which we can build. It is fair to say that the railway station at Prestwick requires investment, but nevertheless it is one of the things that we can use to the airport's advantage.

Clearly, the Government wants to integrate various modes of transport and our various transport facilities and assets as much as possible. However, today is very much about taking decisive action to safeguard an airport that was under credible threat of closure. I am glad that Labour members have welcomed that and I look forward to suggestions from any quarter in the Parliament about how we ensure Prestwick for the long term and how we do that as part of the bigger picture. I would certainly be happy to hear such suggestions from wherever they come.

Patrick Harvie (Glasgow) (Green): Does the Deputy First Minister agree that a publicly owned airport should achieve the same employment standards as the rest of the public sector? Will she give a clear guarantee that no one working at a publicly owned Prestwick will be paid less than the living wage or will be exploited by means of a zero-hours contract?

Nicola Sturgeon: I am sure that we will return to those points of detail as we go further into the venture. I accept the sentiment behind Patrick Harvie's question. I say to him that I am taking the action that I am taking and announcing it to the Parliament principally from a desire to safeguard vital employment in Prestwick and the wider

Ayrshire economy. I hope that that gives a strong sense of the importance that we attach to those jobs. They are high-quality jobs in many respects and those are exactly the kinds of jobs that we want to retain in not only the Ayrshire economy, but the Scottish economy.

Having promoted the living wage in the Scottish Government and our own agencies, our commitment to it is not in any doubt, but I hope that Patrick Harvie will forgive me because we are at the start of a process. The staff at Prestwick airport were being advised of developments today by senior management at the airport in tandem with my statement. It is right that we work with them as we go forward to secure their employment and the future of the facility in which they work.

The Presiding Officer: That ends the statement and questions with the cabinet secretary. I apologise to the one member who did not get called.

Commission for Developing Scotland's Young Workforce

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a debate on motion S4M-07939, in the name of Angela Constance, on the interim report by the commission for developing Scotland's young workforce. I advise members that the debate is oversubscribed and that we are extremely tight for time.

14:56

The Minister for Youth Employment (Angela Constance): In January this year, the Government set up the independent commission for developing Scotland's young workforce under the leadership of Sir Ian Wood. At the halfway point of its work, the commission has published an interim report, which has received widespread endorsement from the education and business communities and caught the imagination of many.

I welcome the interim report, the extent to which the commission has already made progress, the vision that it has set out on vocational education and the practical steps that it has outlined in its recommendations. Although it calls for a set of evolutionary steps, the report is, overall, hugely ambitious on behalf of all our young people. There are many exciting aspects of the report but, above all else, it lays out a realistic blueprint for how we might move to an education system that sets out clear and attractive pathways that can take young people from school into employment.

Scotland has a good recent record on addressing youth unemployment, but I want our long-term approach to boosting youth employment to be among the best in the world. We have been making progress on increasing attainment, but I want the opportunity gaps in our society to be eradicated. We have some well-developed and well-understood pathways for young people, but I want everyone to understand and hold in high regard all our educational and training pathways.

The report makes a significant contribution to achieving all those aspirations. It highlights a number of drivers that make the delivery of its recommendations possible. The flexibility of the senior phase of curriculum for excellence, the regionalisation of our college sector and the growth in modern apprenticeships are all clearly identified as important drivers for delivery.

Those are all reforms that the Government has undertaken. They build on the progress in Scottish education that the Parliament has delivered since devolution. That means that we have a platform to build a world-class vocational education and training system that we can proudly place

alongside our world-class higher education system for the benefit of all our young people, our employers and, of course, Scotland's economic wellbeing.

We can disagree at a political level about many issues but, across the Parliament, there is a consensus that our young people's future should not be one of the issues that we dispute. We all want our young people to be able to make the most of their talents. We all want to benefit from the contribution that a highly skilled and well-motivated young workforce can make to our country's success. We all want to avoid the situation in which young people suffer the long-term scars of unemployment at an early age.

That is why, as the Government considers the commission's interim report, in partnership with the Convention of Scottish Local Authorities, I was keen to give Parliament an early opportunity to contribute to how the recommendations might be taken forward. That is a process that we can start today and one that I want to sustain, with all members, in the months ahead.

We are starting from a strong base here in Scotland, but there is much that we can learn from other countries. I recently visited Switzerland and Germany to see for myself how their vocational education and training systems help to drive low levels of youth unemployment. Both countries expose young people to the workplace at an early age and place great importance on well-understood, high-quality vocational pathways. In both countries, employers are seen as part of the education system and view themselves as such.

I was struck by the widely held understanding that educationists and industry need to work together to prepare young people for life after school. It was very apparent to me that there was a clear understanding of what it is like to be 16 and of the support that young people need to develop a whole host of attributes required to move successfully into adult life. In those countries, there was also a clear understanding that early exposure to the workplace helps to build those attributes among young people.

There is no doubt that we all have empathy towards our young people. We have all been there—admittedly, for some of us, that was longer ago than we would care to remember—and most of us have young people in our lives. I look forward with particular interest to the commission's further recommendations on bringing employers much closer to the education system. There is an appetite among employers in Scotland to do more and I know that the commission will focus on how we can make that possible.

Jenny Marra (North East Scotland) (Lab): The minister is talking about experiences that we can

learn from in other countries. Has she considered, or would she be interested in considering, the German policy around statutory requirements on hiring young people?

Angela Constance: As the commission proceeds with the second phase of its work, it will perhaps consider some of those issues about statutory requirements. Despite a global economic recession, countries such as Germany have seen youth unemployment fall, and there is great interest in how they have achieved that.

We need to build a system that ensures clearer progression for young people from school into work in the good times as well as the bad. We need a system that will be robust enough that whether the economy is up or down, our young people get the best start to their working lives.

It is not for me to pre-empt the work of the commission in its second phase. However, I have no doubt that it will look at many countries, including Germany, when it considers how we can proceed to a system in which, as Sir Ian Wood described it, employers are not just passive recipients but are integrally involved in the education and training of young people.

Given what I have said, I hope that it is clear that I am enthusiastic about the commission's interim recommendations. Detailed consideration will have to be given to each recommendation and to the implementation challenges that may exist. However, I welcome the opportunity to work with COSLA on this and I also welcome the early engagement that leaders throughout the education sector are having with each other.

I will not go through all the recommendations, but I want to highlight some of them. The focus on informing young people about the opportunities throughout the world of work from an early stage of their secondary education is critical. I am particularly interested in the recommendations on science, technology, engineering and mathematics and the growth sectors in that regard. It is essential that we inspire young people around the opportunities to pursue careers in those parts of the economy in which their chance of a long-term, rewarding career is greatest.

That must involve teachers, careers advisers, employers, parents and guardians working together to inspire young people about the possibilities that lie ahead. That has to be underpinned by strong pathways that help young people reach for those opportunities.

At the launch of the commission's interim report, Linda McKay, the vice-chair of the commission, spoke about the unique opportunity that the commission has had to look across schools, colleges and modern apprenticeships. By taking that approach, the commission has highlighted a

number of possibilities to smooth transitions for young people and put all our young people in a better position to move confidently and ambitiously towards rewarding employment from the senior phase onwards.

Our college reform programme has, over the past two years, seen a remarkable transformation in the shape of the sector. Leaders in this new sector are continuing to realise the opportunities that regionalisation presents.

The commission is clear that colleges should focus on the employability of their learners through closer links with industry. That is a central principle of our regionalisation agenda. A little over two years ago, in "Putting Learners at the Centre: Delivering our Ambitions for Post-16 Education", we proposed that the role of further education should be to provide people with the skills that they need to get a job, keep a job or get a better job and develop a good career, however near to or far from the labour market they are. This is the whole point: young people go to college and engage in education at least in part to enhance their career prospects. Employment outcomes are therefore a fundamental indicator not only of a college's success, but of the success of the education system as a whole.

The commission has rightly identified the need to provide opportunities and support for all young people, irrespective of their background. The Government has asked the commission to place the equality agenda at the very heart of its work. I know that it is determined to make meaningful recommendations across education and employment in its final report to help address inequalities in employment outcomes.

The interim report highlights, for example, the success of activity agreements in supporting some of our most vulnerable and disadvantaged young people and calls for that approach to be extended where appropriate to those aged under 16. Although the commission helpfully makes recommendations to bring forward careers advice, it is important to recognise that the career modernisation programme aims to maintain universal support for all young people while providing more intensive support for those who need it most.

In the report's forward, Sir Ian Wood refers to attainment for all. The Government has made improving attainment a central element of its education strategy. A number of the recommendations, if implemented well, will help us realise our ambition for Scotland to be the best place to go to school, where every young person can enjoy an education that encourages them to be the most successful they can be and provides them with a full passport to future opportunity.

It is very interesting that the report does not contain the term "parity of esteem." There can be little doubt for anybody who has read the report that the commission members believe passionately in the importance of both vocational and higher education to our young people, our economy and our society. They state that clearly in the report and whenever they speak about their work. However, rather than simply calling for greater parity of esteem between vocational and academic education, as many others have done in the past, the commission has laid out a number of practical steps that it thinks will help bring that about. Ultimately, by delivering those well and demonstrating the enhanced employment outcomes of those who follow the vocational pathways that the commission outlines, we will start to see a shift in the outmoded culture to which the report quite rightly refers.

The commission's work is only half finished. It will focus on employers and equality issues between now and early next year. However, I very much believe that we have to take this interim report seriously, so the work begins now to implement it. Working in partnership with COSLA, I plan to work with the commission to bring together leaders from across the education system and beyond to consider the recommendations and their implementation.

The national summit, which Sir Ian Wood will chair, will focus on the issues raised by the interim report. I invite members of this Parliament with an interest in this to attend the summit, which will take place at the turn of the year.

I very much look forward to today's debate. I am sure that it will reflect the wide-ranging interest in the commission's work. It will undoubtedly help inform the Government's thinking on the interim report as we consider the recommendations, in partnership with COSLA, in advance of the commission's final report next year.

I move,

That the Parliament believes that schools should promote educational attainment and positive destinations for all pupils including those who wish to pursue vocational pathways; welcomes the interim report from the Commission for Developing Scotland's Young Workforce; further welcomes the emphasis that it places on closer cooperation between schools, colleges and employers in providing vocational education; agrees that the report provides a sound basis for future policy decisions, and invites the Scottish Government to work in partnership with all parties, COSLA, local authorities and stakeholders to build a consensus based around the commission's report, including ways to make early progress in developing the opportunities that young people have to improve their skills and employability.

15:10

Jenny Marra (North East Scotland) (Lab): I am pleased to take my place in the chamber as shadow minister for youth employment for Labour for the first time, at a critical time for Scotland's economy and unemployed young people. I would like to accept the minister's kind invitation to the summit at the turn of the year, because Labour believes that any and every initiative to address the scourge of youth unemployment in Scotland is necessary, and we want to be part of that conversation.

It is a widely accepted fact that the recession has hit young people disproportionately hard. Over the summer, we learned that another 32,000 young people were out of work—up from 61,000 to 93,000 in Scotland.

Angela Constance: I am grateful to Ms Marra for taking an intervention. It was very remiss of me earlier not to acknowledge that this is her first outing in her new portfolio position, so I appreciate it.

I suggest that although we can be absolutely united that youth unemployment remains too high, Ms Marra should not misuse statistics from the Office for National Statistics—particularly for young people. We know that the only comparison labour market stats for young people can be year on year, and year-on-year statistics show that youth unemployment in Scotland has fallen. It is still too high and, on that, I hope we can unite.

Jenny Marra: I will check my statistics, but I am quite confident that the figures that I am using are correct. Our youth unemployment rate in Scotland is persistently around 20 per cent—we can all agree on that figure, which is unacceptable by any standard and demands a swift and bold response from Government.

I come to this debate with experience of youth unemployment in my region. In Dundee, the number of 18 to 24-year-olds claiming jobseekers allowance for longer than six months is 250 per cent higher than it was in August 2007. When I speak to young people who have been out of work for long periods, I hear the same desire to work—the same aspiration to succeed—as I see in those who have found work straight from education. Yet, when I speak to employers in key sectors such as engineering, I hear the same story again and again from business: that our young people do not have the right skills to fill the vacancies that they have.

Clearly there is a gap here, which we all need to work together to bridge. The Wood commission's proposals are very useful in that regard. One engineering company in Dundee has developed its own training facility, because young people in college are not being taught the skills that the

company needs. It is clear that we must be smarter in how we match opportunities for young people with business demands in key sectors such as engineering and technology.

As the Wood commission interim report makes clear, that will not happen without a shift in how the Government delivers the skills that are required for young people to thrive in those sectors. The report states:

“we must move on from our ingrained and frankly ill-informed culture that somehow vocational education is an inferior option.”

We agree with that on the Labour benches and I was very pleased to hear the minister agree with that in her opening remarks.

National Union of Students Scotland argues:

“For too long, going straight from university into work has been the accepted route into a career in Scotland, with ... vocational education seen as”

an “inferior or less prestigious” option. Like the Wood commission, it argues that we need to move towards parity of esteem for vocational education.

There are a number of steps in the commission's report that the Government can take to help reach that parity. Starting with schools, the report states that we should offer training and education relevant to the modern apprenticeship framework, provide work experience opportunities and give young people the opportunity to study for a national certificate.

The report also states—this is critical—that careers advice must be available earlier than secondary 4. Whether that advice is accessed through the my world of work website, one-to-one interviews, exposure to business and industry presentations, or perhaps workplace visits, the reality is that some routes might be—if not closed off—not immediately accessible from S4 if pupils do not already have the qualifications in subjects that they needed to take in S3 and S4.

Pupils might have the option of picking up such qualifications at college but, if guidance and advice were available earlier so that, when they made decisions in S2, they kept their options as wide open as possible for the careers that they were interested in, we might have more productive outcomes for our system and, more important, for the young people who move through school and college.

Perhaps the most important and wide-ranging recommendations in the report revolve around our colleges. As we move to the regional model, the commission argues that regional outcome agreements must commit to

“ongoing quality improvement in the delivery of vocational education”.

It says that we must strengthen the role that colleges play in the modern apprenticeship programme and that we must strengthen the link between schools and colleges as vocational education begins to be integrated into the curriculum for excellence.

The commission argues that colleges must be more vocationally focused and that they must work with local businesses to determine the skills that are needed, which should be delivered throughout the courses that they offer. It also argues that work experience should form a core part of college courses when that is appropriate.

The Wood report makes it clear that, to make the necessary changes that are contained in the report, our colleges must be empowered with resources from the Government. Labour's amendment reiterates that. On the need to resource change in our colleges, Colleges Scotland has said that the Scottish Government's flat cash settlement in 2014-15 and the proposed small increase in 2015-16 will allow the college sector

"to broadly continue what it is providing currently ... but it also means that new activity can only be done at the expense of current activity."

I am delighted that the Government has indicated that it will support our amendment. I invite the minister to reflect on the amount of money that the Government will provide to resource the changes in our colleges that the Wood commission's recommendations envisage. For example, I draw attention to the fact that providing careers advice and guidance early in the school curriculum will take investment in Skills Development Scotland, but John Swinney's draft budget cuts SDS's budget. How will that be addressed in the next couple of years? I expect some of the proposals to be costed in the next draft of the budget, on which we will hear from the Cabinet Secretary for Finance, Employment and Sustainable Growth.

The interim report contains many more recommendations that are worthy of discussion and I look forward to hearing about them this afternoon—a number of my Labour colleagues will address them. Labour will support the Government's motion, as we welcome the thrust of the report. We will of course work together with the Government at the summit and with industry leaders in taking forward the Wood commission's recommendations. However, we believe that words must be backed by action. I look forward to hearing how the Government will resource the recommendations in the next draft of the budget.

I move amendment S4M-07939.1, to insert after "future policy decisions":

“; notes the resource implications for colleges of the report's recommendations”.

15:18

Liz Smith (Mid Scotland and Fife) (Con): I congratulate Jenny Marra on her new post.

Following an education debate in 2002, the Parliament voted overwhelmingly to allow much greater flexibility in the senior school and college curriculum. We also voted—overwhelmingly—to back a Scottish Conservative amendment that said that we should allow pupils from the age of 14 to have new opportunities in our colleges and businesses, so that they could develop a vocational or technical skill or learn a trade. The Conservatives argued then and will argue again today that Scottish education has been stuck in too much of a structural straitjacket to allow it to respond to the needs of the widest diversity of pupils in fostering their ambition.

The Conservatives have long argued that part of the equation is greater diversity of educational institution, which allows for greater choice and flexibility. For that reason, we have been greatly encouraged by the interim report that the Wood commission has produced, which contains a coherent vision for the future because it draws its evidence from what works best.

That is not to say that lots of good things have not happened in recent years. The modern apprenticeship programme, the opportunities for all programme, the projects that various chambers of commerce have set up, Jim McColl's initiative at Newlands junior college, and skills academies such as Queen Margaret University hospitality and tourism academy have all played a valuable part in extending opportunities. However, the vast majority of young people continue to be faced with an outdated comprehensive system of schooling that, in our view, denies them the diversity and choice that are required.

Scotland has been rather stuck with the educational myth that, to provide everyone with equality of opportunity, educational institutions must all be run with a similar structure. That is a dangerous misconception.

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I hear what the member is saying. In her statement last night, she said:

“We need to make radical changes to the structure of education”.

However, the Wood commission's report states:

“Our proposals don't require time consuming, expensive restructuring of the education system”.

Would she like to square that circle?

Liz Smith: I am very happy to square that. Inherent in some of the cabinet secretary's other suggestions is the point that changing—*[Interruption.]* If the cabinet secretary will forgive me, I think that there are aspects of the suggestions that he is making that require a change of culture. Along with that change of culture come some other changes. That is very clear from—*[Interruption.]*

The Deputy Presiding Officer: Order, please.

Liz Smith: The cabinet secretary keeps pointing to various bits of the Wood commission's report, but I could point to other parts of the report where important suggestions are made about that.

One reason why Ruth Davidson focused on the issue at the Conservative Party conference is our determination to tackle the poverty of choice—which is something that Sir Ian Wood focuses on—that affects too many of our schoolchildren as they enter the middle and senior years of secondary school. We cannot get away from the statistics that are flagged up by Sir Ian Wood. One in six pupils leaves school without being properly literate; almost half of young people in Scotland leave school without a higher qualification; one in four Scottish businesses finds it difficult to hire people straight from education; and, as Jenny Marra said, about 20 per cent of 16 to 24-year-olds are unemployed.

Michael Russell: The member has cited some figures about school education that I think are a little suspect. Sir Ian Wood's report says:

"The introduction of Curriculum for Excellence in primary schools and in S1-S3 is already making a difference as a new approach to teaching and learning is helping pupils to develop many of the skills and attributes they will need to be successful".

The report goes on to say that that can be done

"without splitting young people off into separate streams".

That is not what the member is saying.

Liz Smith: I am not talking about streaming—I will come to that in a minute.

Sir Ian Wood is saying clearly that there is a need to raise the bar. He is talking about a different kind of thinking and a different culture, which is something that we entirely agree with. For us, there has been a significant movement towards change, a lot of the credit for which goes to people whom the cabinet secretary has asked to produce reports, including Keir Bloomer, Graham Donaldson and David Cameron. They have been very thought provoking about the need for subtle changes in Scottish education, and I understand that COSLA is also looking to embrace some of that change. I remember distinctly SNP Councillor David Berry in East Lothian saying in 2009 that the Scottish Government ought to do

"some pretty unconventional things" when it comes to changing the structure of school education. Those are ideas in which we are very interested.

The minister mentioned the interest that we can arouse among other countries. The systems that attract the Scottish Conservatives are those in Denmark, Germany, Switzerland and New Zealand, not just because of the statistics but because of some of the differences that they have managed to make. In Germany, 8.1 per cent of economically active 15 to 24-year-olds are currently unemployed, which is the lowest level in the European Union; in Denmark the figure is 14 per cent; and in Switzerland it is 9.2 per cent. In Germany, 85 per cent of the population aged between 25 and 64 have at least an upper secondary qualification; in Switzerland the figure is 86 per cent; and in Denmark it is 77 per cent.

Inherent in those systems is greater pupil career choice—not just subject or course choice, but choice about what kind of school is best for them as they develop their specialist talents, which need not depend on their academic credentials. We are very attracted to what Sir Ian Wood says about that change. There is an underlying desire within the commission to make us think outside the box and consider different kinds of institutions.

I restate that the Scottish Conservatives are committed to the basic principles of the Wood commission, but we also want to have a look at an overhaul of some of the key institutions in this country, which will raise our game and provide all our young people with much better opportunities than they receive just now from a Scottish Government that is, frankly, obsessed with state control.

I move amendment S4M-07939.2, to insert at end:

"...but believes that these objectives can only be achieved in full if there is greater diversity in schools and a reversal of the recent damaging cuts to the college budget".

The Deputy Presiding Officer: We come to the open debate. At this stage, speeches should be of six minutes, but that may change in the course of the debate. I also ask members to address their remarks through the chair.

15:24

Clare Adamson (Central Scotland) (SNP): Last week, the European and External Relations Committee took evidence from the Lithuanian ambassador to the UK, Asta Liauškienė, on Lithuania's priorities for its presidency of the EU. I was pleased to hear that economic growth and employment were at the core of its priorities, and that youth employment and youth employability were of great concern. We welcomed the

ambassador's acknowledgement of the work that has been done in Scotland to tackle the issue. She recognised the contribution that our Minister for Youth Employment, Angela Constance, made to work on the issue by taking our case to Europe at committee level. That was welcomed.

I am glad to have the opportunity to speak in what is a hugely important debate on the interim report of the commission for developing Scotland's young workforce. I am glad that the report sets out what we are doing in that area and that it shows that we are by no means standing still.

The curriculum for excellence, which is being embedded in and rolled out across our schools, represents an extremely important change to the way in which we educate our young people. The regionalisation of our colleges has provided a focus on the ability to secure better outcomes across regions.

The report identifies that the greatest focus is on our modern apprenticeships, which are highly popular and seem to have been extremely successful across a variety of sectors. They are in great demand in our economy. The report also highlights the Government's opportunities for all commitment to offer a place in learning to all 16 to 19-year-olds who are not in employment, education or training. Therefore, we are in a good position to examine the issues.

I would like to address all the commission's recommendations, but I do not think that I will have time to do so. I will jump to an issue that is of particular interest to me, as someone who worked in the information technology industry for 20 years and who has a specific interest in the STEM areas.

I was glad to see that recommendation 11 is:

"A focus on STEM should sit at the heart of the development of Scotland's Young Workforce."

That is an extremely important point, but we must recognise that we have issues in that area.

The Royal Society of Edinburgh's report, "Tapping all our Talents", considered women in STEM subjects and identified that even women who train in those subjects often leave the workplace later on. It is a complex area, in which work still needs to be done. I am glad that STEM ambassadors are being deployed in schools to try to engage young people—especially young women—in careers in that area.

At this morning's meeting of the Education and Culture Committee, the cabinet secretary reminded us that one in five of our higher education places is delivered by our colleges, and that funding for research and development will be key as we move forward.

It is welcome that Scotland has four of the top 100 universities in the world and it is interesting that Sweden has the same ranking. While Scotland tends to follow the UK level of spending on research and development—which, at the moment, sits at 1.7 per cent of gross domestic product—as an independent nation, Sweden spends 3.4 per cent of GDP on research and development. In everything that we do, we should consider what opportunities independence could give us. It would enable us to move towards the European target of spending 3 per cent of GDP on research and development. That is certainly an area in which the UK is underperforming.

The debate is about the future, but I have a concern about where our colleges are at the moment. In March 2013, the Scottish Further and Higher Education Funding Council published "College Performance Indicators 2011-12". The indicators are highly encouraging in the areas of computing, information and communication technology and engineering, in which the "Completed: successful" level is 75 per cent. However, the indicators are at their lowest level in science, in which the "Completed: successful" level is only 52 per cent, while the "Completed: Partial success" level is only 74 per cent. Science also has one of the lowest rates of uptake when it comes to HMIE subject groupings for courses that last 460 hours or more.

Kezia Dugdale (Lothian) (Lab): I welcome the member's concerns about colleges. Does she share Johann Lamont's concern about the fall in the number of women and part-time students at colleges across Scotland?

Clare Adamson: We have discussed that issue at committee. In the current economic climate, I think that the Government's decision to focus on young people in the age group concerned is absolutely right.

I cannot go into all the report's recommendations, but we are on a very good footing with recommendation 10, which focuses on "Support for young people at risk of disengaging from education".

That is a hugely concerning area because those are the most hard-to-reach young people. I put it on the record how grateful I am that, when we passed the Post-16 Education (Scotland) Act 2013 on college regionalisation, we included a data sharing aspect. That gives us for the first time an opportunity to look at the destinations of our young people and engage with them at an earlier point in their careers to help keep them on the right pathway or to change pathway, whichever would lead to a better outcome for them in the long run.

I welcome the report and the Government's response to it this afternoon.

15:30

Ken Macintosh (Eastwood) (Lab): The interim report of the Wood commission that we are discussing today is an excellent contribution to the debate on youth unemployment. It makes a series of not just useful but—I hope—achievable recommendations. I welcome the commission's report and I congratulate the Scottish Government on bringing together in the commission a range of talented individuals from various backgrounds.

I will focus on two areas of the interim report: colleges and links with schools. However, before I do so, I will briefly restate why finding a solution to our youth unemployment crisis is so important.

In Scotland today, a fifth of all young people—some 84,000 people—are out of work and 18 per cent of young people on out-of-work benefits have been claiming for more than a year. Of course, there are wide variations across Scotland, and a Scottish-wide youth unemployment rate of 7.2 per cent masks a level of almost double that in North Ayrshire, Clackmannanshire and East Ayrshire. There is a pressing need to use this Parliament's powers to change course and prevent a lost generation of young people from experiencing the scarring effects of unemployment.

I am aware that many MSPs are already doing what they can as individuals to address the issue, by running job fairs and workshops for example. In my constituency, I am running a work experience programme alongside my Westminster colleague Jim Murphy. We are asking local businesses to take on a young person for a period of work experience and then offer those placements to young people who are on out-of-work benefits. That is just a small contribution to the problem, but it is one that I hope will lift hopes and boost confidence.

Sir Ian Wood's report emphasises the benefits of improving employability through education and skills as well as using work experience programmes. Over the long term, that will make Scotland a more attractive place in which to do business. However, I recognise that in the short term employability cannot be the only answer when unemployment and a lack of jobs is the real problem.

Of course, much of the discussion on greater collaboration between schools and further education is not new. Ten years ago, the then Scottish Executive reported on "Building the Foundations of a Lifelong Learning Society—a review of collaboration between schools and further education colleges in Scotland", which called for taster courses, non-traditional national qualifications and access to after-school and evening classes at further education institutions as a pathway into colleges for senior school students.

However, here we are 10 years on and the Wood commission repeats calls for a renewed focus on colleges in the provision of further education and linking up with schools to deliver new pathways in learning.

Liz Smith: Does the member agree that Sir Ian Wood has also recognised the need for businesses, particularly small and medium-sized businesses, to take more of a lead and responsibility on taking on young people?

Ken Macintosh: That is a very good point but one that I do not have time to address fully in my speech. The determined to succeed programme was all about getting businesspeople into the classroom, and the growth in the importance of small businesses to our economy needs to be reflected in our schools. I entirely agree with Ms Smith's point.

The commission has noted in particular the importance of having a range of course options, not just full-time places. That flexibility is essential to support those already in part-time work to gain qualifications or to support people with additional support needs, for example, to access learning opportunities. No matter how consensual we would like to be on the subject of today's debate, it is impossible not to point out that the report's approach simply does not align with the Scottish Government's current actions. The Government's further education agenda has resulted in 120,000 fewer students at college, and it has meant spending £60 million getting rid of college lecturers and staff, and a halving of courses for people with additional support needs.

Michael Russell: I am sure that the member would not want inadvertently to misrepresent the report. I draw his attention to the bullet points on page 5. The first is on the curriculum for excellence, and the second refers to:

"The move to larger regional colleges with more focus on regional labour markets and a greater emphasis on employment outcomes."

The reason why that is mentioned is that it is described as one of the

"important drivers for change on which our recommendations can be built."

I think that it is important to point that out in the interests of fairness.

Ken Macintosh: I am trying to be consensual, so I hesitated to allow Mr Russell to intervene. I accept the point in the report, but I hope that Mr Russell and Ms Constance will accept that there are more than 100,000 fewer Scots going to college than there were just three years ago. The number of pupils with additional support needs who are now not going on to college is surely recognised by members across the chamber.

I am genuinely supportive of the Government for creating the commission and bringing the debate forward. A related issue is the financial support that is available to support learning in the further education sector.

The Deputy Presiding Officer: You are in your final minute, Mr Macintosh.

Ken Macintosh: The classic example is the student who works at Tesco and studies part time at college for a higher education degree, who will receive far less state support than the student who studies full time at university for the same degree but works part time at Tesco to earn income. The NUS makes that point. Support for college students does not have the same status as university student support. The former is discretionary and is provided on a first come, first served basis. If we want to make further education a genuinely attractive and accessible option, there needs to be greater certainty around the student support that we offer.

I want to make one final point. Recently, I had the chance to visit the British Airways maintenance operations at Glasgow airport. As well as being enjoyable, it was a useful visit because BA showed me how it engages with schoolchildren through the STEM subjects, encouraging particularly girls to look forward to a career in engineering. That type of collaborative work is vital as it fills in the gaps where teachers do not have the skills and experience to teach relevant subjects. There is further scope in the area to teach business and entrepreneurship, not as abstract subjects but as the practical tools that are needed to set up businesses.

I thank all those who have been involved in the commission and I look forward to the final report.

15:37

John Mason (Glasgow Shettleston) (SNP): The Parliament has previously debated the Finance Committee's report on employability, so we have discussed some of the issues before, but it is good to get a fresh angle on a number of them. Our young workforce is such an important area that we need to give it continual attention.

Recommendations 1 and 2 primarily focus on schools, which is good. Schools must be aware of the opportunities that are out there for young people later on in life, and it is useful to have employers going into schools. Teachers cannot know about all the opportunities, but it is still important that they are as up to date as possible.

The report seems to have a big emphasis on skills, but not so much emphasis on attitudes. I believe that attitude is important, and the Finance Committee heard that from employers. ASDA

emphasised that attitude is one of the key things that it looks for when it is recruiting. Yesterday, I visited a local engineering company in my constituency, which has had apprentices in recent years. It has had bad experiences with some, mainly because of poor attitudes, and it had to let them go, but its current apprentices seem to be doing well. I was also told about an employee in a senior position in the company who started 28 years ago with no qualifications, but his attitude was superb from the start and he has acquired the necessary skills along the way.

I was pleased to see at the end of the part of the report on schools mention of the importance of parents. We have sometimes underemphasised that. Parental influence can be both positive and negative. Many young people are strongly influenced by their parents, so if parents can be engaged in current job opportunities, their encouragement to think more widely can be extremely positive. However, it has to be said that some parents can have a negative influence. For example, a youngster might be encouraged at school to go on to college, but the reaction at home is, "Our family doesn't go to college." That kind of reaction is becoming less frequent, but sadly it still exists.

Recommendations 3 and 4 concentrate on colleges. I like the emphasis on the local economy, and I accept that that can be defined in different ways. When the Finance Committee went down to Dumfries to take evidence, Elaine Murray and I felt that there was a bit of a disconnect in that there were local opportunities in, for example, hospitality and tourism, but there was a lack of local training opportunities in those fields.

Recommendation 5 talks about the schools and colleges partnership. The transitional costs are mentioned. I think that there would be extra, one-off costs because some of the work has to be done earlier.

Kezia Dugdale: Like the member, I was intrigued by that particular aspect of the report. Does he recognise that, further on, the report states that those costs would be recouped from schools? Does that issue concern him?

John Mason: One of the points that I was going to make was about where the costs would come from, which is an issue. I did not see in the report exactly where they should come from. It specifically says that the Scottish Government, local authorities and colleges should work together, but I noticed that there was no mention of business involvement. That struck me as a little bit strange. The commission says elsewhere in the report that it wants business to be involved, but when it comes to meeting the costs, it does not seem to want business to be involved. The report specifically says that that would increase

productivity. I presume that that means that businesses would benefit, so it seems to me that consideration should be given to business contributing at that stage.

Recommendation 10 talks about

“young people at risk of disengaging from education”.

I thought that that part of the report was a bit weak. I accept that it is only an interim report, that other studies are referred to—for example, by the Smith group—and that there is little point in reinventing the wheel, but the only solid example that is given is activity agreements. I wondered whether we might have expected a bit more than that. The area is hugely important if we hope to help the most disadvantaged young people out of a cycle of several generations not working. Of course the individual has responsibility for herself or himself, but the best examples that we have heard about have often involved an adult putting a huge amount of time and effort into a young person's life.

Looking forward, I believe that we will get more about equalities, including disability, which I certainly welcome. The Equal Opportunities Committee recently did a report on women and work. The subject of girls moving into engineering and the STEM subjects in general has already been mentioned.

Inclusion Scotland is a bit critical of disability being considered later on; it thinks that it should have been included at this stage. That is perhaps a little bit unfair. The report is an interim one; it is work in progress. Disability is so important that it deserves a focus in the final report in its own right. I presume that the alternative was not to have an interim report at all.

The Deputy Presiding Officer: The member is in his final minute.

John Mason: Finally, I will make some general points.

The NUS briefing highlights the question of parity of esteem, which has already been mentioned. It is absolutely right. A real change of attitude is required among all of us.

Just the other week, I got my boiler replaced. I did that with some trepidation, as I knew that major work was needed, but I was hugely impressed, especially by the range of skills that the one-man business that did the work possessed. He did the gas, plumbing and electrical work, bricked up the hole in the wall, did the admin and paperwork and even hoovered up the mess at the end. I did not want a doctor, lawyer or accountant doing that work—indeed, I did not want anyone with a degree doing it. I wanted someone with the appropriate skills, training and attitude, and I was extremely pleased

by the result. As a society, we must learn to value all the skills that we have and need. Ranking people artificially will not benefit society as a whole or individuals.

We should very much welcome the interim report, and I look forward to what is still to come.

The Deputy Presiding Officer: I ask members to keep to their time.

15:43

Hanzala Malik (Glasgow) (Lab): I congratulate Jenny Marra on her new post. I am sure that she will do everything to support the Parliament to achieve its vision, and I wish her good luck with that.

I welcome the opportunity to speak about developing Scotland's young workforce and to comment on Sir Ian Wood's interim report. The commission is looking at ways of improving, from education to employment. I whole-heartedly agree that greater emphasis on vocational qualifications is important and that industry should have an input to what is taught to ensure that its needs are met. On a recent visit to Irvine with the Economy, Energy and Tourism Committee, we heard evidence from Barr Construction, which was eager to work with colleges to provide higher-quality industrial vocational training.

I believe that the Scottish Government is guilty of undervaluing vocational education and have serious concerns about how recommendations by the commission can be implemented, given the savage cuts to our college funding.

I feel that there is a large gap in youth employability and the skills needed to apply for jobs. I have a young constituent who was interested in applying for a place on the Commonwealth apprenticeship initiative to be a plumber. The application process was entirely online and the young man had great difficulty with doing it as he had no training to do so online. He did not have skills from school nor was his family in a position to support him. Just because a young person confidently uses social media and email does not mean that they have the skill to apply for a job or an apprenticeship online.

I would like to highlight an excellent example of youth employability in my constituency. Move On is a charity that runs FareShare and received a lottery grant to run the FareShare volunteering employment project, which helps vulnerable young people in Glasgow to make the transition from a care system or homelessness to stable adult life. It aims to run the project for over five years, to help young people. The participants help the FareShare Glasgow project. They learn transferable skills, build confidence, acquire

training, gain work experience, create curriculum vitae, for example, and have other opportunities.

To return to my original point, I am deeply concerned about colleges' ability to offer an employability focus on vocational courses due to the lack of resources. I continually remind the Government about the waiting lists for college places, but it does not seem to be in any rush to resolve the issue. Instead we make even greater demands on colleges.

Michael Russell: The last time the member raised this matter in the chamber, I encouraged him to write to me with details of his constituents who were on those waiting lists so that we could consider the issue that he raises. He has not yet done so. I encourage him again to do so. Only if he brings forward those names will we be able to find out whether those young people are genuinely waiting for a place or what the circumstance is. I make the offer again.

Hanzala Malik: I do not want to sound harsh but that is a little insulting. It is not just my constituents who are on waiting lists. If the cabinet secretary is serious about his portfolio all he has to do is to ask the colleges and they will advise him of the lists. I am happy to provide him with lists that I have received from colleges. It is quite shameful to suggest that the waiting list is only in my constituency.

It is more important to focus on employability. If my constituents cannot go to colleges, they cannot go to universities or get vocational training. That is quite important.

The issue for me is that I see long waiting lists for colleges but the Government does nothing about them. What are you doing about them? Why do you not create some sort of committee to deal with the issue? If you have got it wrong, just admit the fact that you have got it wrong and let us go and fix it. As for this idea of my giving you names—why should I have to give you names?—why can my constituents not simply go to the college and get a place?

The Deputy Presiding Officer: Final minute. The member should speak through the chair, please.

Hanzala Malik: I am hopeful about the report. It moves in the right direction and encourages us to do the right things. It has made us realise that we must work more and more with industry, which we have not done historically. That is a very good point to take on board.

I genuinely believe that we need to sit down with our colleges to come up with solutions to resolve this issue so that no one in our society is denied an opportunity for further education. The idea of people having to give other people names is

wrong. What we need to do is to resolve the problem, rather than name-pick.

15:49

Dennis Robertson (Aberdeenshire West) (SNP): Sometimes in the north-east we have an ability to understate achievement. With regard to Sir Ian Wood's interim report maybe I should say the local loon has done nae bad. That is quite a credit for a Doric loon. When I read the report's recommendations, I wondered whether Sir Ian Wood was looking at some of the work that was going on in the north-east.

In my constituency of Aberdeenshire West—I know that the Cabinet Secretary for Education and Lifelong Learning is very much aware of this—Westhill academy provides a module for our young secondary 2 students called your energy, your future, which is about providing information. Given that the north-east is obviously the European hub of excellence for oil and gas, and certainly for the subsea sector, we probably think that that is what the young students would be focused on. However, the module takes the curriculum for excellence to its intended pathways and looks at the infrastructure that is built around the whole energy sector. It tries to ensure that young men and women are looking to opportunities not just within the sector, in the North Sea, but in the infrastructure that supports the sector.

At one of the workshops that I was at, the young students made presentations to businesspeople looking at how they would engage across the whole sector. One young lad said, "Well, I'm deen this because I was asked to but I'm nae interested in oil—I want to be a chef." Absolutely. When it was put to him, "Do you think the sector requires chefs offshore?" he indicated that he had not considered that. Now, although we require chefs in our hospitality sector in the north-east, we also require chefs offshore, to support the men and women who work offshore. The experience made me wonder how many young people in school in the north-east think only about drilling and the messy side of stuff when they think about oil and gas. Maybe that is one of the reasons why young people, and young women in particular, do not get involved in the engineering sector.

When I was a member of the Equal Opportunities Committee, we undertook an inquiry into women and work and heard evidence on the matter. Perhaps some young women do not get involved in engineering because they have the idea that it is all about hard hats, oil and mess.

The model that I am talking about can be applied throughout Scotland. We need to align our education system to the need for skills in Scotland's areas and regions. The north-east is

perhaps an easy example. Unemployment is certainly very low.

During the Economy, Energy and Tourism Committee's visit to Heriot-Watt University, to launch our report on underemployment in Scotland, I talked to careers advisers. One of them said to me, "Overseas students at the university are engaging with careers advice here, but our home-grown youngsters are not doing so." I wondered why they had not resolved the problem. If they know that students are not engaging, have they tried to find out why? What are they doing to resolve the problem?

I take on board Jenny Marra's point about the need for careers advice at a much earlier stage. That is why I am so excited about the S2 module in Aberdeenshire, which is being rolled out in parts of Aberdeen city and gives young people a bigger, broader idea about the world of work. They have probably grown up with stereotypical ideas of what a policeman, firefighter, doctor or person in education is. We need to get beyond that and consider the skills that are required.

In recommendation 10, the commission talks about young people who are at risk of disengaging from education. I do not think that young people become disengaged; I think that they are just not interested in what is being taught to them at a particular time. We need to find out what sparks their interest. When we do that, we can channel them down. That is what CFE is about: finding the right pathway for our youngsters in education, through to college or university.

I endorse John Mason's comments. We should stop putting university education on a higher plateau than other sectors. It is not fair, it is not right and it is not equal.

15:55

Liam McArthur (Orkney Islands) (LD): I, too, welcome Jenny Marra back to a portfolio that has education and skills at the heart of it. I also welcome the fact that we are considering the emerging thoughts from the Wood commission. The establishment of the commission was a positive move, which has already been rewarded with some sensible, cogent recommendations, which I think can be taken forward on a cross-party basis. I add my thanks to those of others to Sir Ian Wood and his colleagues for the valuable work that they have done to date, and I look forward to what emerges from the next stage of their deliberations.

On the idea of the summit that the minister mentioned earlier, it might merit waiting until we can consider Sir Ian's recommendations in the round. I say that partly because we are often tempted, for the best of motives, to push through

programmes and initiatives in the hope that the private sector will respond, whereas we need to ensure that the pull from business works in tandem with the push from the public and voluntary sectors. Nevertheless, I welcome and accept the invitation from the minister and Sir Ian to engage on a cross-party basis in taking the work forward.

I wish to touch on a few of the points that have been raised in the interim report. Not surprisingly, modern apprenticeships are front and centre. They are subject to four separate recommendations: on the need for greater alignment with the skills that are required to support economic growth; on developing higher-level apprenticeships; on quality improvement; and on increasing numbers, albeit not at the expense of quality. All of those are sensible recommendations. They address some of the issues that have already been raised with us at the Education and Culture Committee. I refer in particular to the discussions around the need to broaden and expand the pool of Scottish companies involved in the apprenticeship programme. The proportion of companies that are involved north of the border is slightly lower than that south of the border. I know that there are reasons for that—the comparison is not straightforward—but it appeared to be a weakness that SDS agreed required addressing.

The cabinet secretary was at the Education and Culture Committee this morning.

Angela Constance: I appreciate the tone and tenor of Mr McArthur's speech. Would he accept that if we consider the proportion of employers who recruit young people under the age of 25, Scotland outperforms the rest of the UK by a few points? We can unite on the point that we need to encourage more employers to recruit young people directly from education. When we speak to those who do that, we find that they accept that young people make a very worthy contribution to the workplace.

Liam McArthur: That is a helpful contribution. I was going to go on to mention that the cabinet secretary was speaking at committee this morning about evangelising about the programmes and support that are available. In that spirit, the announcement by the UK Government of a £2,000 national insurance rebate from next April provides just such an opportunity to capitalise on what might be done to improve the situation.

I was struck by the use of case studies in the interim report to highlight different approaches in different parts of the country. For me, the example of Sophie Turner was conspicuous by its absence. She was recently awarded a four-year apprenticeship as a stonemason at St Magnus cathedral, supported by Orkney Islands Council, the Construction Industry Training Board and

Historic Scotland. That is a phenomenal opportunity to work alongside Colin Watson, the current stonemason, in a unique and iconic building, the light of the north. That is just the sort of innovation and creativity in the apprenticeship programme that needs to be supported.

St Magnus cathedral was also the location, 10 days ago, for the Orkney College/University of the Highlands and Islands graduation ceremony. Although we were denied a screening of the cabinet secretary's video, we were privileged to see an array of different talents paraded before us and the range of skills that are now delivered locally in the islands, not least in the construction sector.

It bears reflection, however, that the construction sector has been highlighting problems with procurement legislation, which is denying firms the opportunity to expand the range of apprenticeships that may be available. I received an email from the local Scottish Building Federation representative in Orkney, which said:

"Orkney College's blockwork and carpentry departments should have been bursting at the seams over the past few years with a massive intake of students all employed on the biggest capital investment in Orkney for generations"—

referring to the schools building programme. I understand, however, that only two apprentices were taken on through that programme, and that neither of them will see out their apprenticeships in Orkney. There is work to be done regarding procurement.

Like other colleagues, I very much welcome the recommendations that Sir Ian Wood's interim report makes on STEM subjects. He is absolutely right that a high level of skills and knowledge in science, technology, engineering and maths will be increasingly important in the years ahead, so Sir Ian's observations in that regard are particularly welcome. I agree whole-heartedly that the STEM subjects should sit at the heart of the development of Scotland's young workforce.

Dennis Robertson: Will the member take an intervention?

Liam McArthur: I have no time, I am afraid.

The Deputy Presiding Officer (John Scott): The member is in his last minute.

Liam McArthur: Intuitively, I am not in favour of ring fencing, but if we are serious about promoting STEM subjects within the modern apprenticeships programme, some form of protection within the budget and vigorous promotion within the overall programme will be needed. I echo the comments of Ken Macintosh and Clare Adamson on the need to address the lack of women in STEM professions. I hope that Sir Ian's report gives us an opportunity to give an impetus to that.

College funding is critical to the development of the skills of our young people, so I was pleased to see the firm recommendation on the need for greater partnership between our colleges and schools. Development of vocational skills pathways is fundamentally important and, as Sir Ian makes clear, that cannot be done on the cheap. He talks about the increased demand for national certificates, higher national certificates and higher national diplomas—in other words, our colleges need to be adequately funded. We have argued with partial success against some of the proposed college cuts, but further cuts will place stress on the colleges' ability to deliver. We need to resource our colleges properly so that they can not just fulfil their role in providing genuine lifelong learning but play a full part in developing Scotland's young workforce.

The Deputy Presiding Officer: You must close.

Liam McArthur: I welcome today's debate, congratulate Sir Ian on the work that has been carried out to date and look forward to taking forward these discussions.

16:01

Kevin Stewart (Aberdeen Central) (SNP): I welcome the interim report from Sir Ian Wood's commission and I am glad that we have the opportunity to debate it today.

On "Good Morning Scotland" on 5 October, when asked about the impact of Tory plans to remove benefits from under-25s, Jim Sweeney of YouthLink Scotland said:

"young people are individuals and each individual has a story to tell. Each individual, in a sense, needs some help and support that is critical to them in their situation rather than blanket coverage and blanket bans. It creates a very negative image of young people. I think that that is what really annoys, certainly, folk that work with young people on a day-to-day basis ... We spend our lives working with young people and we are absolutely astounded at their resilience in general terms, given what the world throws at them. We feel that there should be a much more positive message about our young people. They are an asset to the country, not a liability."

I agree whole-heartedly that young people are an asset to us.

As the minister did at the beginning of the debate, I too want to relate a story from my time at school. I always remember a maths teacher saying about one individual pupil—let us call him John—that he was absolutely useless at maths and should spend all his time in the technical department. The guy was particularly good at designing and making things of value. What the teacher forgot was that the guy used maths skills to design those items and used maths to create the things that he made. It is a difficulty that I think

we still have, that many people do not see the strength and the opportunity in others.

The minister stated that she wants to see opportunity gaps eradicated. I want to see opportunities seized and strengthened in every area in school, college, university and at home—which is also extremely important.

As many colleagues do, I think that bringing employers closer to the workplace is absolutely vital. We have good examples from across the country, but we need to ensure that best practice is carried out everywhere. Sir Ian Wood's report has 11 pages of good practice, but I wonder how much of it is being looked at in depth by people in other areas, and whether others are following suit. All too often, we do not talk about the good things that are going on and we do not ensure that they are exported throughout the country. In some regards, a dose of common sense is required. Members have heard me talk time and again about gumption; if gumption is brought into play, that will make it much easier to achieve our goals.

Clare Adamson talked about bringing women into science. As Dennis Robertson said, engineering and technology sometimes do not have the right image. However, in recent times I have been greatly encouraged by the number of women who are being brought into life sciences. Science is a broad, broad spectrum; technology is a broad, broad spectrum; and engineering is a broad, broad spectrum, so we should be telling people much more about the opportunities.

Kezia Dugdale: Will Kevin Stewart give way on that point?

Kevin Stewart: I am sorry, but I do not have time.

As Dennis Robertson said, we sometimes stereotype careers. We have to go beyond that stereotyping and tell folk what the actual opportunities are.

One thing that I am a little disappointed about is that the report does not deal with work for people with disabilities—in particular folks with learning disabilities—although I am sure that the issue will feature in the follow-up work. The minister has taken a great interest in the work of organisations such as Values Into Action Scotland, whose young Scotland's got talent programme has helped many people into work. Much more can be done on that front. The report says that we have to show employers that they need to take an active part in the work and that they should not just passively look on. In relation to the learning disability aspect, we must show employers that they have a lot to gain from employing people with special needs.

16:07

Gavin Brown (Lothian) (Con): As other members have done, I welcome the interim report, which was led by a highly regarded industry figure with very credible members alongside him, using a range of consultees, as is obvious from the list at the end of the report. There is much to be commended in the report, but I want to focus on one specific aspect that the commission will explicitly look at in the second half of its work. It is an area where there is a genuine weak point in the system. It has been pointed out by others over a period of years, but it remains a weak point. It is a weak point across the United Kingdom and not just in Scotland, and it has existed under several Governments—not only the current one. The issue is employer engagement and, in particular, engagement of small and medium-sized enterprises, which make up the backbone of the Scottish economy.

At page 2, the commission states that it intends to

“explore how more employers can be encouraged to employ young people as they come out of education.”

That is of course to be welcomed. However, at page 20, the report states:

“The Commission recognises that smaller employers will struggle with some of this agenda and we must maximise the extent to which various approaches are SME friendly”.

We have heard such words countless times, but given who is on the commission and who leads it, it perhaps has a unique opportunity genuinely to do something about the weakness in the system. We are not good at engaging with SMEs, and the consequence of doing that better could be terrific not just for the young people and SMEs, but for the economy of Scotland as a whole, in the longer term. Our building of relationships with employers is a significant hurdle. They take time to develop, but it is worth investing the time to do so.

To me, the entire argument was encapsulated by an encounter that I had during a workshop that I attended in Dundee as part of the Finance Committee inquiry. I spoke to a lady who described herself as head of human resources for the business that she ran. However, she also described herself as a director of the business and as head of procurement for it. She was also in charge of cleaning its office and was sometimes a delivery driver for it. That lady did just about everything there was for that business to do, and said quite bluntly that although she would love to take on one or two more young people, she simply did not have the time to find and locate them. She put it as bluntly as it can be put: “If it's straightforward to take on a young person, I'll do it. If it's complex, I probably won't.” We have heard that from businesses up and down the country—especially from smaller businesses that do not

have a dedicated HR director and which find it difficult to send somebody along to a meeting and to be proactive.

Angela Constance: The Government takes Mr Brown's point. One of the reasons why we set up the youth employment Scotland fund was to reflect the fact that small businesses in particular do not necessarily have HR expertise. That is reflected in how the fund is used across local authority areas to enable the scaling up of local wage-incentive schemes. Part of that is making it easier for small employers in particular.

Gavin Brown: I am grateful for that intervention and take the minister's point on that initiative. However, employer engagement has to be deeply embedded in every initiative that we implement—not only in youth employment but in employment schemes more generally. It cannot be something on which we focus once and on which we then turn our backs; it must be at the heart of the design and implementation of the process so that companies and smaller businesses buy into it.

One of the reasons why the SME community is not as engaged as we would all like it to be is the simple fact that those people are extremely busy running their businesses, making a living and keeping their heads above water. It is hard for state agencies to engage with smaller businesses; it is time consuming for SMEs. If there were easy answers, I suspect that we would have found and implemented them all by now.

For example, it is easier to set up a website than it is for a member of an agency to pound the pavement and go into every shop on a particular street telling businesses what the agency can do, and trying to sneak a couple of minutes with the owner or manager of each business. That might not pay dividends in the short term, but it does in the medium to long term.

In the recent skills pulse survey by the Scottish Chambers of Commerce, which is published on the SDS website, the reasons that businesses gave for non-participation are as follows: 36 per cent say that they are not sure which programmes or schemes are relevant to their organisation; 26 per cent say that they are not aware of any employment or skills-related programmes; and 16 per cent say that they do not know how to access Government programmes and schemes. I do not make the point to get an instant response from the Government. It is the responsibility of all political parties in the chamber, of the Government and of industry. However, if we get it right, the prize—the commission focuses heavily on it—is a big one for young people, businesses and the economy of Scotland.

16:13

George Adam (Paisley) (SNP): I welcome the interim report, the debate and its consensual tone. I will do my best to continue that tone—some might say that that would be to change the habit of a lifetime—because it means too much to us all. As Gavin Brown rightly stated, the prize is to ensure that we create a future for our young people.

Some of the things that have been mentioned in the report are extremely important. It highlights that

“in 21st century Scotland, both academic and vocational education are critically important and we need to develop high quality vocational education leading to industry relevant qualifications alongside academic studies.”

Much of that has been discussed in this debate. It is about ensuring that the young person goes through a joined-up process.

The report acknowledges that

“a number of important changes”

are already under way, including the curriculum for excellence, which is developing broader skills in schools. It also cites

“the move to larger regional colleges with more focus on regional labour markets and a greater emphasis on employment outcomes”

and the 25,000 people a year who are employed in modern apprenticeships.

The report also acknowledges that things are moving forward and that the Scottish Government is ensuring that our young people gain knowledge in sustainable vocations and have a foundation for their future, such that they can live the life that they want.

The minister mentioned many of the successes that have been achieved. As members keep saying, this is not the end of the journey, but the beginning. The minister is one of the only youth employment ministers in Europe and she has made great progress in her time in the post. We have to keep things moving forward, and the report will help with that.

Kevin Stewart said that we do not often mention good practice and good news. That is true. We have to be positive—there are a lot of things out there. Given the challenges that we face, it is too easy to talk about the difficulties.

The report talks about some of the positive aspects. It just so happens that the two that I will mention are in Paisley. Mr Brown suggested that SMEs could work with young people. Renfrewshire Chamber of Commerce is working with the local education department in a partnership agreement with member businesses, which has been extremely successful locally. It is

mentioned in the interim report as good practice and as something that we could consider more widely. I take on board what Kevin Stewart said; sometimes we have to talk about such examples so that they get used elsewhere.

Another thing that is happening in my area and which is mentioned in the report is West College Scotland's work placement for learners with additional support needs. The report says:

"Young people with additional support needs are supported by West College Scotland through work experience. The students are given maximum support to enable them to make choices and to participate in meaningful placements, and challenging learning and teaching with a strong focus on developing skills for life and work."

That is extremely important.

Kezia Dugdale: I have my own little Paisley statistic here. I wonder whether George Adam thinks that it is good news that there are 150 fewer young people and 837 fewer women at Reid Kerr College than there were five years ago.

George Adam: The most important thing is that we deal with the situation that we have in hand and move things forward. West College Scotland is doing an extremely good job in its area to try to develop things; I would not listen to anyone who was trying to talk it down.

When the cabinet secretary visited the college he saw a plumbing course that is part of the modern apprenticeship scheme. It was so involving that not only were the young people being taught to be plumbers, but were making, when there were materials left, art projects. The cabinet secretary may be getting a delivery of one of the art projects that he saw—its theme was "What does Scotland mean to you?" It just shows the difference that can be made when people are encouraged to think and not just to learn a trade.

The idea behind curriculum for excellence is to think everything through. It is not just a box-ticking exercise, but is about people being able to show what they can offer and achieve. Those are the exciting, dynamic things that are making a difference in our communities.

The commission recommends building on the success of the Scottish Government's strengthening and reform of further education. Some of the things that I have mentioned have highlighted that. Scotland's modern apprenticeship scheme has delivered 25,691 modern apprenticeship starts in 2012-13, and the Government has offered to deliver at least 25,000 modern apprenticeship starts a year in this session. Those are good things. The Government is moving things forward.

At today's Education and Culture Committee, the cabinet secretary mentioned the lost

generation of years gone by. He was polite and gentle about it, but I do not want to go back to the dim and dark days of Thatcherism, when we had that lost generation.

I welcome the interim report and some of the recommendations on how we can move things forward. The Government has done so much, but we must all work together, stay focused and ensure that we can achieve the outcomes for young people.

16:20

Margaret McCulloch (Central Scotland) (Lab): In opening my remarks, I thought that it would be helpful to consider the words of the chair of the commission, Sir Ian Wood, who said:

"We all understand the value of Scotland's higher education system, but we now need to significantly enhance our vocational system—how we prepare our young people as they progress through to college, apprenticeships and employment."

I want to talk about how we can develop vocational education, close the gaps in employability provision and achieve parity with higher education. We have to challenge what the report describes as an

"ingrained and frankly ill-informed culture that somehow vocational education is an inferior option".

In my opinion, we will achieve that by mainstreaming the very best practice and developing vocational education and training that is relevant both to the needs of the economy and to the needs of young people.

First, I want to speak briefly about colleges and apprenticeships. The case for college regionalisation has been debated time and again in this chamber. We were told that it would lead to greater emphasis on job outcomes and regional labour markets. Let me be clear: I am not opposed to reform of the college sector in principle. I am, however, extremely concerned about the Government's tendency to reduce college budgets at a time when the sector is changing so dramatically and when further education and training have never been more important.

On apprenticeships, we have a good model in Scotland, but some of the feedback to the commission has indicated that more starts are required. I have said before and I will say again that we need to think carefully about how we increase the number of apprenticeships while preserving their quality. I therefore take some encouragement from the commission's recommendations that modern apprenticeships should be geared towards supporting growth, and that we should be prepared to expand the number of MA starts accordingly, if we have buy-in from employers.

In producing its interim report, the commission looked at examples of best practice from all across Scotland. I want to draw Parliament's attention to three from my area from which we can learn. First, the commission observes that the in-school delivery of vocational education in North Lanarkshire, as part of a mainstream comprehensive education, has been recognised at both national and international level. In practice, that has involved partnership with the college sector and adaptations to school facilities in order to create an environment for young people that more resembles a workplace, but which remains based in the school. North Lanarkshire Council has provided a great example of how vocational education can be integrated into a normal school week—one from which other local authorities and schools can learn.

Secondly, I want to highlight the work of Calderglen high school in East Kilbride, South Lanarkshire. The commission singled out Calderglen because of the inspection report that it received in December, in which staff, pupils, the school community and its partners were widely praised. The quality and range of partnerships that the school has forged in the community are said to

"provide inspirational learning experiences for young people."

Its partnership with local employers—including Santander, the Optical Factory and the Scottish universities environmental research centre—was just one of the reasons why Calderglen high school became the first school in Scotland to have its curriculum evaluated as being excellent under the new curriculum for excellence standards.

Thirdly, I want to draw Parliament's attention to the work of the Prince's Trust and its get into programme, which is cited as an example of an initiative to support young people who are at risk of disengaging from education. On Friday, I had the pleasure of presenting graduates of the get into logistics programme with their certificates at the Cruthers House hotel in East Kilbride. Seven young men and one young woman had just successfully gone through a short vocational course that was focused on developing their skills for logistics, with the involvement of a leading industry partner. All of them were offered warehouse jobs at the DHL-Sainsbury's site in East Kilbride as a result.

The programme is not just for logistics; there are more than 30 programmes across a range of sectors including retail, construction and hospitality. The get into programme is successful because it works with industry to produce sector-specific training, which gives young people work experience that is relevant and gives employers a better-skilled and more job-ready pool of potential applicants.

Those examples demonstrate that real partnerships with employers, colleges and training providers can make vocational training more relevant and engaging. Ultimately, that can lead to improved outcomes for young people. Rolling out such best practice could not only close some of the gaps in provision that were identified by people who responded to the commission—particularly the mismatch of supply and demand, but the better outcomes could also help us to elevate the status of vocational education.

Opportunities to work and train will always be more plentiful in a growing economy. Let us make the most of this opportunity to improve employability in Scotland, although we should remember that the real prize is not attainment for all, but an economy that works for all. That kind of economy must be based on full employment.

16:25

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Scotland's young workforce has the future of the country in its hands. That may be a bit of a cliché, but I am the mother of a young man who has benefited from an apprenticeship and I can see that his future is rosy. Young people have the potential to be major economic contributors in developing a fairer, more prosperous and more caring society—working for the common weal, if you will.

The school, college and university leavers of today have the opportunity to move away from the restrictions brought about by a Westminster government that has little understanding of the challenges that they face and, it seems, even less commitment to doing anything to help our young people tackle and equip themselves to meet those challenges.

We know that university is not necessarily the best path for everyone. Employers want young people who understand the importance of basic skills such as team working, respect for colleagues, being able to communicate effectively, understanding the digital economy, and all the essential work skills that go with the responsibility of just having a job in the first place. Those skills for the job will be absorbed because the individual will be well placed to have the commitment to deliver for his or her employer, because that employer has invested in them.

Young people recognise that and organisations such as Young Scot and Skills Development Scotland and tools such as the my world of work website are striving to help match employment and apprenticeship opportunities with those basic skills to work.

That we now have 25,000-plus apprenticeship opportunities every year for the duration of this

parliamentary session and the increased certainty of a job on completion must be recognised as a major step forward.

The Wood report consultation examines how best we now need to develop our skills base. We know that, as a Government, we can provide the best possible opportunities to significantly enhance vocational education and pathways for young people in schools through partnerships with third-level institutions.

In my previous employment I was a social work learning and development officer and I took people from having no qualifications all the way through to the target of having a social work degree. To see people blossom in that way is absolutely amazing. I place a lot of value on vocational education.

Sir Ian Wood sees clearly how we need to shed the notion that if you have not gone to university, you are somehow less valuable. We know that that is not true, but that culture runs through many countries and is far from being a Scotland-only issue. We still fail to recognise that different people with different kinds of skills require different paths to progress. They are not better or worse paths—they are just different.

Across the UK as a whole, between May and July this year the unemployment rate for those aged 16 to 24 was running at 21.7 per cent and 960,000 young people were unemployed—up 9,000 on the previous quarter. Worse still, 1.7 million 18 to 24-year-olds were economically inactive—NEETs as they have disparagingly become known: not in employment, education or training. That was an increase of 58,000 on the previous quarter and 65,000 higher than in the same period last year. The overall unemployment rate in the UK for 18 to 24-year-olds is 18.9 per cent, but for 16 and 17-year-olds the rate is 38 per cent.

Scottish unemployment has fallen for several months in a row. Youth unemployment remains too high—we have recognised that here today—although it has decreased by 2.7 per cent over the last year and currently stands at 21.6 per cent. The Scottish Government is making an impact and employment here is higher than in any of the other three UK nations, while unemployment is lower than in any of the other three: 57.2 per cent of our young people are employed, against 49.8 per cent in the UK as a whole.

If that is the big vision, what about the local one? The trouble with UK-wide statistics—including those that I just gave, which the House of Commons library produced—is that they never tell the whole story. They give no indication of what life is like for someone who is 17 and unemployed and cannot see a future for themselves.

In South Lanarkshire, there is a range of support and guidance options that are backed by the Scottish Government and the EU, such as the youth employment Scotland fund and the South Lanarkshire jobs fund, the remit of which is to match employers to young unemployed people—we have heard a lot about how important that is. In June, £800,000 of the £90 million Scottish Government investment package went to South Lanarkshire Council to support 250 jobs for our young people.

The unemployment rate among young people runs at 10 per cent, which is a lot lower than the UK average, although it is still too high. I see the challenges that those young people face every day. I have had job fairs across my constituency to remedy and tackle some of the challenges. Such young people are not lazy, uncaring or without ambition—far from it. David Cameron might want to dress them in high-visibility jackets, label their activity as community payback and then deny them jobseekers allowance, but those young people have determination. There is no school or training organisation that any of us has gone into where we have not seen determination and commitment from the young people.

Marrying the needs of employers to the available workforce is a two-way process, as Sir Ian Wood recognises. Through his consultation, we have a clearer picture of the positive factors, which concern the overall nature and value of the provision to the young workforce; ways of working; the roles of and role modelling with particular stakeholders; and the forms of provision that work best. One size does not fit all—that can never be the case—but the Government is doing what it can to bridge the gaps.

In Lanarkshire, we have suffered the ravages of the blind dismantling of once vibrant industries. Now we need to work even harder to bring in jobs and investment and to ensure that we have the right structures in place for young people to get the training and advice that they need to get into work.

We are moving in the right direction. Now we need to accelerate the action and invest further in young people. I look forward to Sir Ian Wood's final report.

16:31

Richard Baker (North East Scotland) (Lab):

This is a welcome debate on an important report. In its focus on dealing with the long-term challenges of youth employment, the report highlights the fact that there are no quick fixes to achieve the skilled economy that we aspire to create or to achieve the growth levels that we want

in our economy, which will offer our young people more employment opportunities.

Throughout the debate, members have, rightly, highlighted commission recommendations that will, if implemented, deliver an education system with better outcomes for many of our young people. It is also interesting and healthy that a number of members have identified areas in which the commission might do more work to develop its thinking and that they have challenged the commission. It is good that the Parliament has had the opportunity to provide food for thought for the commission in the debate and to say why it is good that the commission published an interim report.

I am particularly interested in what the commission says about the relationship between the business community and our education system. It says that businesses are no longer simply consumers of education—a number of members have talked about that. Businesses often complain that the current system does not deliver people with the skills that businesses say that they need. Instead of complaining, it is much better for businesses to engage more meaningfully with our schools, colleges and universities. On that, I am sure that the commission will have benefited considerably from the chairmanship of Sir Ian Wood and his knowledge of such matters, which he developed during his phenomenal career in the energy industry.

As a member for the north-east, I am very much aware of the employment opportunities for young people in the energy industry and particularly in the oil and gas sector. A recent PricewaterhouseCoopers report said that the industry needs to recruit and train more than 120,000 people in the next 10 to 15 years to capitalise fully on existing and future opportunities in the industry. What is for sure is that local businesses tell us that they are crying out for more skilled workers now.

In the past few years, there have been positive developments in the relationships between businesses and the academic institutions of the north-east. The commission recommends that businesses should engage with education institutions in a way that they have not done before. In the energy industry, the commission has a receptive audience for that point. Dennis Robertson pointed to examples in his constituency of such work, which is going on in a number of areas throughout the north-east. There can be no better time for the Scottish Government to help to foster such links through its work.

The success of Aberdeen College's oil and gas training arm—Aberdeen Skills and Enterprise Training, or ASET—shows the potential that exists. It is clear that there is no shortage of

demand within industry for the young people who attain skills through that training, nor a shortage of demand among young people to take up those places. Not to offer more opportunities such as those at ASET means young people missing out on opportunities for work and continuing acute challenges for our businesses in recruiting the skilled workers that they need. We must all hope that that situation does not pertain in the future. When I refer to opportunities in this context, I am talking about opportunities for young people in not just my region, but other parts of Scotland where youth unemployment problems are even greater. We must think laterally about how we can get more young people in other parts of the country to benefit from those opportunities as well.

That is why it is essential that ministers back the ambitions of the report by investing in further education, as our amendment highlights—I am pleased that it has been accepted. It is welcome that the Scottish Government is investing in the energy activities of the north-east institutions through its energy academy. That is very welcome investment. However, the problem, as other members have said, is that ministers are giving with one hand but taking away with the other as they cut millions of pounds from the budgets of our local colleges in the north-east. That approach will have to change if the ambitions that have been correctly laid out in the report are to be achieved. I hope that the ministers' welcome intention to support the proposals that have been put forward by the commission will be backed by action to ensure that, in the future, our colleges have the support that they need to give our young people the life chances that they deserve.

A number of members have talked about the need to share best practice, mentioning the report's references to support for our young people who are at risk of disengaging from education. I hope that the commission will look to the north-east, where there are examples of best practice. I urge it to consider the success of some of the most innovative schemes in the area such as the work of the Station House Media Unit in Aberdeen, which has achieved great success in bringing young people out from areas where they would not consider having the opportunity to go into employment, or be willing to do so, and transforming their opportunities and their whole approach.

I look forward to debating the commission's final report, which I am sure will make more positive recommendations to promote employment opportunities for our young people. There is no doubt that those opportunities exist in the north-east. With the right support from Government, many more of our young people will be able to take up those chances, which will benefit them as

individuals and will also hugely benefit the wider Scottish economy.

16:37

Mary Scanlon (Highlands and Islands) (Con):

It has been an excellent debate with many interesting speeches from across the chamber based on an excellent interim report from Sir Ian Wood. There is absolutely no doubt of the commitment on all sides of the chamber to the placing of more emphasis on vocational training in the future. However, as our amendment states, we cannot ignore the cuts to further education budgets because it is in further education that much of the success of the policy will be achieved. Not only has there been a fall of £69 million in colleges' teaching budgets in the two years from 2010 to 2012; there has also been a fall of 140,000 in the number of part-time students between 2007 and 2012.

Dennis Robertson: The member says that further education is the pathway, but is education in school not the pathway on which the young person will decide where their future lies, whether that be college, university or some other path?

Mary Scanlon: Yes, absolutely. That is made clear in the report. That is why I said that it is in further education that "much" of the success of the policy will be achieved. Nonetheless, I thank the member for his intervention.

NUS Scotland makes the point that the Wood reforms will fall on colleges to implement, and they are more than capable of doing that. However, with two years of change, regionalisation and mergers alongside reduced budgets and constantly being asked to do more with less, there is no doubt that colleges will find implementing those reforms challenging. The report also states:

"There could be some additional college costs for a good news reason ... with the vocational pathway beginning in fourth year school"

and more national certificate, higher national certificate and higher national diploma qualifications.

Of course, those qualifications need not be the end of studying, as they can be used to bypass first year at university through a straight articulation into second year. Recommendation 5 also mentions—this is on page 13 of the report—the

"potential for reducing existing costs in the senior phase at school",

to which Kezia Dugdale referred.

The better alignment of college courses with labour market demands, the building of work experience into courses and the provision of

support for students to seek employment are all welcome elements of the Wood report. If they are implemented in full—as I hope they will be—they will transform the lives of many young people and hugely reduce youth unemployment.

Of course, that can be achieved locally, but it is disappointing that the Wood report points out that

"To date the growth has been across the labour market at a range of job levels with only limited specific focus on the key sectors identified within the Government Economic Strategy."

While it is right that we expect colleges and schools to identify labour demand, it is also right that we should expect the Government to ensure that its goals and strategy are used to target modern apprenticeships more actively, as job prospects will understandably be greater in areas of future economic growth.

Recommendation 12 highlights that

"Most employers don't recruit directly from the world of education".

That reminded me of a student at Perth College, where I used to lecture, who successfully completed a national certificate, a higher national certificate and a higher national diploma in accounting to get a job in the local bank. His friend, who left school at the same time, was employed by the bank for two years as part of Mrs Thatcher's youth opportunities programme and was then given a full-time contract. Despite the different pathways that the two friends took, when the college student left with his HND to get a job in the bank—members are probably ahead of me—his line manager turned out to be his friend who did the YOP scheme and who had also managed to pass some of his banking exams. Going straight from school into work certainly helped in that case and, as other members have said, it has helped in many other cases.

I would like to highlight the partnership between Highland Council and Inverness College, the number of applicants to which is generally higher than the number of places that are available. From the age of 14, pupils can apply to go to college on Fridays to find out more about courses. Study for Scottish vocational qualification level 4 is possible in many disciplines, such as childcare, construction, car mechanics, fabrication and welding, professional cookery, hairdressing, and uniformed and emergency services. I was pleased to hear that those courses—which are generally called skills for work courses—run from August to May. There is also the get ahead programme for Christmas school leavers, who go to college two days a week from September to December to do taster courses to help them decide what they want to do. That demonstrates that, although a lot of best practice is mentioned at the back of the Wood

report, there is a great deal of good practice that is not mentioned. I add that the college has excellent links with industry. In many cases, a local garage will phone it up to ask whether it has any decent mechanics coming through, and the college will help to place them.

The college environment is essential for some students. Working in their kitchen whites alongside people who have experience in the hospitality industry—

The Deputy Presiding Officer: Will you please close?

Mary Scanlon: I hope that Sir Ian Wood's report will not be ignored. It is 12 years since our amendment on pupil access to colleges was overwhelmingly supported, and I hope that we will make similar progress today.

16:44

Kezia Dugdale (Lothian) (Lab): Like other members, I thank Ian Wood for his extremely positive report, which has received a broad welcome across the chamber.

I very much appreciated having the opportunity to contribute to the report. I and Johann Lamont sat down with Ian Wood and his team for a good hour—poor guy. I am particularly pleased that so much of what Johann Lamont and I had to say has been replicated in the report.

Although the motion does not refer to them, there are significant sections in the report on the modern apprenticeship programme, to which George Adam and Margaret McCulloch referred. It is good to see much of what the Labour Party has articulated on the modern apprenticeships agenda over the past 18 months replicated in those sections.

We kept saying that the Government would have to do more than just obsess about the figure of 25,000 modern apprenticeships. The Government is obsessed with the numbers and is not so concerned about what the numbers look like and where they come from. The Government is willing to encourage people who are already in work to take up modern apprenticeships, and it has a high proportion of level 2 modern apprenticeships, which take only a short time to study.

Clare Adamson: Will the member take an intervention?

Kezia Dugdale: I am sorry, but I want to make a wee bit more progress. I will let Ms Adamson in in a wee bit.

I was particularly amused by a paragraph on page 13 of the report. The cabinet secretary, Mike

Russell, was keen to have line-by-line references, so I will read out some of that paragraph:

"Now that it has been established that a higher number of employed apprenticeships can be sustained, Modern Apprenticeships in Scotland are at an important stage in their development. Alignment with the opportunities of economic growth, the creation of progression routes, quality improvement and increasing the number of employers offering Modern Apprenticeships are all key elements to their further development."

That suggests to me that those factors were completely irrelevant until now and that it was only the 25,000 figure that the Government was interested in delivering.

The report goes on to make three recommendations on modern apprenticeships, which I will go through in turn. The first is to match modern apprenticeships more with the skills needs of the economy. The report states that in that regard there has been

"only limited ... focus on the key sectors identified within the Government Economic Strategy."

The report goes on to say that the modern apprenticeships programme should

"more actively target ... economic growth".

The second of the recommendations on modern apprenticeships is that they should focus on level 3 courses and above. The report states:

"In future there should be more focus on Modern Apprenticeships at level 3 and above, with more higher level frameworks being encouraged in line with the move toward ... higher skills across the economy."

I have said to Angela Constance many times that 11,000 of the 25,000 modern apprenticeships that she was delivering were for level 2 courses, so I am pleased to see the Scottish Government recognising now that more level 3 courses are required.

The final recommendation on modern apprenticeships is on their status.

Angela Constance: The Government takes very seriously, for a host of reasons, the Wood commission's recommendations. Will Ms Dugdale acknowledge the importance to the apprenticeship programme of employed status and the fact that it is employer led, and that we now need to work out how we retain the employer-led element and meet the needs of the growing economy? For clarity, I hope that Ms Dugdale is not suggesting that we remove support from all 16 to 24-year-olds. In the current framework every 16 to 24-year-old gets support and a contribution from the Government.

Kezia Dugdale: That is a far cry from what I am saying. The third recommendation on modern apprenticeships tells the minister that she needs to look at valuing the status of modern apprenticeships differently. That is the point that I

am making, because 11,000 of the modern apprenticeships take only six months to complete. If we stopped somebody in the street and asked them what they think a modern apprenticeship is, they would probably say that they view it as a three or four-year commitment to a course. That is something that the Wood report recognises.

To return to the issue of economic growth, I was pleased to hear so many members comment on the need to address STEM subjects. Angela Constance said that she was particularly interested in that, and Clare Adamson referred to it a great deal in her speech. However, the Government's record in that area is not particularly good. In 2008-09, there were 43,000 FE awards in STEM subjects, but the figure for last year was 30,000, which is a fall of 13,000.

It is even more interesting to look at the gender breakdown for those courses. That shows that 97 per cent of engineering modern apprenticeship frameworks were undertaken by men, so there is a huge mountain to climb if we are going to achieve greater parity in that. We can compare that with health and social care modern apprenticeships, of which only 15.6 per cent were undertaken by men. There is a huge disparity in the figures that clearly needs to be addressed.

I am pleased to see that the Wood report recommends a ring fence around STEM subject modern apprenticeships.

Dennis Robertson: Will the member give way?

Kezia Dugdale: I am sorry, but I need to continue on this point.

On the ring fencing, I wonder whether the Government would consider going further and having a gender quota for its modern apprenticeships STEM framework. If the Government is going to commit to, say, 500 modern apprenticeships in the STEM framework, could 250 of those be for women? Will the minister be so bold as to say that the Government will take on the gender segregation in the STEM subjects and tackle it head on with a serious quota? That is a positive suggestion from the Labour benches.

Liz Smith stated that there was a disparity in the report around what it would cost to make the recommended changes. I felt that she was unfairly attacked by the cabinet secretary on that, because both the Labour Party and the Tories have pointed out in their amendments the resource implications.

There are three sections of the report that point to significant additional expenditure. One is about having senior staff in schools who will concentrate on the vocational education role. The report also mentions additional facilities to provide vocational education in schools that do not currently have those facilities, and it states that there will be costs

in the transition phase. I guess that the difference might just be in how we define "significant", but those are legitimate questions and the Government needs to address them.

Finally, on statistics, I am afraid that my jaw dropped when I heard Angela Constance attack my colleague Jenny Marra for using statistics in her speech, because they are the statistics that she used time and time again in the chamber when unemployment was falling. Now that it is rising, she says that they are unreliable. I strongly encourage her to have a word with her colleague John Swinney, who used exactly the same quarterly statistics to mark a record fall in unemployment. There are a number of different ways in which we can cut the statistics, but I say to Angela Constance clearly that, if the stats are good enough for John Swinney, they are certainly good enough for Jenny Marra.

Clare Adamson: Will the member take an intervention?

The Deputy Presiding Officer: The member is in her last minute.

Kezia Dugdale: I am afraid that I am in my last 20 seconds. I apologise to Ms Adamson that I did not manage to let her intervene today, because she was kind enough to let me in during her speech.

I finish where I started. The commission's interim report is excellent and it is full of good recommendations. We will continue to support its contents. We have put forward some positive suggestions today, and I hope that the Government is listening. Members on the Labour benches look forward to debating these issues again.

16:51

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I can agree with the view that the debate has been, in the main, a productive and positive debate that teaches us many things.

I start by welcoming Jenny Marra back to the Labour front bench on education and training matters. I agree entirely with her opening words. Most young people—indeed, all young people—want to work. We should have that fact at the heart of our considerations. We should also agree that young people have skills and can develop them further. We should look to make sure that they are developed in every young person.

I agree with Kezia Dugdale's closing words. The report is excellent, and we can agree on the vast majority of issues within it. I also agree with another point that Labour made this afternoon—I think that it was Richard Baker who made it—in

that I am certain that the commission will note and consider everything that members have said and that their comments will influence the way in which the commission takes forward the next stage of its work.

However, if we are listening to Ian Wood, we should do so accurately. I start with the issue of funding. Not all funding is new funding. At the start of his report, on page 2, in the foreword, at the start of the fourth paragraph, he states:

"We believe our proposals are ambitious and challenging, but based on evolving good practice and thus can be implemented without significant additional funding and phased in over a fairly short period of time."

Later on, on page 13, as elsewhere, he goes into some of the detail.

The responsible position on this point is exactly as expressed in Jenny Marra's amendment, which I am happy to support. It will insert into the motion:

"notes the resource implications for colleges of the report's recommendations".

I note that. We all note that, and we will consider it carefully as we go forward. I do not think that there is any great difference on that matter, despite some Labour members' attempts to create that difference.

Given the situation of colleges, we should note that the vice-chair of the commission was Linda McKay, who was the principal of Forth Valley College at the time when she was appointed. Colleges are absolutely up for this—I know that from my very close work with them—and I note that the people who gave evidence include not only Kezia Dugdale and Johann Lamont but more than 20 individuals with college links. In other words, more than 20 members of college staff or college chairs gave evidence, as did Colleges Scotland and the regional leads. The report is fully informed by the real experience of colleges.

The report mentions that the work should go forward based on the reforms of the college sector and on

"The move to larger regional colleges with more focus on regional labour markets and a greater emphasis on employment outcomes."

In those circumstances, we should listen to that and recognise that it is the college reform process that has made the difference. I quote again, from page 10:

"The regionalisation of Scotland's colleges provides a significant opportunity for the sector to continue to enhance the perception of college education."

The report is informed by the reality of the changes that have taken place in colleges, and it will be built upon in that way.

I want to address one or two of the points that were made in the debate, but before I do so I turn to the Tory amendment. In the final words of her speech, Liz Smith said that she is committed to the Wood principles. Having seen the amendment, I have to think that the Tories are more committed to the Gove principles, because the reality is that it says:

"these objectives can only be achieved in full if there is greater diversity in schools and a reversal of the recent damaging cuts to the college budget".

What? All of them? Are we to move back to 43 colleges? Are we to undo all the reform process? The report talks about the importance of the reform process.

Last night, the Tories issued a press release. To lean so heavily on abolishing—it says abolishing—the comprehensive system is, in essence, simply trying to use the report for ideological purposes.

Liz Smith: One of the clear messages from Sir Ian Wood relates to the example and, indeed, successes of some of the systems abroad. He pointed to Germany, Denmark and various other countries that have a dual system of schooling that is very different from ours. Perhaps that is one reason why we are interested in what his recommendations say.

Michael Russell: I am sorry, but I simply cannot allow that to pass unchallenged. I have made the point that the press release that was issued last night in Liz Smith's name states:

"We need to make radical changes to the structure of education ... so that we can provide a much more diverse range of educational experiences."

That is one of the reasons that she gave for her amendment. Page 5 of the report says:

"Our proposals don't require time consuming, expensive restructuring of the education system".

It is either one or the other: either the Tories believe that the report is a Trojan horse for abandoning the comprehensive system, or they accept it.

I want to make a couple of remarks about the debate. I really do not want to fall out with my old friend Mr Malik. He and I go back a long way, and I was very concerned by his reaction to what I said, so let me couch it in other terms. If he believes that he has significant waiting lists in the area that he represents, despite the work that was done last year to prove that they did not exist, I invite him to come and talk to my officials. *[Interruption.]* I am sorry that people laugh at the Scottish funding council and the work that was done. That does no credit to the members who thought that that was a joke.

I make a genuine commitment to Mr Malik. If he believes that that is the case and that I am paying

no attention to the matter—unfortunately, that is what he said—I will make an appointment for him to talk to my officials. If he wants to give his information, they will tell him what they think the situation is. We can have a dialogue, because I do not want to fall out with him on these matters. He is nodding vigorously; I hope that he will take up that offer.

A number of important contributions have been made about individuals. I want to conclude by speaking about individuals.

Jenny Marra: Will the minister give way?

Michael Russell: No. I want to mention a couple of individuals.

Liam McArthur mentioned his constituent Sophie Turner, who has a stonemason apprenticeship at St Magnus cathedral. Unfortunately, he said that the message of good will that I sent to colleges was not played at the graduation ceremony at St Magnus cathedral. I am happy to go to St Magnus cathedral personally and deliver that message. I am sure that Liam McArthur will take me up on that offer. There are Sophie Turners across every constituency—individuals who are given unique opportunities to take part in apprenticeships that give them life-changing experiences and lead to new careers.

Jenny Marra: Will the minister give way?

Michael Russell: No. I must make progress. I have a very short time to conclude.

Another of Mr MacArthur's constituents, Owen Walker, has just won the Baird of Bute Society's Loganair scholarship for flying—members knew that I would want to mention my constituency. That young man, who is still at school, is going out on a voyage of adventure to become a pilot. A private company has given him that first opportunity. Richard Baker made the point that we should remember the key influence of private companies.

We should also remember the constraints under which we work. Gavin Brown's speech was heavy on what will happen next with the commission in respect of what could be done to encourage businesses to do more. I agree with him entirely. I absolutely agree that that should be simple and straightforward. Last night, I spoke to members of the Dumfries and Galloway Chamber of Commerce, who made exactly the same point. However, employment law and personal employment activity are reserved, of course, so if we want to establish a new, simple and clearer system, we need to have powers over those things in the Scottish Parliament. In other words, we need to have independence.

Gavin Brown: Will the cabinet secretary give way?

The Presiding Officer (Tricia Marwick): I am sorry, but the cabinet secretary is in his final minute.

Michael Russell: I look forward to the member's conversion on the matter. I am sure that he will want to raise the issue with me afterwards.

The debate has been positive, as we are all positive about the future of young people in Scotland. Ian Wood and his team have done an exceptional job, but they have done it based on what exists. They have recognised the importance of the curriculum for excellence and college reform, and they have recognised the work that my colleague, Angela Constance, has done with others on modern apprenticeships. They have recognised all those things and said, "Now let's do better." That is a challenge to all of us. We should accept that challenge and do better. The report gives us a chance to get on with things. Let us do so together.

Anti-social Behaviour, Crime and Policing Bill

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of legislative consent motion S4M-07847, in the name of Kenny MacAskill, on the Anti-social Behaviour, Crime and Policing Bill, United Kingdom legislation.

Motion moved,

That the Parliament agrees that the relevant provisions of the Anti-social Behaviour, Crime and Policing Bill, introduced in the House of Commons on 9 May 2013, relating to the abolition of the Police Negotiating Board, dangerous dogs law and witness protection law, so far as these matters fall within the legislative competence of the Scottish Parliament or alter the functions of the Scottish Ministers, should be considered by the UK Parliament.—
[Kenny MacAskill.]

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

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are four questions to be put as a result of today's business. The first question is, that amendment S4M-07939.1, in the name of Jenny Marra, which seeks to amend motion S4M-07939, in the name of Angela Constance, on the commission for developing Scotland's young workforce interim report, be agreed to.

Amendment agreed to.

The Presiding Officer: The next question is, that amendment S4M-07939.2, in the name of Liz Smith, which seeks to amend motion S4M-07939, in the name of Angela Constance, on the commission for developing Scotland's young workforce interim report, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
Carlaw, Jackson (West Scotland) (Con)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Goldie, Annabel (West Scotland) (Con)
Johnstone, Alex (North East Scotland) (Con)
McGrigor, Jamie (Highlands and Islands) (Con)
Milne, Nanette (North East Scotland) (Con)
Scanlon, Mary (Highlands and Islands) (Con)
Smith, Liz (Mid Scotland and Fife) (Con)

Against

Adam, George (Paisley) (SNP)
Adamson, Clare (Central Scotland) (SNP)
Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
Baker, Richard (North East Scotland) (Lab)
Baxter, Jayne (Mid Scotland and Fife) (Lab)
Beamish, Claudia (South Scotland) (Lab)
Beattie, Colin (Midlothian North and Musselburgh) (SNP)
Biagi, Marco (Edinburgh Central) (SNP)
Bibby, Neil (West Scotland) (Lab)
Brodie, Chic (South Scotland) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Burgess, Margaret (Cunninghame South) (SNP)
Campbell, Aileen (Clydesdale) (SNP)
Campbell, Roderick (North East Fife) (SNP)
Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Constance, Angela (Almond Valley) (SNP)
Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
Dey, Graeme (Angus South) (SNP)
Don, Nigel (Angus North and Mearns) (SNP)
Doris, Bob (Glasgow) (SNP)
Dornan, James (Glasgow Cathcart) (SNP)
Dugdale, Kezia (Lothian) (Lab)
Fabiani, Linda (East Kilbride) (SNP)
Fee, Mary (West Scotland) (Lab)
Findlay, Neil (Lothian) (Lab)
Finnie, John (Highlands and Islands) (Ind)
FitzPatrick, Joe (Dundee City West) (SNP)
Gibson, Rob (Caithness, Sutherland and Ross) (SNP)

Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hume, Jim (South Scotland) (LD)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macintosh, Ken (Eastwood) (Lab)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

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

The Presiding Officer: The result of the division is: For 9, Against 78, Abstentions 2.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-07939, in the name of Angela Constance, on the commission for developing Scotland's young workforce interim report, as amended, be agreed to.

Motion agreed to,

That the Parliament believes that schools should promote educational attainment and positive destinations for all pupils including those who wish to pursue vocational

pathways; welcomes the interim report from the Commission for Developing Scotland's Young Workforce; further welcomes the emphasis that it places on closer cooperation between schools, colleges and employers in providing vocational education; agrees that the report provides a sound basis for future policy decisions; notes the resource implications for colleges of the report's recommendations, and invites the Scottish Government to work in partnership with all parties, COSLA, local authorities and stakeholders to build a consensus based around the commission's report, including ways to make early progress in developing the opportunities that young people have to improve their skills and employability.

The Presiding Officer: The next question is, that motion S4M-07847, in the name of Kenny MacAskill, on the Anti-social Behaviour, Crime and Policing Bill, United Kingdom legislation, be agreed to.

Motion agreed to,

That the Parliament agrees that the relevant provisions of the Anti-social Behaviour, Crime and Policing Bill, introduced in the House of Commons on 9 May 2013, relating to the abolition of the Police Negotiating Board, dangerous dogs law and witness protection law, so far as these matters fall within the legislative competence of the Scottish Parliament or alter the functions of the Scottish Ministers, should be considered by the UK Parliament.

Energy Action Scotland

The Deputy Presiding Officer (Elaine Smith):

The final item of business is a members' business debate on motion S4M-07036, in the name of Nigel Don, on Energy Action Scotland marks its 30th anniversary. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges that the national fuel poverty charity, Energy Action Scotland, marks its 30th anniversary in 2013; understands that the charity campaigns for warm, dry homes that are affordable to heat; believes that, during its 30 years of campaigning in Angus North and Mearns and across the country, much progress has been made in tackling the major causes of fuel poverty; understands that Energy Action Scotland estimates that there are 900,000 fuel poor households in Scotland, and, while it considers that much has still to be done if the statutory duty of eradicating fuel poverty by 2016 is to be achieved, welcomes what it sees as the positive moves by successive Scottish administrations to tackle fuel poverty.

17:03

Nigel Don (Angus North and Mearns) (SNP):

Energy Action Scotland started life 30 years ago as Scottish Neighbourhood Energy Action. It was set up as an independent agency with charitable status, and it is interesting that its aim at the time was to create jobs to make Scotland warmer. Perhaps that tells us something about the politics of the time. Now, I think, we would simply say that it was there to make Scotland warmer.

After 30 years, Energy Action Scotland is still at it. It still provides advice on energy saving in households, but it also campaigns for a recognition of fuel poverty, which was always needed, seeks funds for demonstration projects, provides training—a useful and important function—and provides research and consultancy.

I welcome staff and members of the board to the chamber. It would be invidious to run through them by name, but I notice that the irrepressible Norrie Kerr is here. He has drawn together a team of people who work incredibly hard. The board—of which I am, I think, theoretically a member and Jackie Baillie is the other vice-president from the Parliament—is drawn from organisations that have an interest in this very subject. The board members provide considerable expertise and direction to what is going on. Fuel poverty is not one of those things that we need to just talk about.

There are some definitions that I draw to members' attention: the definition of fuel poverty is that a household needs to spend 10 per cent or more of its income on its fuel bills. That is quite arbitrary, but very workable. Where 20 per cent or more of a household's income is required, it is

described as being in extreme fuel poverty. That at least gives us comparative numbers.

When we consider the people who find themselves in fuel poverty, it is no surprise to anybody to discover that those with a small income—the poor, put simply—are much more likely to be in fuel poverty. That means that they are more likely to be old and to live in old houses. Those old houses are likely to be both cold and damp; however, members may note that they are not necessarily small, because elderly folk have often inherited, or just carry on living in, older houses. The house may be large for their family, but that is where they remain.

If we consider our energy inefficient buildings, there are some characteristics that are no surprise. Old buildings were built to different standards. One might argue that if one goes back far enough, there were no standards whatsoever. Energy inefficient buildings are more likely to be rented and to be rural; indeed 5 per cent of private rented dwellings fail even to reach the tolerable standard. These 14,000 homes account for 20 per cent of the total below tolerable standard housing stock. Tolerable standard means a property that is essentially condemned. It is below the standard that the Scottish Government regards as acceptable.

One other characteristic that is significant in the context of what Energy Action Scotland tries to do is that 71 per cent of dwellings in an urban setting have a good energy rating but only 32 per cent of those in rural areas do. We find more of these dwellings in places where it is difficult to deal with them. I shall return to that subject.

I note in passing that those who live in rural communities are more likely to be off gas and therefore to spend more on heat. There is a problem with energy performance certificates, because they indicate how much heat the property will lose but they use the heat that it will lose under normal circumstances as a surrogate for what that cost will be. If the property is in a rural place, where people's money is spent on oil rather than on gas, their heating costs are proportionately greater.

What kind of solutions do folk have? Insulation is an obvious one; I think that people know their way around insulation. Can we provide a better boiler? We need to be careful, because provided that the heat stays in the building it does not matter quite what kind of boiler there is. The waste from the boiler is the waste that goes up the flue stack. As long as the flue is as cold as it sensibly can be, and whatever possible is done to condense water vapour, any boiler is as efficient as any other, if those numbers are the same.

However, the Scottish housing condition survey 2011 tells me that although some £2 billion was spent in the three years between 2009 and 2011 on 732,000 dwellings in private tenure, the average quality and condition of those houses did not improve at all. That demonstrates that we have to spend quite a lot of money just to stand still.

There are many other issues that I could address—I am sure that other members will do that—but in the last moments I would like to consider how we are trying to deal with the real problems and whether we perhaps need to be a little more radical.

The major difficulty that we have in addressing poorly insulated, thermally working houses is that we deal with them one at a time in the rural context. That is extraordinarily inefficient—not in thermal terms, but in terms of getting somebody there to look at the house and assess what needs to be done; and then getting one person to do one job and somebody else to come and do something else. As a piece of engineering, that is incredibly inefficient.

It is altogether very likely that Government money needs to be spent in a slightly different direction. Given that that process is so inefficient in organisational terms, I wonder whether we need to insist that Government money or public money is spent one terrace, one road or one town at a time, or—at the very least—one stairwell at a time. In that way, we get the efficiencies of having staff, thinkers and engineers there, doing one job in a substantial number of properties, rather than diverting their efforts over a huge number of different places, which they will inevitably deal with very inefficiently. I am sure that other members, too, might wish to discuss those things. Time prevents me from carrying on with the many other issues that we might comment on.

Once again, I welcome the members of EAS staff who have come to the public gallery. I am sure that my colleague Jackie Baillie will wish to say something about the reception that will follow the debate. In finishing—which I am sure the Presiding Officer wants me to do—I note that the problem has not gone away. I am sure that, 30 years ago, everybody hoped that we would have cracked the problem in 30 years' time. It is fair to say that, technically, we probably have. As for how we actually deal with the issue, there is a very long way yet to go.

17:11

Liam McArthur (Orkney Islands) (LD): I start with an apology to all members in the chamber: as a result of a rescheduled Scottish Parliamentary Corporate Body meeting, I will have to depart from the debate early. I, too, congratulate Nigel Don on

his motion, on securing the debate and on his role as honorary vice-president. I also congratulate the other honorary vice-president for receptions, Jackie Baillie.

I congratulate Energy Action Scotland on the 30th anniversary of the start of its tireless campaigning on the issue of fuel poverty. The figures that Nigel Don referred to should not in any way be viewed as a mark of failure on the part of Energy Action Scotland, which has been 100 per cent successful in getting the issue to the top of the political agenda, right across the board and across different Administrations, and pursuing tailored approaches. I was very interested by Nigel Don's reference to the area-based approach, which, we would all agree, needs to form a greater part of the approach that we take.

The Energy Action Scotland briefing for today's debate highlights some of the characteristics of where fuel poverty is most prevalent. I will not rehearse them—none of them is particularly surprising—but they indicate particular problems in rural areas such as the islands that I represent. In Orkney, we take no pride at all in being top of the list for fuel poverty in this country, second only to the Western Isles. It is not difficult to understand why that is the case, with our longer, harsher winters, more hard-to-heat properties, being off the gas grid, high fuel costs and lower incomes.

That is not to say that there has not been a concerted effort. Some innovative approaches have been taken. A pilot initiative in Westray, for example, has examined a variety of options to treat different hard-to-heat properties. There is still hope that a way can be found to harness renewables generation to supply fuel-poor households, possibly easing some of the local grid constraints. Orkney Housing Association has a decent track record in innovation in this area. It has attracted funding through Calor and Energy Action Scotland's affordable warmth fund, which has allowed it to fund a particular position within the organisation, and that has allowed the association to carry out survey work and to provide advice to householders, as well as undertaking a range of measures that have alleviated problems for many tenants.

The move to renewable technologies was the right approach to take, although it has presented some difficulties. I know from complaints from my constituents that installation costs can be higher and that the contributions required are therefore higher. Bills tend to go up afterwards. That might be partly the result of fuel costs rising, but it is perhaps also a product of heating more of the home. There is also some uncertainty about the operation of some of the systems. There are some challenges around whether we are paying enough attention to what bills are likely to be after the

installation of measures and whether adequate aftercare is being provided.

Back in 2006, Energy Action Scotland and the Scottish fuel poverty forum estimated that levels of investment needed to be at around £200 million a year over a period of 10 years. At the moment, the amount that is being provided is not sufficient, given that only £79 million of funding has been secured under the home energy efficiency programme Scotland.

That need for investment makes me slightly concerned about Ed Miliband's proposal for a price freeze, which has excited a great deal of attention. For example, one issue is whether we will see spikes in bills before the freeze comes into effect or a diminution of the investment in the sort of measures that would provide a long-term solution to the problem. More interesting still, his proposal has exposed some divisions within the Scottish Government, with ministers arguing both for and against the proposal before suggesting that the matter is for the energy commission.

In conclusion, I congratulate Nigel Don on securing the debate on the 30th anniversary of Energy Action Scotland. With just over three years to go until the 2016 deadline, this is an opportune moment to restate our commitment to redouble our efforts to end fuel poverty. In one of my first debates as my party's energy spokesman back in 2008, I called for the re-establishment of the independent fuel poverty advisory forum, and I am delighted to say that that call was successful. I also called for a collaborative effort to do Norman Kerr out of a job by achieving our goal of ending fuel poverty, but, worryingly, Norrie—who I see is in the public gallery this evening—is as safe in his post today as he was five years ago. That is simply not acceptable and we must do better.

17:16

Mike MacKenzie (Highlands and Islands) (SNP): Fuel poverty is a measure that captures many related problems, including low incomes, poor insulation, high fuel prices and, in the Highlands and Islands, the associated fuel transport costs.

Fuel poverty is important because it tells us something about inequality in our society, including the geographical inequality that exists across the UK. Fuel poverty is running at an unacceptable level of more than 20 per cent across the UK but at the much higher level of 30 per cent across Scotland. As Liam McArthur indicated, in Scotland's islands fuel poverty is at the truly shocking level of 50 per cent. I will leave members to decide for themselves whether that represents a union dividend or a union deficit.

As members will know, most powers relating to energy are reserved to Westminster. Therefore, fuel poverty is largely a failure not of the Scottish Government but of Westminster's policy. That is not to suggest that the Scottish Government can do nothing or is doing nothing about fuel poverty, but it is important to place the matter in its proper context.

For that reason, I was glad to hear Ed Miliband suggest that if his party is elected to government, he hopes to do something to tackle fuel poverty. I am glad that he recognises the problem of fuel poverty, even if I am concerned that his proposed method may not work and may have unintended consequences. Price controls are a blunt and unwieldy instrument that may do more harm than good. The proposal seems to carry more than a whiff of populism and political opportunism.

I prefer the more careful method that the Scottish Government has followed in setting up an expert commission and listening carefully to what that commission says. I also prefer the Scottish Government's approach of providing help to insulate homes, because that will provide long-term energy savings and long-term cost savings.

There may be other policy solutions. If we had full control over energy policy, we would have the opportunity, for example, to introduce progressive fuel charging, to offer discounted rates for prepayment meters or to offer a lower wind tariff or island tariff, as is currently being discussed for Orkney and Shetland. We could use the renewable energy power that is currently constrained by the lack of grid infrastructure. I look forward to hearing suggestions from the expert commission on energy.

The technical challenges, too, must be overcome. For example, the standard assessment procedure that is used throughout the UK to measure home energy efficiency is flawed. As Liam McArthur mentioned, the methodology has given rise to what has become known as "eco-bling"—technologies of dubious benefit that are appended to buildings only to comply with the SAP calculation.

Until we have a better understanding of how we can deal with the technological challenges, it might be a mistake to throw money at the problem. We are still learning how to deal with the profound difficulties presented by our older housing stock. Some housing associations are concerned that some of the work done to meet current standards will need to be redone to meet forthcoming standards.

At a time when there are severe challenges to our financial resources, we need to ensure that every penny is spent wisely. Much of the low-hanging fruit has already been picked, as we have

insulated about 60 per cent of accessible loft spaces and about 60 per cent of cavity walls. In these difficult times, unfortunately, there are no silver bullets when it comes to dealing with fuel poverty. In the long run, a careful approach that closely examines and learns from the effectiveness of policy and technical measures will deliver the solutions.

17:20

Murdo Fraser (Mid Scotland and Fife) (Con): I congratulate Nigel Don on securing the debate and thank him for his thoughtful speech in opening it, which was in slight contrast to the rather splendidly partisan speech that we just had from Mike MacKenzie. I agree with Nigel Don and the other previous speakers that we should pay tribute to Energy Action Scotland for all its work over the past 30 years. As convener of the Economy, Energy and Tourism Committee, I know that Norrie Kerr, Elizabeth Gore and their colleagues are regular visitors to the committee, and they are very welcome with their insights into this area of public policy.

Other members have referred to the 2016 target to eliminate fuel poverty, which is the sort of target that civil servants describe as challenging, given the situation that we are now in. With levels of fuel poverty in Scotland on the increase—the figure is above 30 per cent and perhaps even approaching 40 per cent—the challenge is even greater today than it has been in the past.

There are three elements to fuel poverty: income levels generally; fuel costs; and levels of efficiency. I will not spend much time discussing the first, as that involves a much broader debate about income levels in the economy. On the second, we have seen a rise in wholesale fuel costs in recent years. That is partly due to a rise in the cost of energy, mainly from fossil fuels, but it is also a result of the green levies that we all pay on our electricity tariff. If we are to tackle fuel poverty, we need to have lower-cost energy, and we need to square that with the ambitious targets that we have set for climate change.

Liam McArthur mentioned Ed Miliband's magic solution. I will not spend much time attacking that—I will leave that to my good friend Fergus Ewing, who is much better at it than I am—but I am not sure that it is a solution because, of course, it is trying to rig the market and all that the energy companies would do would be to hike their prices in advance of a freeze and get the benefit of even higher prices for a longer time. Incidentally, it would do nothing for those of us who, like me, live in a semi-rural situation and who are therefore off grid. Fixing the prices would not help us.

Mike MacKenzie: Will the member take an intervention?

Murdo Fraser: I would be delighted.

Mike MacKenzie: Does Mr Fraser agree that the green deal will not really help people in the rural areas that he describes, largely because rural properties will have great difficulty in meeting the golden rule?

Murdo Fraser: No, I think that that is an unduly pessimistic view on the green deal. A few weeks ago, I was privileged to host an event in Parliament for the green deal, and there was a great deal of interest in it from people from all parts of Scotland. Perhaps if Mr MacKenzie had come along, he would have seen that for himself.

On energy prices, we need to be aware that renewable energy, which is so beloved by many members, is expensive energy and that we are paying a high cost for it. We should look at the States and the exploitation of shale gas, which has reduced wholesale energy costs by about 50 per cent and saved carbon at the same time. We need to be focused on lower-cost sources of energy.

The other element is energy efficiency, which Nigel Don mentioned. Energy Action Scotland calculates that we need £200 million per annum for energy efficiency measures if we are going to make progress. We need to get a share of that from the energy companies. Are we getting that at the moment? I do not think that we know, as we do not have that information, and the Scottish Government needs to ensure that it provides it. We need to know whether the money that the Government is putting in—I think that it is £79 million in the current budget—is to be matched by the private sector. We need to know who is getting the money and whether it is going to the right people and to the hard-to-reach households. Are we providing enough from the public sector? In the current draft budget, the Scottish Government has decided to reallocate £10 million from the fuel poverty budget. Does that make sense if fuel poverty is the priority that we want it to be? I am not sure that it does.

Energy Action Scotland has helped to put such issues on the agenda and it is valuable. I hope that, in 30 years, we will not still need it but, if we do, I hope that it continues to do its excellent work.

17:24

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I thank Nigel Don for the opportunity to debate this important subject.

It is not often that the chamber comes together in unanimity with the objective of increasing unemployment in Scotland, but we all want Norrie Kerr and the rest of his group to be entirely

superfluous, unrequired and out of work. However, we should weep no tears if we succeed in that because there are plenty of other opportunities for which a formidable campaigner such as Norrie and a team like his would deploy their skills.

For rural dwellers such as those whom I represent, Energy Action Scotland, which was created 30 years ago, focuses on key rural issues. It looks for effective solutions, hounds Government and searches for private investment. We should all hold that national charity dear to our hearts in the present environment because, when we address fuel poverty, we also address employment and climate change.

In my constituency, as elsewhere, about 31 per cent of rural dwellers spend more than 10 per cent of their income on fuel alone. Largely, they, like me, live in off-grid circumstances. In a country as wealthy as ours, that really is an unacceptable situation.

The Government is clear in the financial commitments that it is making to deal with that. Some £250 million has been allocated to fuel poverty and energy efficiency in the current spending period. That is a good step in the right direction.

I am not so sure that colleagues south of the border—who are faced with a less pressing problem from geography, of course—are as keen on supporting low-income families in particular. The minister, from whom we will hear at the end of the debate, has previously assured me that, in an independent Scotland, an expert committee would consider energy regulation. I will continue to work to allow her that opportunity.

Energy efficiency is really a rather simple measure. A number of members referred to home insulation. We have been lucky enough to get our loft insulation from 200mm up to 600mm. We are just going into the first winter in which we will get the full benefit, but it has already been so effective that my wife thought that the outside meter on our oil tank had stopped working. She sent me to get the ladder to go and look in the top of the tank to see what the actual level of fuel was because she felt that it should be much lower than the meter said it was. The meter was correct.

That simple intervention has made a dramatic difference for us, as it will do for others, so I hope that the installation programme continues to offer people in rural areas in particular the opportunity to save on their energy.

One of the issues of living in a rural setting is that people pay more for their fuel. I hope that Mike Weir, my MP colleague in Westminster, is successful in persuading the members there that we should advance winter fuel payments so that the less-well-off in rural settings can buy fuel

earlier in the year when it is cheaper and easier to deliver because there is no snow on the ground to prevent the lorries from getting to their fuel tanks.

I gently chide my colleague Murdo Fraser, because I am not sure that green energy is more expensive than other forms. The above-the-line costs that appear in budgets are certainly reflected but the tax breaks that other forms of energy—in particular, nuclear energy—are given are below the line and it is generally accepted that green energy is cheaper than, for example, nuclear.

It has been an excellent debate.

17:29

Mary Fee (West Scotland) (Lab): I thank Nigel Don for securing today's members' business debate.

The motion pays tribute to Energy Action Scotland for achieving a remarkable milestone of 30 years in existence. In the current economic climate, we need such organisations to help to reduce the cost of heating homes and to promote energy efficiency. With fuel poverty figures stagnant in recent years, and the target for the Scottish Government's pledge to eradicate fuel poverty, where practicable, only a few years away, we should be concerned that not enough action is being taken.

The sustainable housing strategy is to be welcomed. However, we must ensure that the help that is offered goes to those who desperately need the assistance. Although the Scottish Government has invested almost £150 million on fuel poverty and energy efficiency programmes since 2009-10 and 2011-12, it is estimated that the net gain to households was £700 million, while 300 million tonnes of CO₂ have been saved.

Since 2008, more than 540,000 homes have received free or subsidised cavity wall or loft insulation measures through the carbon emissions reduction targets. The Scottish house condition survey showed that 125,000 homes upgraded their boiler in the year leading up to the strategy. However, I have had concerns raised with me about the efficiency and sustainability of the retrofit programme, the buy-in to that programme and whether it will achieve its aims.

Fuel poverty cannot be looked at in isolation. We also need to take into account climate change targets. Progress has been made, but we are still well short of the mark. We have annual targets that must be achieved each year until 2020. However, those targets have not been met and the emissions from 2009-10 increased by 5.8 per cent, or 2 per cent when we take into account the European Union emissions trading system. Emissions from the residential and transport

sectors were higher in 2010 than they were in 1990.

As has been mentioned, an important factor in fuel poverty is rural poverty. I recently met Calor Scotland, which mostly covers off-grid and rural areas. I was alarmed and surprised by some of the information that I was given. I was told that

“UK energy efficiency schemes continue to fail rural communities”

and that

“The UK Government’s Energy Company Obligation ... is in the hands of the ‘Big 6’”.

The Government’s hands are tied and there is very little help that it can offer. Calor went on to say that

“Funding earmarked for rural areas—the Carbon Saving Community Obligation—is for settlements with a population size under 10,000 and will unlikely cater for small communities”.

Finally, it said that

“Previous schemes such as CERT and CESP, targeted at rural areas, were not spent and there is danger of history repeating itself if lessons haven’t been learnt.”

In considering fuel poverty, we must also take into account child poverty. The link between the two is inextricable, so they cannot be looked at in isolation. Child poverty figures remain too high and too many of our children are fuel and food poor. That is not a situation that anyone in this chamber should be proud of in 2013.

However, I finish on a positive note and once again pay tribute to Energy Action Scotland on achieving its marvellous 30-year milestone.

17:33

Jackie Baillie (Dumbarton) (Lab): I apologise to you and to members, Presiding Officer, for missing the start of Nigel Don’s excellent speech. I was in a car park called the Forth road bridge: nothing was moving very fast at all. As others have done, I congratulate Nigel Don on securing this slot.

I have to declare an interest; I have already been outed as one of the two honorary vice-presidents of Energy Action Scotland. I should warn Nigel Don, though, that the previous honorary vice-presidents—certainly on the Scottish National Party side—have ended up becoming ministers. Indeed, I believe that his predecessor was Alex Neil, who did not last long before he was enjoying ministerial office. I look forward to that happening to Nigel Don, too.

As other members have done, I pay enormous tribute to the work of Energy Action Scotland. It is a superb organisation, and Parliament has been united in praise for it. Whether it is about getting its

voice heard on the key issues of fuel poverty, about making a difference with the “Keeping Warm, Keeping Well” leaflets, which are distributed through general practitioners for the benefit of people who are struggling to keep warm at home, or about its strategic affordable warmth fund, through which it is helping six rural housing associations, it is making a huge difference in communities throughout Scotland.

Energy Action Scotland does not just talk about it; it is interested in developing solutions to deal with the problem of cold, damp and expensive-to-heat homes. It sits on the Scottish fuel poverty forum and I am sure that it will be a critical friend to the minister, because it wants to strive to achieve even more. Its members include housing associations, local government, energy utilities, advice agencies, manufacturers, insulation installers—the list is endless.

As members have already heard, as honorary vice-president, I am sponsoring an event to which everyone is invited later this evening. It is the Energy Action Scotland business supporters group. I hope to see everyone there.

It is at this point that my consensual tone ends. I am sorry about that. We spent last week debating the cost of living. I represent probably some of the poorest communities in Scotland. Fuel poverty stands at 900,000 households—not 900,000 people, but households. That is one in three households, which is frankly, a national scandal.

We have seen huge fluctuations in the price of fuel. Prices are very quick to go up and extremely slow ever to reduce. I am proud that the Scottish Parliament set an ambitious target; we all supported it. We did not say at the time that we did not have enough powers. Every single party in this place supported the pledge to end fuel poverty by 2016. We are three years away from that, so we face a huge challenge.

I ask cabinet secretaries about it. I ask ministers. Margaret McDougall asked John Swinney at the Economy, Energy and Tourism Committee last week, and I have asked Margaret Burgess. Nobody can tell us the answer. That might be because they do not think that we should know, but I think we should be honest about the challenge that we face. The budget at one stage—I think it was in 2010-11—was down as low as £40 million at the start of that budget year. It is now up to £79 million, but it dropped again. I thought it was £74 million, but Murdo Fraser seems to think that £10 million has been whipped away.

There was the announcement about a helpline. Forgive me, but I am not sure whether there is a new helpline or the announcement was about the existing one. If we are going to strain every sinew

to end fuel poverty, we really should not be reheating old announcements.

I am much more interested in talking about the solutions; I am much more interested in looking at how we get beyond the poverty of ambition that was referred to by Mike MacKenzie. We agreed the pledge, so it is not good enough to then blame somebody else.

Ed Miliband's price freeze is practical and will help people who are struggling. The Scottish National Party's response has been a bit like a yo-yo. Mike Weir says "No." Angela Constance says in the chamber, "Well, maybe—but let's see the detail", and then we have Fergus Ewing saying not just "No", but "The lights are going to go out." When are we going to get serious about this?

Now the issue is parked with the expert commission on energy regulation. I do not know when the commission will report and I do not know what it is going to say, but I can say that people are suffering now. I hope that Energy Action Scotland is still around to push us all to go a damned sight further than it already has.

17:38

The Minister for Housing and Welfare (Margaret Burgess): I thank Nigel Don for lodging the motion and I thank all members for their contributions.

As Scotland's only national voluntary organisation working on fuel poverty, Energy Action Scotland plays a vital role in tackling the issue, bringing together a wide range of stakeholders, as we heard from Jackie Baillie a moment ago.

Energy Action Scotland is well respected by all those working in the sector. In this, the year in which it marks its 30th anniversary, I welcome the opportunity to reconfirm the Scottish Government's continuing commitment to support its work to tackle fuel poverty and to ensure that Scotland's people live in warm homes that are affordable to heat.

Norrie Kerr of Energy Action Scotland has been mentioned a lot in the debate. As Jackie Baillie said, he is the vice-chair of the fuel poverty forum. His being in that role means that Energy Action Scotland has made a valuable contribution to setting the direction of the Scottish Government's funding on fuel poverty. Energy Action Scotland has been fully involved in shaping our home energy efficiency programmes for Scotland, or HEEPS, and plays an important on-going role in ensuring that outcomes are delivered.

Fuel poverty has come a long way over the past 30 years, from a time when it was largely unknown to today, when it is recognised in the "Oxford

English Dictionary". That is not something that we should be proud of. It gives me no comfort, as the minister responsible for fuel poverty, that 684,000 households in Scotland were in fuel poverty in October 2011. That was an increase of 26,000 from 2010, but without the improvements in the energy efficiency of homes and in household incomes, the overall number would have been around 770,000 households.

Although energy efficiency is a sustainable solution, it will never be a total solution to fuel poverty. We need the full powers of independence to tackle all the causes of fuel poverty by addressing household energy efficiency, income and prices, so that Scotland can be a beacon of progressive action to tackle fuel poverty and maintain household incomes.

A few moments ago Jackie Baillie talked about a price freeze, which is something that the Scottish Government cannot do; we have no control over energy prices. Everyone in this chamber has agreed that rising energy prices are a huge part of fuel poverty, but we have no control over them.

Murdo Fraser: I am a little confused by what the minister has just said. My understanding was that the Scottish National Party's position was that in the event of independence it would want to retain the single UK energy market, so that the subsidies currently paid by 60 million consumers across the UK would continue to support Scotland's renewables industry sector. Is the minister saying that that is no longer SNP policy?

Margaret Burgess: No; I did not say that that was not SNP policy. I said that we had to look at rising fuel prices, which is why we have set up a commission to look at that and all the other aspects of fuel prices. Yes; we want to continue with our renewable energy programme.

Jackie Baillie: I regret that I missed the announcement about the commission—it seems to have been hurried out. Can the minister tell me the commission's remit and when it will report?

Margaret Burgess: The commission's remit is to look at how an independent Scotland can promote fairer, more affordable energy prices, and the role of the Scottish regulator in addressing fuel poverty, delivering affordability and security of supply and environmental sustainability. If we have a date set for when the commission will report I will certainly write to Jackie Baillie with that.

Tackling fuel poverty is an absolute priority for this Government. We have a statutory duty, which we have been reminded of by a number of speakers, to ensure, as far as is reasonably practicable, that people are not living in fuel poverty in Scotland by November 2016. We are

doing everything within our limited powers to achieve that.

We know that fuel poverty is a vital social issue that affects families across Scotland and we have taken action to tackle it. Over the past three years the Scottish Government has invested more than £220 million in a raft of fuel poverty and energy efficiency programmes. Our budget—for the avoidance of doubt—in this year is £74 million and we have secured £79 million funding for the next two years.

In contrast—we must look at this—Westminster has cut its fuel poverty funding. From 1 April this year, there have no longer been any UK taxpayer-funded fuel poverty programmes in England. It is the only country in the UK not to have Government-backed support on this important issue.

We know that the most sustainable way to tackle fuel poverty is to raise the energy efficiency of homes. I have mentioned how, in its role as a member of the fuel poverty forum, Energy Action Scotland has helped to shape the new HEEPS. Those programmes are being used to lever in additional money from the energy companies obligation, or ECO, and offer a support package to all those who struggle to pay their energy bills and keep their homes warm.

I want to make it clear that the HEEPS pilots—or the national retrofit programme, as it was known—indicated that we were leveraging in more than £2 for every pound of Scottish Government funding. That is important and why we hope to achieve the £200 million figure that has been talked about.

Of the funding that has been announced, £46 million is for area-based schemes, which is very much what Nigel Don alluded to. The issue is about area-based schemes, through which fuel poverty can be tackled area by area, as opposed to bit by bit. The fuel poverty forum recommended that.

As I said, the predicted leverage of the ECO is £130 million; there is also £30 million of landlord funding. We have a memorandum of understanding to deliver the affordable warmth scheme, which has been signed with three suppliers to maximise the use of the ECO in Scotland. We have also announced a two-year extension to the energy assistance package that is worth £32 million, which started from 1 April 2013. Up to August 2013, about 2,010 referrals had been made to that scheme and more than 700 installations had been completed.

The promotion of the hotline is not about reinventing or repeating something. Every time that the hotline is promoted, more people contact the advice centres and more people go on to the

programme. We want to reach out to as many people in Scotland as possible, particularly as we approach winter, to ensure that they have a trusted source that they can contact to find out about the energy efficiency measures that they could be eligible for.

Jackie Baillie: I could not agree more with what the minister said about raising awareness, but does she accept that the initiative was presented as something new, when it is an existing helpline?

Margaret Burgess: I do not think that the hotline was presented as something new. A television advert will be shown, because we want to attract people to pick up the phone and call. I will not get into a debate about whether somebody thinks that the hotline is new or old. If, because of seeing the advert or the other promotion that we have done, somebody phones the helpline for the first time and gets support, that is what it is all about and the initiative will have succeeded.

We are tackling fuel poverty from every angle that we can. Above all, we will not take vital support away from our most vulnerable citizens while the battle to end fuel poverty is not yet won. Without the work of organisations such as Energy Action Scotland, the fight would be much more difficult. Tackling fuel poverty is and will continue to be a priority for me and the Scottish Government.

Meeting closed at 17:47.

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