



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Wednesday 11 December 2013

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# Scottish Parliament

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

## Portfolio Question Time

### Health and Wellbeing

**The Deputy Presiding Officer (Elaine Smith):** Good afternoon. The first item of business this afternoon is portfolio question time. In order to get in as many members as possible, it would be helpful if questions and answers could be short and succinct.

#### Postnatal Depression (Support)

**1. Margaret Mitchell (Central Scotland) (Con):** To ask the Scottish Government how it identifies and supports women who have postnatal depression. (S4O-02687)

**The Minister for Public Health (Michael Matheson):** It is important that women who are at risk of postnatal depression are identified quickly and that appropriate and timely care, treatment and support are put in place to respond to individual needs.

The Scottish intercollegiate guidelines network published in March 2012 evidence-based guidance and recommendations on the management of perinatal mood disorders. That includes not only guidance on predicting and reducing risk, but guidance on detection, including routine inquiries about depressive symptoms, and use of the Edinburgh postnatal depression scale and the Whooley questions as tools to aid identification and clinical monitoring of those who are at risk of antenatal and postnatal depression.

Most women will be treated in the community in primary or community mental health services, with access to the full range of services and support that NHS Scotland and its partners provide.

**Margaret Mitchell:** Mental health issues affect about one woman in 10 during or after pregnancy. If postnatal depression is untreated, it can have a devastating impact on families. It sometimes leads to suicidal feelings and it often affects the mother's ability to bond properly with her baby.

In view of that and the minister's response, does he believe that it is acceptable for women to wait 21 weeks for an appointment? One of my constituents who was suffering from postnatal depression had to wait for that time to secure an appointment to see an NHS Lanarkshire counsellor. Has the Scottish Government

considered introducing a scheme that is similar to the one in England to train specialist mental health midwives?

**Michael Matheson:** A wait of 21 weeks is unacceptable. That is why we have taken forward the health improvement, efficiency and governance, access and treatment—HEAT—standard to drive forward improvements in access to psychological therapies, which will come into force in December 2014. The data that we have received from national health service boards show that it takes on average about 10 weeks for patients to access psychological therapies, but we want to ensure that all boards are making sufficient progress, which is why the target was introduced. I expect NHS Lanarkshire to continue to take forward measures to ensure that it complies with the target that has been set.

Another important part of the work that has been set out by the SIGN guidelines is to ensure that those who are directly involved in clinical care of women, including midwives and other nursing staff, are properly trained and are able to provide the right support and assistance to individuals who may be at risk of developing postnatal depression. I expect all boards to continue to make sure that they take forward a range of measures to help to support their staff to adequately identify and, as necessary, refer on patients to get access to appropriate treatment and care.

#### Royal College of Nursing Scotland (Meetings)

**2. Claire Baker (Mid Scotland and Fife) (Lab):** To ask the Scottish Government when it last met the Royal College of Nursing Scotland and what issues were discussed. (S4O-02688)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The Minister for Children and Young People met representatives of the RCN on 28 November 2013 to discuss the Children and Young People (Scotland) Bill.

**Claire Baker:** A survey that the RCN published last week shows that more than half our nurses work more than their contracted hours. Some 58 per cent said that they are under too much pressure, which led to 55 per cent saying that they are unable to deliver the level of care that they would like to deliver. That is against a backdrop of a 21 per cent decrease in student nurse numbers since 2009. Although the increase of 100 places for the forthcoming year is welcome, it still represents a decrease of almost 17 per cent.

What steps will the cabinet secretary take to monitor workforce planning at board level and ensure that it is a Government priority to have a sufficient supply of nurses in the future in order to alleviate the pressures that nurses are working under?

**Alex Neil:** We have 1,000 more whole-time equivalent nurses working in the health service in Scotland today than we inherited in 2007. We have also introduced and made mandatory the workforce planning tool, which will allow every health board to ensure that we have the right number of nurses with the right skills mix in the right place at the right time.

We will obviously study the RCN survey and discuss with the RCN any points arising from it. I am satisfied that we are as skilled up as we can be, with plans to improve further the numbers and skilling of nurses to cater for the complex demands of the comorbidity and long-term conditions from which so many people suffer today.

**Nanette Milne (North East Scotland) (Con):** Does the cabinet secretary agree with the RCN that, in order to accommodate the Scottish Government's estimate of the number of health-visiting hours that would be required to fulfil one of the aims of Children and Young People (Scotland) Bill, as well as the family nurse partnership nurses and health visitors who are currently employed in primary care, an additional 450 health visitors need to be recruited and trained?

**Alex Neil:** As Nanette Milne knows, we are bringing back the traditional health visitor and school nurses, and we are looking at the demands on their services—in particular we are considering the intensive need to roll out the very labour-intensive family nurse partnerships throughout Scotland. I believe that that will produce substantive gains for the people who are involved and for society as a whole. We already have a workforce planning tool for nursing and we will be guided by that when deciding on the exact number of nurses and the skills mix that we require in any particular function or location at any particular time.

#### **Aberdeen Maternity Hospital (Cleanliness)**

**3. Maureen Watt (Aberdeen South and North Kincardine) (SNP):** To ask the Scottish Government whether it will provide an update on the state of cleanliness at Aberdeen maternity hospital. (S4O-02689)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The standards at Aberdeen maternity hospital that were first exposed by the Healthcare Environment Inspectorate report, which was published on 29 October, were unacceptable. However, I welcome the latest report that has been published by the inspectorate on 4 December, which notes a series of positive quality improvements that will help to enhance patient care at Aberdeen maternity hospital.

NHS Grampian has responded to the serious issues that have been identified, and has made tangible progress through the rigorous action plan that it has put in place. Staff should be commended on their work to date and on promising areas of progress, and I expect NHS Grampian to continue to ensure that quality, safety and cleanliness are key priorities for all its staff.

It is encouraging that significant progress has been made through strong inspection followed by swift action. We will continue to work closely with NHS Grampian to monitor progress on its improvement plan and the standard of care that is provided across the health board area.

**Maureen Watt:** I am glad that the cabinet secretary believes that NHS Grampian is in a position to improve and maintain the high standards that people in the north-east expect of Aberdeen maternity hospital. My colleagues in the north-east and I recently met Richard Carey, who is concerned about some equipment that is used in the hospital, especially the beds. Will the cabinet secretary work with the health board to ensure that the beds in the birthing unit are suitable for what they are required to do?

**Alex Neil:** Absolutely. I should note that the HEI's latest inspection report, which was published on 4 December, highlighted improvement through the work that was carried out to review the function and ease of cleaning of the beds that are in use. I understand that labour-ward beds have mechanical and electrical parts and have to be taken apart to be adequately cleaned. All the labour-ward beds have been dismantled and deep cleaned, and results of trials of alternative beds have confirmed that the beds that are currently in use in Aberdeen maternity hospital are the best that are available in terms of their cleanability.

#### **Independence (Equality)**

**4. Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP):** To ask the Scottish Government how the written constitution outlined in the white paper on independence would protect and promote equality. (S4O-02690)

**The Minister for Commonwealth Games and Sport (Shona Robison):** A written constitution would set out principles and rules that would apply to the institutions of the state, and would underpin the relationship between citizens and the state to protect rights and secure fairness and equality. In addition, the Scottish Government intends that an equality provision would be included in the interim constitution that would be put in place at the time of independence. After independence, a constitutional convention would consider how to protect and promote equality further.

**Christina McKelvie:** As we all know, equality comes in many forms. I take the opportunity to welcome the commitment in the white paper to end detention and to close Dungavel. Given that it is migrants' rights week next week, can the minister tell us what provisions will be put in place to make refugees and those who seek sanctuary feel welcome in an independent Scotland, as outlined in "Scotland's Future"?

**Shona Robison:** As a nation that will play a socially responsible role in the world, an independent Scotland would continue to provide a place of safety for people who seek asylum. The asylum process in an independent Scotland will be robust and humane, with clear adherence to human rights and equality principles and to the rule of law.

As Christina McKelvie mentioned in her question, we would close Dungavel and end the inhumane practice of dawn raids. However, independence would also enable us to address asylum seekers' access to employment, education and accommodation. As she did, I welcome migrants' rights week next week. I am sure that it will be an opportunity to highlight many of the issues.

**Kezia Dugdale (Lothian) (Lab):** Can the minister tell us why the white paper guarantees us our own Eurovision entry but does not guarantee gender equality in an independent Scotland?

**Shona Robison:** Gender equality is a significant part of the white paper—on page 106, as Kezia Dugdale has been told on a number of occasions. We will consult on a target for female representation on company and public boards and we will, if necessary, legislate as appropriate. I do not understand what Kezia Dugdale's alternative to that is, because I cannot see it anywhere. The white paper has put gender equality very much on the agenda and will allow us to move forward to becoming the progressive Scotland that we all want.

#### **Royal Alexandra Hospital (Service Transfers to Southern General Hospital)**

**5. Mary Fee (West Scotland) (Lab):** To ask the Scottish Government what services will transfer from the Royal Alexandra hospital to the new Southern general hospital. (S4O-02691)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The ear, nose and throat in-patient service will move to the new Southern general in 2015 as the single specialist site for in-patients for the whole of the Glasgow and Clyde area. That change, which was approved by the previous Administration in March 2007, affects a relatively small number of patients, with the

majority of care continuing to be delivered locally as out-patient or day-case episodes.

**Mary Fee:** Was any consultation done with patients, the council and patients groups before that transfer was done? If any further transfers are to be done, will consultation be carried out? A number of concerns about issues of transport and accessibility have been raised with me.

**Alex Neil:** That decision was taken by my predecessor, Andy Kerr, when he was Minister for Health and Community Care in the previous Administration. I assume that he undertook the necessary consultations. Obviously, he reached the decision that he did and it is now not appropriate to reverse that decision.

**Jackson Carlaw (West Scotland) (Con):** The Royal Alexandra, Inverclyde and Vale of Leven hospitals are the three main hospitals that accrued as a result of the merger of NHS Argyll and Clyde and NHS Greater Glasgow. In due course, a solution as imaginative as the Southern general will be required to take the area's health concerns forward. Will the cabinet secretary undertake to ensure that that decision has the widest possible support across all parties and is not simply imposed, as major health decisions were in the earlier years of this Parliament?

**Alex Neil:** It is my policy always to consult when there is any major redesign of service provision. As the member will know, NHS Greater Glasgow and Clyde is currently working on a review of clinical services throughout its area. Any proposals arising from that review will be consulted on widely.

#### **Inequality (Health and Wellbeing Impacts)**

**6. Joan McAlpine (South Scotland) (SNP):** To ask the Scottish Government what the health and wellbeing impact is of income inequality. (S4O-02692)

**The Minister for Public Health (Michael Matheson):** The relationship between low income and poor health is well established. People on a low income are more likely to limit or simply not purchase goods and services that maintain or improve health, or are forced to purchase cheaper goods and services that may increase health risks. In other words, it affects their ability to access nutritional food, exercise facilities and affordable energy for cooking and heating, and the availability of safe and secure accommodation. It can also affect mental wellbeing, with those on low incomes prevented from participating in social activities, leaving them feeling less worthy and of a lower status.

**Joan McAlpine:** The United Kingdom is the fourth most unequal country in the developed world. How could a fairer and more equal

independent Scotland address the poor health outcomes that are caused by income inequality?

**Michael Matheson:** As I mentioned, it has been well established that many of the health inequalities that we experience in our society are not factors that our health service can address by itself, because so many of them are led by determinants that are outwith our health service's abilities to control. For example, income, wealth and power are key determinants in health inequalities. If we are to tackle those issues effectively, we need to ensure that we are able to address the type of income inequality that too many of our citizens experience.

We also know that, as a direct result of the austerity measures of the UK Government, child poverty will increase in Scotland. The key consequence of that is not only the shameful fact that we will have more children in poverty but the likelihood that those young people will experience further health inequalities as they grow up. In an independent Scotland, we will be able to address those issues effectively by aligning our health and our equalities agendas. We will be able to tackle those issues much more effectively by having a welfare system that is guided by a desire to achieve that.

**Rhoda Grant (Highlands and Islands) (Lab):** The minister will be aware that care staff are predominantly female and predominantly low paid. Will the Scottish Government now ensure that they are all paid the living wage so that that does not have a detrimental effect on their health and wellbeing?

**Michael Matheson:** The Scottish Government supports the Scottish living wage and has actively taken forward that policy. It is extremely important that we recognise that there are too many people who are in work and experiencing poverty and that the changes that have been taking place in the taxation and the welfare systems are pushing more families into poverty. That is why it is important that this Parliament has control over those matters, so that we can address them effectively rather than just talk about them or ask questions about them.

#### **Health Board Elections (NHS Dumfries and Galloway)**

**7. Alex Fergusson (Galloway and West Dumfries) (Con):** To ask the Scottish Government what discussions it has had with NHS Dumfries and Galloway regarding the decision to end the pilot health board elections. (S4O-02693)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** Since I announced my decision to end the pilot health board elections, there has been on-going dialogue with NHS

Dumfries and Galloway on the transitional arrangements that the board must put in place to ensure strong and effective governance. However, the member will recognise that the decision to end the pilot elections is subject to parliamentary process.

**Alex Fergusson:** I do indeed recognise that.

I have been contacted by elected members of the health board in my constituency who were greatly displeased—I put that gently—at the tone of the letter that they were sent effectively terminating their posts six months before the pilot scheme is scheduled to come to an end. Why has the pilot been terminated at what seems to be an early stage, and how can the minister ensure that the considerable expertise that elected board members have accumulated after three and a half years of hard work will not be lost with their dismissal?

**Alex Neil:** The legislation setting up the pilot elections to boards required me to make a decision on whether to proceed with the extension of the pilot throughout the entire system or to terminate the pilots. I had no choice; I had to make a decision within a certain timeframe. I am making it clear to the elected members, who will be required to stand down in accordance with future appointment processes to the boards of NHS Dumfries and Galloway and NHS Fife, which is the other health board that is involved in the pilot, that they will be entirely free to reapply for membership of the health board if they wish to do so.

I should mention that we are going ahead with the extension of the other pilots, which involved unelected people, to improve the wide selection of people who are applying to and being appointed to health boards, and, in particular, to ensure that more women and members of underrepresented groups are appointed to health boards, provided that they have the merit and the ability to do the job.

#### **Vacancies (NHS Grampian)**

**8. Nanette Milne (North East Scotland) (Con):** To ask the Scottish Government what recent assessment it has made of vacancies in NHS Grampian. (S4O-02694)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The Information Services Division, which is part of the national health service for Scotland, provides quarterly statistical reports on vacancies in all NHS boards. Vacancies are defined as unfilled posts, as of each time point, which are subject to appropriate recruitment arrangements. Vacancy management processes are in place across NHS Scotland to support the implementation of local workforce plans. Those



processes inform vacancy advertising requirements.

Within NHS Grampian, reports on vacancies are regularly provided to the board's staff governance committee, including quarterly information covering vacancies for consultants, nurses, midwives and allied health professionals. The committee met most recently on 19 November.

**Nanette Milne:** In recent years, NHS Grampian has found it difficult to recruit a number of key specialists and it currently has 41 whole-time equivalent consultant vacancies and 171 whole-time equivalent nursing and midwifery vacancies. The cabinet secretary might be aware that Unison's Grampian health branch has recently undertaken research into living costs for NHS workers in the north-east, which found that, for example, childcare costs were on average £800 higher than anywhere else in Scotland. Given that a number of public sector workers, including Scottish Ambulance Service and Health and Safety Executive personnel, already receive a recruitment and retention payment, what steps are ministers taking to encourage health professionals to locate in the north-east and what has the Scottish Government made of calls for a high-cost-area supplement?

**Alex Neil:** I do not believe that a high-cost-area supplement would be appropriate. If we got into that, we would have to look at other parts of the country. For example, in the Western Isles, there is a major shortage of maintenance engineers, because of the renewable energy industry success there. Should we then introduce a high-cost-of-living supplement or a skills-shortage supplement for the Western Isles because we cannot find a maintenance engineer there? Going down that road would have huge ramifications. We take a robust approach to filling vacancies in Grampian and elsewhere. I receive a monthly report on all posts in the national health service that have been vacant for more than three months. In such cases, we work with the boards to ensure that we fill those vacancies. To date, we have been able to fill the vacancies, and I anticipate that continuing.

### Postnatal Depression (Treatment)

**9. Richard Lyle (Central Scotland) (SNP):** To ask the Scottish Government what steps it is taking to ensure that women with postnatal depression are treated in an appropriate timescale. (S4O-02695)

**The Minister for Public Health (Michael Matheson):** It is important that women who experience postnatal depression can access appropriate and timely care, treatment and support. The national health service is responsible for providing such care on the basis of a

multidisciplinary needs assessment and in line with clinical and other guidelines.

In March 2012, the Scottish intercollegiate guidelines network published guidance on the management of perinatal mood disorders, which highlights the good evidence base for psychological therapies such as cognitive behavioural therapy and interpersonal therapy as effective interventions for depression in the postnatal period.

NHS boards are making good progress towards delivering the mental health HEAT—health improvement, efficiency and governance, access and treatment—target that was introduced to improve access to such psychological therapies by ensuring that, by December 2014, no one has to wait longer than 18 weeks for access to such services.

**Richard Lyle:** The minister has already mentioned this, but can he say whether there are clear waiting time targets in place for NHS boards across Scotland to deal with postnatal depression? If so, what steps can the Government take to ensure that my constituents do not have to wait an inordinate amount of time, such as 21 weeks? Is the minister prepared to meet me and one of my constituents to discuss how to improve the service for her and for others?

**Michael Matheson:** As I mentioned, we have set down a HEAT standard to drive improvements in the way in which patients access psychological therapies. As of December 2014, boards will be expected to have services in place that patients can access within 18 weeks from referral. As I also mentioned in an earlier answer, the current average in NHS Scotland is about 10 weeks, but I want to ensure that all boards are making improvements, including NHS Lanarkshire, because 21 weeks for access to such services is unacceptable.

I should say that 18 weeks is the maximum that a patient should have to wait. If clinicians believe that a patient requires access to particular psychological services at an earlier date, they should be referred on that basis to ensure that they receive those services. It is important that we drive the improvement in psychological therapies to ensure that there is greater provision and access for all who could benefit from them. I am more than happy to meet the member and his constituent to discuss the matter further if he feels that that would be helpful.

### Dementia-friendly Services (Accreditation Scheme)

**10. Fiona McLeod (Strathkelvin and Bearsden) (SNP):** To ask the Scottish Government whether it would support a national

“dementia-friendly” accreditation scheme. (S4O-02696)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** One of the key outcomes for Scotland’s national dementia strategy for 2013 to 2016 is dementia-friendly and dementia-enabled communities. The Scottish Government’s standards of care for dementia in Scotland, which were published in 2011, state that people with dementia have the right to remain connected to and feel involved in their community, wherever they live.

From 2014, the independent Life Changes Trust will make available about £25 million of funding from the Big Lottery Fund over 10 years to benefit people with dementia and their carers in Scotland, which will include helping to lessen the social isolation and depression that they often experience. The investment is likely to focus on areas such as developing dementia-friendly communities, and I expect the trust to consider closely the value of supporting accreditation initiatives as part of that. The trust’s investment will complement our key national activity, such as our continuing focus on timely diagnosis, more integrated community-based care and support and our world-leading commitment of a year’s worth of post-diagnostic support for everyone who has been diagnosed from 1 April this year.

**Fiona McLeod:** I thank the cabinet secretary for his comprehensive answer. The £25 million from the Life Changes Trust is incredibly welcome. I am sure that he is aware that a lot of good work is happening around the country to build dementia-friendly communities, including work in my constituency by East Dunbartonshire Council. However, my great concern is that we will all go off and do our own thing. I have looked at the Fairtrade accreditation model. Does it provide an example of a way to accredit dementia-friendly communities?

**Alex Neil:** I know that there is positive activity towards building dementia-friendly communities in East Dunbartonshire. From next year, we will work with the council there on dementia and co-production. That work will aim to create a local culture in which the approach to dementia across sectors and in the community is co-designed. That means that it is commissioned, delivered and evaluated not only with people who have a diagnosis of dementia, their families and their carers but with wider local society.

I am aware that a range of dementia-friendly and dementia-enabled models will be adopted and I look forward with great interest to seeing how the agenda is developed from next year locally and nationally through the Life Changes Trust. I am happy to pass on Fiona McLeod’s point that the

Fairtrade model provides a possible example to follow.

### **Sexual Health Services (Young People)**

**11. Kezia Dugdale (Lothian) (Lab):** To ask the Scottish Government whether it advocates dedicated sexual health services for young people. (S4O-02697)

**The Minister for Public Health (Michael Matheson):** Scottish Government policy states that it is essential that young people have access to sexual health services, advice and information when they require it. That may consist of services that cater specifically for young people, or it may involve signposting and referral to generic services with easy access for young people. The decisions on the procedures, tests and facilities that are available locally are based on local needs assessments and the decisions are for national health service boards and local authorities.

**Kezia Dugdale:** The minister will be aware that Caledonia Youth is no longer funded by NHS Lothian to provide dedicated sexual health services in the Lothians. I am concerned that, without that specialist support, young people will not access the sexual health services that they need. As a consequence, we might see bad results in the sexually transmitted infection statistics. Will the minister look at the issue and ensure that we have the services for young people in the Lothians that we desperately need?

**Michael Matheson:** I am aware that Caledonia Youth no longer receives funding from NHS Lothian for such services. I understand that that is because NHS Lothian is providing the services directly rather than through Caledonia Youth.

As part of our sexual health and blood-borne viruses framework, it is important that boards implement a range of measures to continue to improve sexual health and to reduce the incidence of blood-borne viruses. Boards are doing that with the support of £29 million in this financial year for a range of measures.

I have no doubt that Caledonia Youth might wish to discuss with NHS Lothian how they can work in partnership, but NHS Lothian is taking forward services to meet local needs.

**Patrick Harvie (Glasgow) (Green):** The issue is quite worrying. I know that local needs vary, but young people’s needs are specific. I thought that we had got to a point at which everybody recognised the value in having dedicated young people’s sexual health services, which should be easier to deliver in cities than in many other parts of Scotland. What proportion of young people have access to a local dedicated young people’s sexual health service? If the minister cannot tell us that, will he find out the figure and publish it?

**Michael Matheson:** The member should be aware that there have always been a variety of different services—there have not always been dedicated youth services. In some local areas, dedicated youth services have been provided. NHS Lothian is providing services that young people can access for sexual health needs as well.

It has never been the case that all boards have provided dedicated sexual health services. What is important is that boards look at what is required in their local area and that they ensure that they have services arranged in a way that can meet the needs of young people in that particular area.

### **Community Sports Hubs (North East Scotland)**

**12. Christian Allard (North East Scotland) (SNP):** To ask the Scottish Government how many community sports hubs are being developed in North East Scotland. (S4O-02698)

**The Minister for Commonwealth Games and Sport (Shona Robison):** Plans have been developed for 19 community sports hubs across the four local authority areas in the north-east, 14 of which are already up and running, delivering opportunities for their local communities to take part in sport and be physically active.

**Christian Allard:** I thank the minister for her answer. How are communities and individuals in the north-east benefiting as a result of the development of community sports hubs?

**Shona Robison:** There are many benefits from community sports hubs. I will highlight one in particular—the development of the Garioch hub, which has seen a number of sports clubs brought together under the one roof, with a clear focus on driving participation in sport and physical activity. The hub, in addition to the new 3G pitch in Inverurie, will undoubtedly further enable sports development. Active schools clubs and the community will be able to come together and build upon the good work that is already being done.

If members do not have hubs being developed in their areas, they should certainly be making inquiries and requesting a hub. They are absolutely the way to make it easier for people to be more active and, of course, they are also affordable for people.

### **Medicines (Peer-approved Clinical System)**

**13. Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** To ask the Scottish Government what the timetable is for the transition from the individual patient treatment request system to the peer-approved clinical system. (S4O-02699)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The Scottish Government set out a package of changes to improve access to medicines following the extensive work of the Health and Sport Committee. A pivotal part of that—with the potential for the greatest impact on access—is the work that is being done by the Scottish Medicines Consortium, which will report to me before Christmas. The new PACS will be fully rolled out once we have national changes in place.

**Adam Ingram:** I thank the cabinet secretary for that answer, but he will be aware that there are many anxious patients out there who have not had IPTRs approved. They feel that time might be running out for them to take advantage of the more patient-friendly climate that PACS promises. Can the cabinet secretary provide any reassurances for those patients?

**Alex Neil:** I understand Adam Ingram's point. That is why I have asked national health service boards to act flexibly in view of the on-going work at a national level and why I have made it clear that I do not expect patients to be disadvantaged in any way because of the timing of events.

We are talking about a relatively small number of patients and I know that the NHS boards have taken on board the request for flexibility and that IPTRs are being put forward. Ultimately, decisions need to be made on a clinical basis but I am absolutely clear that no patient should be disadvantaged because we are in a transitional period from one system to another.

### **Carers (Practical Support and Technology)**

**14. Claudia Beamish (South Scotland) (Lab):** To ask the Scottish Government what action it takes to provide carers with information and advice on accessing practical support and technology. (S4O-02700)

**The Minister for Public Health (Michael Matheson):** The Scottish Government funds health boards through carer information strategies to provide carers with information and advice. We also fund the national carers organisations to do likewise.

Through Carers Scotland, we provide a range of resources and training materials for carers on the use of technology, particularly telehealth and telecare. We recently launched the first prototype portal, "Living it Up"—an online resource that will allow service users and carers to access a range of information, advice and support about local services, information and products. Moreover, subject to the outcome of consultation and parliamentary approval, the Scottish Government intends to introduce new legislation to support carers and young carers.

**Claudia Beamish:** I thank the minister for that detailed answer. As he will know, the United Kingdom carers rights day was held at the end of November. Recent research by Carers UK and YouGov has found that fewer than 30 per cent of carers use technology to support health and care issues, whereas 70 per cent use it for other aspects of their life such as going shopping.

Will the Scottish Government introduce statutory provision? The minister mentioned that in his answer, but perhaps he could give more detail on whether it would be possible to introduce practical support for carers and to give advice on the matter in the forthcoming carers bill, and tell us how he will ensure that there will be equal access throughout Scotland in different local authority areas.

**Michael Matheson:** If I understand Claudia Beamish correctly, she is asking about access to information and advice services and how we can ensure that there is greater consistency in that access across all local authority areas.

Without wanting to pre-empt the consultation on the subject, it is clear to me that carers are often unaware of what is or may be available to them. I want to look at how we can ensure that there is a greater consistency in awareness. We will consult on how we go about achieving that and whether a legislative provision can assist us in that regard. We can consider, as part of the consultation, whether legislation is the best way to ensure that there is consistency in access to advice and information for carers.

**Fiona McLeod (Strathkelvin and Bearsden) (SNP):** Going back to the original question about providing support for carers to use information technology, I take this opportunity to make the minister aware of the fantastic work that Carers Link East Dunbartonshire is doing in my constituency through one-to-one IT training, the link and learn project, and the meet and geek group. We are already skilling our carers greatly to be able to use IT.

**The Deputy Presiding Officer:** That was not really a question, but the minister may comment briefly if he wishes to do so.

**Michael Matheson:** That seems to be a very worthwhile project, and I encourage other carers organisations in Scotland to consider participating in similar projects.

### **Myasthenia Gravis**

**15. Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** To ask the Scottish Government what assistance it provides to people with myasthenia gravis. (S4O-02701)

**The Minister for Public Health (Michael Matheson):** We want to ensure that people who are living with neuromuscular conditions, such as myasthenia gravis, and their families have access to the best possible care and support. We are currently supporting the national neurological advisory group in raising the profile of all neurological and neuromuscular conditions in the national health service and the third sector and among the public.

The advisory group aims to drive forward implementation of the neurological standards, which aim to improve the patient journey from the point of referral to the service and to ensure that every patient with neurological or neuromuscular conditions experiences a quality of care that gives confidence to the patient, clinician and carer.

**Willie Coffey:** The minister will be aware that myasthenia gravis is an autoimmune neuromuscular disease that leads to fluctuating muscle weakness and fatigue, and yet awareness of it among general practitioners appears to be limited, as does the availability of specialist training in the nursing profession.

Will the minister consider what could be done to assist in that regard, and whether more specialist training can be offered to nurses, not only to develop their own skills but to provide much-needed support for sufferers?

**Michael Matheson:** I recognise that awareness of myasthenia gravis—which is fortunately a relatively rare condition—is very limited. There is a specialist nurse based at the Southern general in Glasgow who is able to provide specific clinical advice on that particular condition to patients and their families and to other nurses in the field.

I am always happy to look at what measures can be taken to help to raise further awareness of such issues. The national neurological advisory group has an important role to play in ensuring that we do everything possible to make sure that patients who have neuromuscular conditions such as myasthenia gravis are receiving the best possible care, and that those who are providing patients with the necessary clinical support have the right advice and information to enable them to provide the right clinical input. The specialist nurse at the Southern general in Glasgow has an important role to play in helping to support that area of work.

**The Deputy Presiding Officer:** Question 16 is from Margaret McCulloch—I ask her to be brief.

### **NHS Lanarkshire (Rapid Review Assessment)**

**16. Margaret McCulloch (Central Scotland) (Lab):** To ask the Scottish Government whether it will provide an update on the NHS Lanarkshire

rapid review assessment by Healthcare Improvement Scotland. (S4O-02702)

**The Cabinet Secretary for Health and Wellbeing (Alex Neil):** The Scottish Government announced on 27 August that we had commissioned Healthcare Improvement Scotland to undertake a rapid review of the safety and quality of patient care in NHS Lanarkshire. I am aware that HIS has kept all Lanarkshire MSPs informed of its progress, as well as giving them opportunities to input to the review.

In addition to considering a substantial amount of information and data, the review team has visited 43 clinical areas, spoken to more than 200 people—including patients, their families, carers and members of staff—received feedback from more than 300 patients and carers about their experience of the care that was received, and reviewed 152 records of patients who died within 30 days of admission across the three hospitals. I can confirm that HIS will publish its report by the end of the year.

**Margaret McCulloch:** Papers from NHS Lanarkshire confirm that an examination of unscheduled care and accident and emergency is a critical part of the HIS inquiry. Performance against A and E targets has deteriorated across Lanarkshire's three acute sites while the inquiry has been going on, according to figures that were collected over the autumn.

In light of the scale and urgency of the situation in Lanarkshire, will the Government press for the timely completion of the review and commit to providing a timely response?

**Alex Neil:** I am sure that there will be a timely response, and the report will be published by the end of the year.

It is rather hypocritical of anyone in the Labour Party to criticise A and E turnaround times in Lanarkshire, when Labour wanted to close down Monklands hospital's A and E department.

## Local Government Finance Settlement 2014-15

**The Presiding Officer (Tricia Marwick):** The next item of business is a statement by John Swinney on the local government finance settlement 2014-15. The cabinet secretary will take questions at the end of his statement; there should therefore be no interruptions or interventions.

14:41

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** In my statement I will cover two topics. I will update Parliament on the local government settlement for the current financial year, set out the terms of the provisional settlement for 2014-15 and confirm the overall total figures for 2015-16. I will also update Parliament on the Government's proposals for business rates in Scotland. Copies of the summary tables that contain the key financial information are available at the back of the chamber.

Local government provides a wide range of services and plays a major role in local partnerships that are essential to the delivery of the outcomes that matter to the people of Scotland. In recognising that, we have maintained our strong partnership with the Convention of Scottish Local Authorities. Recent local government finance settlements have been set following detailed discussion and agreement with COSLA, against a backdrop of the continued financial constraint that the United Kingdom Government has applied in Scotland. In these difficult times, the Scottish Government has remained fully committed to that partnership and has protected local government as much as possible, to shield our local communities from the worst of the cuts.

Between 2007-08 and 2012-13, the resources in the Scottish Government's control increased by 6.4 per cent; over the same period, local government's budget increased by 8.9 per cent, which demonstrates that strong financial settlements have been agreed with local government during the period.

That degree of protection has continued. Between 2013-14 and 2015-16 the revenue resources under the Scottish Government's control, excluding health and local government, will increase by 0.2 per cent in cash terms. Over the same period, local government's revenue funding will increase by 0.7 per cent in cash terms and its share of total revenue funding within the Scottish Government's control will have increased.

There can be no argument that while times have been tight local government has been fairly funded. The Scottish figures for 2012 to 2015 resulting from the 2011 spending review resulted in a flat cash settlement on a like-for-like basis, compared with an 8 per cent cash reduction in England over the same period.

I can confirm that additional funding of more than £60 million for the current year, 2013-14, has been discussed and agreed with COSLA since the Parliament approved the allocations back in March. The sum will be partially offset by a recovery of around £41 million from local authorities in respect of committed and uncommitted police reserves that had been returned to local authorities following the winding-up of the police joint boards and the successful establishment of Police Scotland. The £41 million represents the Scottish Government's share of the outstanding reserves.

The main additional sums are: £27.5 million, previously held back, for the teachers induction scheme; £20 million to top up discretionary housing payments; £4 million funding for second languages; and £2.5 million in respect of the national care home contract.

On a like-with-like basis, the 2014-15 local government finance settlement represents flat cash with additional funding for extra responsibilities. We have also continued to honour our commitment to maintain local government's share of the overall capital resources within the Scottish budget.

The 2014-15 settlement, which was originally set out as part of the three-year local government finance settlement covering the period 2012 to 2015, has been maintained despite the significant challenges that have been presented by the recent outcome of the various UK budgets and the June 2013 UK spending round, which have resulted in further cuts being imposed on the Scottish budget for 2014-15. None of those reductions in Scotland's budget, which amounted to £40.6 million in 2013-14 and £126.4 million in 2014-15, has been passed on to local government.

The total support for local government in 2014-15 will amount to almost £10.6 billion, which includes revenue and capital funding along with income raised from business rates. Within the total funding package, revenue funding will amount to £9,805 million, including the funding to deliver a council tax freeze, and capital funding will amount to £773 million. That total includes a further £81 million in 2014-15 to deliver on the Scottish Government's commitment to fully fund the additional cost of early learning and childcare provision. That represents £51 million for revenue costs and £30 million for capital expenditure. As of August 2014, all three and four-year-olds will be

eligible for up to 600 hours of childcare, which is an increase on the 475 hours that are currently available. That package of support will save the average family £707 per year per child. The total revenue figure also includes a number of small changes since the publication of the Scottish draft budget for 2014-15 in September, the main one being the addition of £20 million for discretionary housing payments to alleviate the impact of the bedroom tax.

As part of our partnership approach, local government has agreed to deliver a number of priorities for the people of Scotland. Our agreement was described in my letter to COSLA of 11 September, which set out the terms of the local government settlement. As part of the settlement, local authorities will continue to freeze the council tax. That is continuing to help families during tough economic times. They will also maintain teacher numbers in line with pupil numbers and secure places for all probationers under the teacher induction scheme. Councils will also work with their national health service partners towards the full integration of adult health and social care.

As I have mentioned, the partnership working between the Scottish Government and local government remains a hallmark of our approach to public service reform. The Scottish Government has supported the partnership with fair financial settlements in the face of real budgetary pressures as a result of funding settlements from Westminster. As part of the partnership that we have operated since 2007, we have maintained the funding formula that was agreed jointly with COSLA for determining the settlement for individual local authorities. That needs-based formula takes into account issues such as population levels, deprivation and sparsity among the individual local authorities. I have again applied that formula to the settlement that I am setting out today for 2014-15.

At this point, I would normally also have set out the indicative allocations for 2015-16 based on the same formula. However, I was informed on 2 October that COSLA leaders had voted to disregard those arrangements for 2015-16 and to simply roll forward the allocations for 2014-15 into the next financial year. That means that the most up-to-date needs of individual local communities will not be taken into account in calculating the 2015-16 settlement. I have noted the COSLA leaders' decision and have had preliminary discussions with the COSLA leadership. I am giving the matter due and careful consideration, and my discussions with COSLA will continue. Although I cannot make any further announcement regarding the 2015-16 settlement, as I would normally have wished to do today, I can confirm that the total funding package that is currently

available amounts to over £10.6 billion. Councils can, of course, see what their settlement would be under the COSLA proposal by looking at their settlement for 2014-15.

I turn to business rates, which are not only a key issue for Scotland's business community, but an integral part of local government finance settlements.

In our manifestos in 2007 and 2011 and as part of the Government economic strategy, we made a commitment that, unlike previous Administrations, we would not allow the poundage for business rates to rise above what it is in England during the lifetime of this Parliament.

This Administration acknowledges that business rates play an important part in attracting and retaining businesses in Scotland. That is why in 2008 we introduced the small business bonus scheme, which I am delighted to say has reached a record high with more than 92,000 business properties benefiting.

One of the main beneficiaries of the small business bonus is the retail sector where 63 per cent of shops enjoy zero or substantially reduced business rates bills under our comprehensive package of reliefs available to businesses. This year, an eligible Scottish business in receipt of small business bonus scheme support will be up to £3,080 better off than their competitors in England—and that is even after the chancellor's announcement last week of a temporary extension to the United Kingdom Government's equivalent relief.

I am pleased to announce that the Government will go further to expand the small business bonus scheme to help even more small businesses. We will increase the upper threshold for businesses with multiple properties from £25,000 to £35,000, extending the benefit to more than 4,000 additional properties, for the lifetime of this Parliament. That is in addition to our expansion of the fresh start scheme, now adopted in England, which provides a relief to help businesses that take on long-term empty properties and rejuvenate our high streets. Following the successful introduction of the scheme, we will include more premises with higher rateable values and additional types of empty premises, including those previously used as pubs, hotels and restaurants.

In last week's autumn budget statement, the chancellor announced that the annual increase in the business rates poundage in England and Wales would be capped at 2 per cent. To maintain the competitive advantage enjoyed by Scottish businesses since 2007, I confirm that we will match that cap and restrict the increase in the poundage to 2 per cent.

Extending the small business bonus to help a further 4,000 businesses, expanding the incentives for business to help regenerate our high streets and keeping the cost of business rate increases below inflation deliver on this Government's commitment to give Scottish businesses a competitive advantage over their UK counterparts and maintain Scotland's position as the best place to do business.

This marks the start of the normal consultation process with local government on the provisional 2014-15 revenue allocations and, once confirmed, I will bring the final figures to Parliament in the local government finance order 2014 early in the new year. I will also provide Parliament with an update on my further consideration of the allocations for 2015-16.

**Sarah Boyack (Lothian) (Lab):** I thank the Presiding Officer for her forbearance and apologise to the cabinet secretary for missing the beginning of his statement. I also thank him for advance notice of his statement.

On top of supporting our constituents through the cost of living crisis and the Tory welfare policies, our councils must deal with the reality of the cabinet secretary's local government settlement. For all his assertions that local government has had a good deal from the SNP, he has presided over the removal of around £100 billion from spending on poverty reduction measures, the long-term impact of the underfunding of the council tax freeze and the loss of more than 34,000 local government jobs.

Today is another nail in the coffin of our broken local government finance because our local authorities are getting austerity plus. We need a local government settlement to protect the most vulnerable in our communities and enable our local government colleagues to do the jobs that they were elected to do.

The Joseph Rowntree Foundation and Unison have commented that the most vulnerable in our communities are the worst hit. Does the cabinet secretary agree with the Joseph Rowntree Foundation that we will see further reductions, rationalisation and residualisation of vital services? What analysis has the Scottish Government carried out on the impact of those service reductions and increases in the cost of charges for services directly on those who are the most vulnerable in our communities?

**John Swinney:** I am aware of the research that the Joseph Rowntree Foundation has carried out. I would be the first to acknowledge that many individuals in our society face challenges and financial difficulties in the period of austerity that we are having to experience. To a substantial extent, that situation has been created by the

impact of the public spending reductions that the United Kingdom Government has applied and of the welfare reform programme. As Sarah Boyack understands, I have to operate within a fixed budget. Ensuring that we provide adequately for public services is at the heart of the decisions that I have announced.

I point out to Sarah Boyack that, as I made clear in my statement, in the period between 2007-08 and 2012-13, the resources under the control of the Scottish Government increased by 6.4 per cent, whereas the local government budget increased by 8.9 per cent, so the local government budget has done better than the Scottish Government budget as a whole, and that will continue in the period between 2013-14 and 2015-16.

I also say to Sarah Boyack, with the greatest respect, that her comments would have more credibility if, at any stage in the budget process, her colleagues had come to me and asked me to increase the amount of money that we give to local government. That has never happened. Indeed, in the Conservative debate that we are about to have, the Labour Party will not propose the allocation of more money to local government for general revenue funding as an alternative to the Government's budget; it will ask us to extend childcare provision. That is an entirely laudable and understandable proposition, but it would not increase local government finance in general in the way that Sarah Boyack has suggested.

The final point that I will make in relation to the work of the Joseph Rowntree Foundation is that we are going through a process of public service reform that is designed to address the financial climate that we face by ensuring that services in Scotland are delivered in a different way in the future from the way in which they are delivered today. We want to ensure that services are developed in a sustainable fashion that meets the needs of vulnerable individuals in our society and which involves much greater participation by the third sector in the delivery of public services.

This afternoon, while I am in Parliament, the national community planning group will hold a meeting—which I would have attended, had it not been for parliamentary business—involving the health service, local government and the third sector, the aim of which will be to provide further impetus to the reform programme to meet the needs of vulnerable individuals in our society.

**Gavin Brown (Lothian) (Con):** I thank the cabinet secretary for advance sight of his statement and welcome the expansion of the small business bonus scheme and his decision to follow the lead of the UK Government in reducing the business rates increase for next year.

What is the total value to business of the extension of the small business bonus scheme? What is the upper threshold for a single property? Is it still £18,000 for the 25 per cent discount?

In relation to the business rates incentivisation scheme, when were the targets for 2013-14 intimated to individual councils?

**John Swinney:** The total benefit to business of the impact of the extension of the threshold for multiple properties will be in the order of £3.8 million, if my memory serves me correctly—the figure will certainly be less than £4 million. No other thresholds have changed as a consequence of the announcements that I have made today.

In connection with the business rates incentivisation scheme, no further targets have been intimated to local government, because we are waiting to agree with local government the targets for the financial year 2012-13. Local government wanted to have that concluded once the full audited information was available, which I believe will be the case in February 2014. Without having the ability to sign off those targets—they must be signed off jointly with local government, at its request—I cannot confirm any further details of the business rates incentivisation scheme.

**The Presiding Officer:** I recognise that this statement is very important and that many members wish to ask questions; in fact, I see that 13 wish to do so. To allow me to get through as many as possible, I remind members to ask one brief question and would also be grateful for brief answers from the cabinet secretary.

**Kevin Stewart (Aberdeen Central) (SNP):** How would the local government settlement be affected in future years if there were, as suggested by the Holtham commission, which has the support of all three unionist parties, a £4 billion cut to Scotland's budget?

**John Swinney:** As I indicated in my statement, the Scottish budget has been reduced by £40 million in-year in 2013-14 and by £126 million in advance of the start of 2014-15. The Government has decided not to pass on to local government any of the implications of those decisions, but if our budget were to be reduced by £4 billion there is no question but that we would be unable to protect local government funding and services from the impact. If that happened, it would have a very serious impact on public services in Scotland and particularly within our local authorities.

**Neil Bibby (West Scotland) (Lab):** As a result of last week's autumn statement, Mr Swinney will receive £300 million in Barnett consequentials over the next two years. As we know, childcare is devolved. Given that increasing childcare was such a big priority for the SNP Government a fortnight ago, how much of that £300 million will Mr



Swinney give to local authorities to provide more childcare to Scotland's two-year-olds?

**John Swinney:** First of all, I must sound a note of caution to Mr Bibby about that £308 million: £75 million of it is in what are now called financial transactions and so cannot be deployed on routine public expenditure to provide the childcare services to which Mr Bibby has just referred. In short, it would literally be a practical and financial impossibility for me to use that £75 million out of the £308 million for that purpose.

As Mr Bibby will be aware, the only decision that I have set out to Parliament with regard to utilisation of consequentials from the UK autumn statement has been in relation to business rates. The Government will in due course make further announcements to Parliament about how the consequentials will be used and, in the process, will consider all relevant and significant policy priorities.

**Kenneth Gibson (Cunninghame North) (SNP):** As the cabinet secretary knows, the preventative spend agenda is of great importance, and part of that is about ensuring that every child has a good start in life. As a result, the additional £81 million for early learning and childcare is very welcome. What steps have local authorities taken to prepare for the extension of early years education, and what support and encouragement will the Scottish Government provide to help them to deliver that?

**John Swinney:** The Government has—principally through my colleague Aileen Campbell, the Minister for Children and Young People—been involved in extensive discussions with local government in preparation for implementation of the legislation that Parliament is currently considering and which will extend the provision in question. That work is going well; in fact, to be frank, I think that it is a very good example of partnership working between the Scottish Government and local authorities on taking forward a policy agenda that we both support. It is clearly up to individual local authorities to deploy the resources that are being allocated today to fulfil the legislative requirement that will be put in place as a consequence of the Children and Young People (Scotland) Bill, and that work is progressing well in advance of implementation in August 2014.

**Willie Rennie (Mid Scotland and Fife) (LD):** I thank the cabinet secretary for advance sight of his statement, but I have to say that I was disappointed to notice that, once again, Aberdeen is losing out on funding. He previously promised to ensure that funding for the city would not fall below 85 per cent of the national average, but the figures at the back of his statement show that he has failed to meet that commitment yet again. Next

year, Aberdeen will, as it was this year, be £20 million short, which equates to £88 per person. Is the cabinet secretary prepared to take any steps to make good his promise from two years ago?

**John Swinney:** My having to answer Mr Rennie's questions is a bit like having déjà vu. I have explained to him on previous occasions that at the outset of a spending review we calculate the 85 per cent floor. We did that; it has resulted in a benefit to Aberdeen city of £3 million, followed by £1.9 million and then £2.1 million, which the city would not have if the Government had not applied the 85 per cent floor. At the outset of a spending review, we make the calculation, provide that guarantee to the relevant local authorities, and deliver on that for the duration of the three-year spending review period.

Mr Rennie's calculations ignore the removal from the local government settlement of the direct costs of paying for police provision through the amalgamation of those costs under Police Scotland's budget. The Government has put in place that contribution—I gently point out to Mr Rennie that the Administration of which he was a supporter never did that—in order to give Aberdeen City Council more resources than it had before. I also point out to Mr Rennie that Aberdeen City Council's revenue funding has increased from £311.163 million to £313.653 million as a consequence of the decisions that I have announced today.

**Mark McDonald (Aberdeen Donside) (SNP):** The cabinet secretary will be aware that those of us who represent Aberdeen have long argued for the Convention of Scottish Local Authorities to change its funding formula. He has previously indicated that he is willing to discuss such matters with COSLA. Has COSLA made any approaches to him in that regard?

**John Swinney:** What I am not clear about from the position that COSLA leaders have arrived at on the proposal to roll forward the distribution arrangements for 2014-15 into 2015-16 is whether that signals a desire by COSLA essentially to open up those questions for wider review. One of the consequences of rolling forward the 2014-15 allocations into 2015-16 is, of course, that if the distribution formula were then to be run as it currently stands for 2016-17, the volatility for individual local authorities would be quite significant. Obviously, that is one of the issues that I am considering as part of the process.

**Patrick Harvie (Glasgow) (Green):** We all know that the council tax is regressive, but fees and charges are more so. In the absence of local government taxation reform, how long will it be, on current trends, before fees and charges represent a larger proportion of local government income than council tax does?

**John Swinney:** That is clearly a matter for, and entirely within the competence of individual local authorities. I think that Mr Harvie will be aware that charging practices vary from local authority to local authority.

**Hugh Henry (Renfrewshire South) (Lab):** Will the cabinet secretary confirm that the settlement will mean that Labour councils will continue to see greater spending reductions than SNP councils, and will he confirm that this settlement means that Renfrewshire Council will continue to languish at or near the bottom of the funding table?

**John Swinney:** I had thought that Mr Henry would have known the point that I am about to make, because he was previously a minister. Perhaps he paid absolutely no attention to the point when he was a minister in the Government for many years—which might not surprise many of us in the chamber—but I thought that he would have known that the distribution formula is driven by about 100 different indicators. Many of those indicators are to do with population, and some are to do with deprivation; there is a wide variety. Therefore, the issue has nothing to do with politics and everything to do with the indicators.

I turn to Mr Henry's point that Renfrewshire is languishing at the bottom of the table. On funding per head, Renfrewshire Council is higher than Perth and Kinross Council—an area that I happen to represent—which rather makes a mockery of the nonsensical point that Mr Henry just raised.

**John Mason (Glasgow Shettleston) (SNP):** Is the cabinet secretary confident that the business rates scheme will continue to ensure that we have the most competitive rates regime in the UK?

**John Swinney:** One of the points that I made in my statement is that small businesses stand this year to be over £3,000 a year better off as a consequence of operating within the small business bonus scheme that we have in place here in Scotland. Of course, that has been in place since the Scottish Government introduced it in 2008-09.

**John Pentland (Motherwell and Wishaw) (Lab):** Here we are again: another year on and another step backwards. Since 2008, the Scottish Government has dumped the biggest burden of cuts on local government and has at the same time increased demands. Services are suffering and charges are increasing. That double whammy is most severely felt by the most vulnerable people—should it therefore be a triple whammy?—because they are also the people who get least benefit from the underfunded council tax freeze.

**The Presiding Officer:** Can we just get a question, Mr Pentland?

**John Pentland:** As the recent Joseph Rowntree Foundation report points out—

**The Presiding Officer:** Mr Pentland, I really—

**John Pentland:** —it is areas of high deprivation that suffer—

**The Presiding Officer:** Mr Pentland, sit down, please. We need a question from you now.

**John Pentland:** Motherwell and Wishaw suffer from high social deprivation. Can the cabinet secretary—*[Interruption.]*

**The Presiding Officer:** Order.

**John Pentland:** Can the cabinet secretary and his Government tell me when they are going to address that?

**John Swinney:** The first point is that the Administration of which Mr Pentland was a supporter reduced the share of funding to local government from 36.6 per cent in 2002-03 to 34.7 per cent in the year in which we came to office. I do not really think that Mr Pentland is in a particularly strong position to say anything to me about what this Government has done, given that—as I indicated in my statement—the resources that are under the Government's control increased by only 6.4 per cent from 2007-08 to 2012-13, while the resources that are commanded by local government increased by 8.9 per cent during the same time.

Let me conclude with reference to the remarks of the chairman of the Local Government Association in England, Sir Merrick Cockell, who said:

"Every year I meet my opposite numbers in Scotland ... and they listen to us in wide-eyed disbelief at the budget cuts we are enduring and they are not."

That rather sums it up; we have protected local government and we will continue to do so.

**The Presiding Officer:** My sincere apologies to the many members who have not been called. I need to move on in order to protect the next item of business.

## Finance

**The Presiding Officer (Tricia Marwick):** The next item of business is a Conservative debate on motion S4M-08551, in the name of Gavin Brown, on finance. Mr Brown, you have 14 minutes.

15:12

**Gavin Brown (Lothian) (Con):** There is a long way to go and there will be many difficult decisions still to make and no doubt a number of setbacks along the way, too. However, I think that last week's autumn statement from the Chancellor of the Exchequer showed that, if we have a plan and a clear focus, and if we stick to it in difficult times and in good times, we get results.

The autumn statement had a positive story to tell about the overall economic picture. It had robust policies to help jobs and the economy more widely, and it was fiscally neutral to ensure responsible recovery so that we do not squander the hard-earned gains of the past couple of years.

Let us look first at growth, because growth has returned. At the time of the budget in March, the Office for Budget Responsibility predicted growth for 2013 of 0.6 per cent; last week, the OBR upgraded that to 1.4 per cent for this year. The OBR also said in March that there would be growth of 1.8 per cent next year; now it says that there will be growth of 2.4 per cent. On top of that, the OBR predicted solid growth for 2015, 2016 and 2017—the largest improvement to any forecast seen in this country for 14 years. Our economy is now growing faster than any other major economy in the industrialised world, apart from that of the United States of America.

**Kenneth Gibson (Cunninghame North) (SNP):** Page 96 of this week's edition of *The Economist*, which I am holding up, lists 42 economies. Some of them are pretty major, such as those of Japan, Canada and Australia, but the list also includes Chile, Columbia and Malaysia. Of those 42 economies, 28 have growth rates that are higher than the UK's at this time, so the member's words in that regard are somewhat hollow.

**Gavin Brown:** We can always rely on Mr Gibson to bring a sense of doom to the action and to ignore the central forecasts of the independent Office for Budget Responsibility.

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** Will the member give way?

**Gavin Brown:** In a few moments.

We also saw important news on employment. Members throughout the chamber will agree that unemployment is still far too high, but the number

of jobs across the UK is now set to rise by 400,000 this year, whereas it was previously predicted to be flat, and unemployment is set to fall by 200,000 over the next six months. Over the forecast period, it is anticipated that business will create three jobs for every one that is lost in the public sector.

**Jamie Hepburn:** Will the member give way?

**Roderick Campbell (North East Fife) (SNP):** Will the member give way?

**Margo MacDonald (Lothian) (Ind):** Will the member give way?

**Gavin Brown:** In a few minutes.

There was positive news, too, in relation to borrowing. When the coalition Government came to power, the deficit was 11 per cent of gross domestic product. It is now 6.8 per cent. That is a remarkable reduction in just three years. Even better, it is due to drop year on year until it reaches a small surplus in the financial year 2018-19. Back in 2009-10, the country borrowed £158 billion. This year, the figure is projected to be £111 billion, and that is about £9 billion less than was projected in March at the time of the budget. Although I am sure that there will still be some wobbles along the way, the economic picture is looking far better than it was nine months ago, and that is a consequence of the policies and the approach that are being taken over the long term by the coalition Government.

Let us look at some of the policies that we heard about last week, which build on the cuts to corporation tax that we had already heard about. They include the increase in the personal allowance to £10,000, looking at tax-free childcare, and previous policies on national insurance.

**Kevin Stewart (Aberdeen Central) (SNP):** Will the member give way on that point?

**Gavin Brown:** I think that the member needs to have his microphone turned on, Presiding Officer. I happily give way to Mr Stewart.

**Kevin Stewart:** Mr Brown trumpets those things, but the UK Government's welfare reforms risk putting a further 50,000 children in Scotland into poverty by 2020 and will take £2.5 billion away from Scottish households.

**The Presiding Officer:** Is this a speech or an intervention, Mr Stewart?

**Kevin Stewart:** Will the member comment on that?

**Gavin Brown:** I was about to intervene on the member's intervention. It is simply incorrect to say that the welfare budget is being cut. It rises year on year. What is happening is that it is not increasing at the rate at which it would have

increased had there not been a downturn and a recession. The largest amount of money that we spend in the United Kingdom is on the welfare budget. It is the best part of £200 billion of the £700 billion that we spend. We could not deal with the shocks that we had to face without touching the largest overall budget.

**Margo MacDonald:** Will the member give way?

**Gavin Brown:** Not at this time, I am afraid.

There were positive announcements last week on fuel duty. The planned rise for September has been scrapped and there will be no 2p rise per litre. That means that we will have a freeze for the remainder of the Parliament, and it will have been in force for four and a half years overall, which is the longest freeze in over 20 years. The average motorist will save £7 every time they fill up. While that is good news for motorists, it has a wider impact on the economy as a whole, as it flows through to the prices that we all pay for goods and services.

We heard an extremely interesting announcement on national insurance. The chancellor announced last week that, starting from April 2015, the UK Government will abolish employers national insurance for all employees who are under 21 provided that they earn less than approximately £813 a week. That will apply to existing employees and future ones. It will represent an enormous saving to businesses up and down the country as it is worth the best part of half a billion pounds a year. It is a boost for employers, for young people who have been hit hardest during the downturn, and for the economy as a whole. The Scottish Government ought to welcome that policy when it makes its contribution to the debate.

The UK Government also made big announcements about business rates. We heard about the business rates cap. The UK Government decided that, instead of capping the annual increase at September's widely predicted retail prices index increase of 3.2 per cent, it will cap it at 2 per cent for the year starting in April 2014. That is an example of a Government that has listened to business. There have been many complaints about increases in business rates, and the Government listened to them and took them on board. It showed leadership when that was required.

The Conservatives therefore welcome today's announcement from the Scottish Government. Just an hour or so ago, the cabinet secretary announced in the chamber that the Scottish Government would match the UK Government decision. Instead of business rates in Scotland going up 3.2 per cent, they will rise by 2 per cent. We welcome that, but it is incumbent on the

Scottish Government to acknowledge that leadership on the issue came from the UK Government. The Scottish Government is following where the UK Government has led. We can be fairly sure that, had the chancellor decided to raise business rates in line with September's RPI, the Scottish Government would have followed suit. We would have seen a 3.2 per cent rise instead of a 2 per cent rise.

**Margo MacDonald:** Much as I appreciate hearing the detail that is comprising the debate at this precise moment, I cannot help but think that the Opposition has to come up with an answer to the question that is being asked elsewhere in the United Kingdom: what are we going to do about the cost of living?

**Gavin Brown:** The member needs to read the green book that goes with last week's autumn statement, because it contains policy upon policy relating to the cost of living. Kenneth Gibson is shaking his head, so let me help him by outlining some of those policies.

The green book contains clear, costed and credible policies to reduce the cost of energy bills. We heard about policies in the budget for creating tax-free childcare that will benefit people up and down the country. What about the income tax threshold being increased to £10,000 so that the lowest earners will pay nothing in income tax? What about the council tax freeze that has been introduced south of the border in the past few years? I have also referred to fuel duty. There are many measures for the cost of living. It is right that we should acknowledge that there is still work to be done—I certainly accept that—but the coalition Government is doing a huge amount.

One of the other big announcements that were made last week was about retail premises south of the border. There will be a special discount on business rates of £1,000 to occupied retail and food and drink premises that have a rateable value of £50,000 or less. That is worth about £350 million to the business community, and the Barnett consequential that will flow from that will be approximately £29 million in 2014-15, and approximately £39 million in financial year 2015-16. That is a big shot in the arm for retail south of the border. It has been widely welcomed by businesses across the land. Our challenge to the Scottish Government is on what it intends to do to help retail in Scotland. Although the small business bonus scheme is an excellent policy, and we support it, premises with a rateable value of more than £18,000 do not get that benefit. South of the border, the threshold will be a rateable value of £50,000 whereas up here it will be £18,000.

We welcome the extension of the small business bonus, as announced earlier, but the cabinet secretary's assessment is that that would

be worth about £3.8 million to businesses in Scotland, while the Barnett consequential of the UK Government's announcement are almost 10 times that. What will the Scottish Government do in response to that? What will retailers in Scotland get to match it? Retailers in Scotland have had a particularly difficult time as a sector. The retail levy introduced by this Government makes it even tougher for retailers in Scotland.

**Mark McDonald (Aberdeen Donside) (SNP):** Will the member outline to the chamber what impact he thinks his Government's 20 per cent VAT rate has had on that hard-pressed retail sector?

**Gavin Brown:** I refer Mr McDonald to the growth rates that were announced just last week—enormous increases in projected growth for this year, next year and the years that follow; enormous increases for projected employment; decreases for unemployment; and decreases for borrowing as a whole. From a macroeconomic point of view, the economy is moving entirely in the right direction. The UK Government's specific policy aimed just at retail and food and drink ought to be matched up here so that retailers up here get a fairer deal.

In our view, as a minority Government this Government started well when it came to helping the high street and the business sector. In its initial budget, it brought in the small business bonus, accelerated by the demands from this party. In 2009, it brought in the town centre regeneration fund—again, something that we had pushed for and which was in our 2007 manifesto.

However, since the Government became a majority Government, things have moved backwards. As we discussed, this Government brought in the retail levy. It brought in huge increases to taxes on empty properties—that was not in its manifesto and not subject to consultation. We see an increasing share paid by business. It was paying £2 billion a year in rates and that is set to rise in 2015-16 to £2.8 billion. We hear the Government complaining incessantly about the powers that it does not have while refusing to use the powers that it does have.

Let us have some more action from the Scottish Government. Let us use the powers that we do have and respond specifically to the announcements in the autumn statement last week.

I move,

That the Parliament welcomes the measures to promote economic growth in the Chancellor of the Exchequer's Autumn Statement 2013; notes that growth projections for the next two years have been revised upward by the Office for Budget Responsibility and that the UK is now growing faster than almost any other major industrialised economy; believes that the Autumn Statement's measures, including

a freeze in fuel duty, the scrapping of employer national insurance contributions for 1.5 million young people, a 2% cap on the business rates increase and granting a special discount of £1,000 to retail premises with a rateable value of £50,000 or below will have a positive effect on the economy; recognises that these measures come on the back of a number of other recent policies implemented by the UK Government, including the cut in corporation tax to the lowest level in the G20; notes with concern a number of measures brought about by the Scottish Government during the current parliamentary session, including the public health supplement and the increase in rates on businesses with empty properties, and calls on the Scottish Government to help the Scottish economy by scrapping the public health supplement, reversing the decision to charge empty properties at 90% of business rates, ensuring that the poundage for business rates does not rise above the level set by the UK Government and implementing a relief scheme for retail properties with a rateable value of up to £50,000.

**The Deputy Presiding Officer (Elaine Smith):** Time is extremely tight. If members could take less than their six minutes, that would be incredibly helpful. Cabinet secretary, you have a maximum of 10 minutes.

15:27

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** The Conservative Party motion invites us today to welcome last week's autumn statement. As the Conservative Party will know, I am always generous in my praise for others in the chamber when they do sensible and welcome things. There are elements of the Chancellor of the Exchequer's statement last week that I welcome. I welcome what he said on fuel duty. I have welcomed the fact that he has begun to temper the significant and swingeing reductions in capital expenditure that have been applied, although a 26 per cent reduction in capital expenditure rather than a 33 per cent reduction is still a pretty significant blow to the Scottish economy.

It is important at the outset to discuss the issues of economic performance that Mr Brown has put before Parliament today. I think that I would be accepted as an individual who tries to talk about improvements in economic performance that have been made. I did so in the budget statement back in September, when I set out the fact that we were experiencing higher growth, lower unemployment, higher employment and lower economic inactivity in Scotland. All those things remain true today. On all those indicators, we are in a stronger position than the rest of the United Kingdom. There is certainly a more positive outlook in relation to economic performance.

However, we have to look at that in its true and proper context. Mr Brown said that the independent OBR had set out its forecast. In 2010, the OBR forecast that the economy would be 5.9

per cent larger than it is now projecting it to be. Back in 2010, the OBR said that the economy would recover faster and that there would be more growth in the economy—5.9 per cent more growth—than has been delivered. If we are going to rely heavily on the estimates, let us rely heavily on all the information that is put out.

**Gavin Brown:** Surely the cabinet secretary has to take into account the meltdown of the euro and the consequences of that, which were not predicted in 2010.

**John Swinney:** I am simply putting into context the information that Mr Brown shared with Parliament. I am just trying to be helpful to Parliament by sharing objective statistical information with Parliament. That is what I am renowned for in this debate in Scotland.

In the interests of statistical completeness, I point out that the fact that the economy has not grown at that extra 5.9 per cent has resulted in the chancellor incurring borrowing of £197 billion more than he anticipated in 2010. In this debate, since 2010, I have argued for modest changes in capital expenditure. In 2011, I argued for an extra £1 billion of capital expenditure in Scotland, which would have translated into a financial burden of £10 billion across the United Kingdom. I do not have all the quotes in front of me, but I am pretty sure that Mr Brown or maybe Mr Johnstone might have weighed in on that point and said that my proposition would have spooked the markets. However, it would have been only £10 billion, compared with the £197 billion of additional borrowing that has been required to make up for the fact that economic performance has been nothing like it was supposed to have been in 2010.

For the sake of completeness, we must consider all those points of information if we are to examine the financial performance of the UK Government.

As I said, I am delighted that we are in a period of greater economic performance and that the Scottish economy is outstripping the performance in the rest of the UK, with higher growth, lower unemployment, higher employment and lower economic inactivity. The Scottish Government will remain focused on trying to support ways in which we can deliver an even greater performance in that respect.

**Margo MacDonald:** I have a very basic question, for the benefit of people who might not understand all the high-flown economics. How can we be experiencing growth without the debt getting bigger if we are borrowing more?

**Alex Johnstone (North East Scotland) (Con):** We are borrowing less.

**John Swinney:** Mr Johnstone says that we are borrowing less. I thought that Mr Johnstone did not

like it the first time that I went through the figures, but I will go through them again, just to prolong the debate for him. The UK Government is borrowing £197 billion more than it planned to do in 2010. That is not a good result, in my estimation. The simple point that I would make to Margo MacDonald is that, although there is welcome growth in the economy just now, the scale of the damage is enormous.

Mr Gibson, the distinguished convener of the Finance Committee, made the point in one of his substantially evidenced interventions that economic recovery in a number of other countries has been a great deal more dynamic than it has been in the UK. The economies of Germany, Canada and Japan are now in excess of their pre-recession peak. The UK economy is not, and neither is that of Italy, which is also in the G7. We have to keep that context in mind.

The economic performance of Scotland has been strengthening since devolution, and I pay tribute to some of the work that my predecessors did to improve it. Full-time weekly pay has increased from 5 per cent below UK levels to within 2 per cent; Scotland's unemployment rate has moved from being 1 per cent higher than the UK rate in 1999 to being 0.4 per cent lower in 2013; and our employment rate has moved from a position of 2.4 percentage points below the UK's to 1 percentage point higher than the UK's in 2013. Those are all welcome steps under devolution and are examples of how we in this Government and our predecessors have used the powers that are available to us to improve economic performance.

However, we must be mindful that other countries have improved their economic performance by a more substantial degree and that, if we had had more economic powers, we could undoubtedly have delivered stronger economic performance. To address Margo MacDonald's point, that would have enabled us to make an impact on the living costs and remuneration of members of the public in our society to improve their ability to meet the cost of living, which I acknowledge is a challenge for people today in Scotland.

Mr Brown talked extensively about business rates. In my statement a few moments ago, I set out the Scottish Government's decision to cap the annual inflation increase in business rates at 2 per cent. Mr Brown can characterise that as he wants, but I am simply fulfilling my manifesto commitment to ensure that business rates in Scotland do not rise faster than business rates in the rest of the United Kingdom, which was not the position that I inherited from my predecessors but which I have been able to deliver as part of the budget settlements.

**Gavin Brown:** Answering straight, will the cabinet secretary say whether, had the chancellor announced last week that business rates would rise next year by 3.2 per cent, he would have followed suit, or would the rise have been 2 per cent?

**John Swinney:** I would have deployed the normal statutory increase, which is the RPI inflation rate as of September. I noticed that there were no sharp intakes of breath among the Tory members, so that is not a revelation, and it is precisely what I said in the budget statement to Parliament in September. Of course, I should point out that, in every year in which Mr Brown has criticised me for applying the September RPI inflation increase in business rates, the chancellor has done exactly the same thing.

In the 2010 to 2015 valuation period, companies in Scotland that benefit from the small business bonus scheme will have paid up to £15,000 less in business rates than their counterparts in England. That £15,000 over the revaluation period is a tremendous fillip for the business sector in Scotland, as part of the £570 million package of business rate relief that we put in place to ensure that Scottish business prospers in the challenging economic climate.

**Patrick Harvie (Glasgow) (Green):** Will the cabinet secretary give way?

**The Deputy Presiding Officer:** The cabinet secretary is closing.

**John Swinney:** If Mr Harvie will forgive me, I will give way to him in my closing remarks in the debate, as I have to draw to a close now.

The Scottish Government is doing everything within its powers to strengthen our economic performance and we will continue to do so, but we aspire to have more powers to deliver stronger economic performance in Scotland.

I move amendment S4M-08551.4, to leave out from “welcomes” to end and insert:

“agrees that the UK Government’s austerity drive has resulted in key opportunities for growth being missed; notes that the Office for Budget Responsibility now expects the UK economy to be 5.9% smaller in 2015 than forecast in 2010 and that, as a result, UK Government borrowing will be £197 billion higher by March 2016 than expected in June 2010; notes that the price of the UK Government’s failure to deliver sustainable growth is being paid by households facing rising costs of living at the same time that wages have fallen in real terms; recognises the steps taken by the Scottish Government to reduce the cost of living through the council tax freeze and the social wage, to support the economy through the most competitive business rates regime in the UK and to help people back into employment; notes that Scotland’s economy has grown by 1.8% during the last year, which is faster than the UK as a whole; further notes that Scotland’s performance in employment, unemployment and inactivity rates are the strongest of the four nations of the UK, and welcomes the

publication of *Scotland’s Future: Your Guide to an Independent Scotland*, which sets out the only detailed vision for Scotland’s future and the steps that the Scottish Government would take with the powers of independence to increase productivity, participation and growth levels, to tackle inequality and to improve living standards across Scotland.”

15:37

**Iain Gray (East Lothian) (Lab):** Today’s debate is an attempt by the Tories to bask in the glory and success of George Osborne’s autumn statement a week ago, when the chancellor declared that the economy has recovered and that his austerity plans are bearing fruit. It is a pity for the Tories that the rosy glow did not last very long during the week and that the chancellor’s statement was pretty much unravelling before he even sat down. In fact, given the level of pre-statement briefing, some of it was unravelling before he had even stood up in the House of Commons.

Mr Swinney says that he always looks for the opportunity to agree across the chamber, and I like to think—although others might not—that I try to do that, too. I cannot quite achieve Mr Swinney’s practised tone of incredulity, which he does so well, but he is right that, over the current Westminster Parliament, the UK Government’s borrowing will be almost £200 billion more than George Osborne had planned. As for growth, it is good that there is some, but the chancellor’s plans in 2010 promised that the economy would grow by 7.7 per cent by now. In fact, it has grown by just 2.5 per cent, which is far less than the economies of the United States or Germany.

**Murdo Fraser (Mid Scotland and Fife) (Con):** Mr Gray clearly is the poor man’s Ed Balls this afternoon. Had Labour still been in power, would we have seen an increase in fuel duty in the autumn statement?

**Iain Gray:** Chancellors of all political stripes have been cancelling fuel duty increases for some time now, so it is not something that we find particularly surprising.

To give credit where it is due, we must acknowledge that Mr Osborne’s recovery is a record of sorts—it is the slowest economic recovery that the country has seen in 100 years.

If a group of people is even more incredulous than Mr Swinney, it is the British public. After three years of damaging austerity and a flatlining economy, working people are on average £1,600 a year worse off than they were when George Osborne came to power. Prices have risen faster than wages in 40 of the past 41 months.

It is no wonder that the polls that followed the autumn statement showed that 70 per cent of the public believe that there is no recovery at all and

that 51 per cent believe that they are worse off. I say to Mr Brown that perhaps they, too, have failed to read the green book, but they can read their own bank account statements and they know what the effect of the UK Government's policies has been.

Last week's statement posed challenges for the Scottish Government. For example, the much-trailed shift of so-called green levies from energy companies to the taxpayer is exactly the same as the plan that the Deputy First Minister announced with great fanfare at the Scottish National Party conference, although the idea comes from the energy companies, as it serves their interests rather than those of consumers. Not only is that a flagship white paper policy being delivered by the Tories but it has also fallen flat. The public understand the meaning of a £50 cut in bills as they see bills rise by £120 a year: they understand that the market must be controlled so that such unfair price rises cannot happen.

**Patrick Harvie:** Does the member agree that the big six energy companies understand that rapid investment in demand reduction is the most sure-fire way for them to lose their profits, which is why they are driving the scurrilous campaign against investment in the retrofit programme?

**Iain Gray:** The companies certainly do not want to carry the burden of what have become known as green levies, which are partly designed to reduce the requirement for the product that they provide. I see the contradiction in that for companies but, like Mr Harvie, I also see the benefit for the country's future. I do not see the benefit of shifting the burden from the consumer to the taxpayer if there is no control on prices.

The greatest challenge for the Scottish Government that arises from the autumn statement is that the resulting consequentials of £308 million for the Scottish block leave the Scottish Government with no excuse for not pressing forward with its declared priority of increased childcare provision. That is the flagship of the flagship—the transformation that the white paper on independence promised when it was launched.

It is true that the process is staged, as described in the white paper.

**Mark McDonald:** Will the member give way?

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

**Iain Gray:** I am sorry.

Stage 1 is the extension to half of two-year-olds of the 600 hours of childcare that is being delivered for three and four-year-olds. When it was pointed out to the Scottish Government that it has the power to do that now, it said that it does not

have the money. However, the consequentials give it the money next year and the year after if such an extension is really the Government's priority.

The Government also said that it would not extend provision because, when women went back to work, the tax that they paid would not help John Swinney's budget. Is it not more important that the wages that those women would earn would help their families' budgets? Are many working women not struggling with childcare costs? Do they not need help with their budgets now? The extension of childcare could provide that.

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

**Iain Gray:** The Scottish Government has the power and the money to deliver the childcare extension. The only question is whether it has the will to begin to transform the lives involved. Will it really tell 30,000 Scottish families that they must vote yes in the referendum before their children can get a nursery place?

**The Deputy Presiding Officer:** You really must close.

**Iain Gray:** Alternatively, will the Scottish Government seize the opportunity and do the right thing now?

I move amendment S4M-08551.1, to leave out from "welcomes" to end and insert:

"notes the Chancellor of the Exchequer's Autumn Statement 2013; further notes the Barnett consequentials for the Scottish budget, and calls on the Scottish Government to take this opportunity to extend early learning and childcare to 50% of two-year-olds by using these funds to deliver this ambition for families in Scotland."

**The Deputy Presiding Officer:** I will allow speeches of a maximum of six minutes in the open debate, but shorter speeches would be helpful as, otherwise, we might have to reduce time later or lose speakers from the debate.

15:44

**Kenneth Gibson (Cunninghame North) (SNP):** Today's Conservative motion is frankly nothing more than a celebration of mediocrity and a blind refusal to recognise the depressing reality of the UK's current economic position. The plight of thousands of people across Scotland as a direct result of the UK Government's—[*Interruption.*]

**The Deputy Presiding Officer:** Order, please.

**Kenneth Gibson:** The plight of thousands of people across Scotland as a direct result of the UK Government's wrongheaded austerity agenda and its calamitous mismanagement of the economy has been handily ignored in a motion that



unashamedly lauds a deeply unpopular UK Government.

Although it is true that there has been some growth in the economy, the rate of growth has been sluggish to say the least and far below the chancellor's own predictions or those of the OBR. Yesterday, the OBR forecast that, by 2015, the economy will be 7.5 per cent larger than in 2010. However, that compares poorly with its original forecast of June 2010 that the economy would grow by 14.3 per cent over that period.

The same 2010 OBR report suggested that public sector debt would be 70.3 per cent of gross domestic product this financial year when, in reality, the most recent forecast puts that figure at 75.5 per cent. The story concerning borrowing, as we have already heard, is perhaps the most shocking of all. It is expected to be a colossal 159 per cent higher than the original projection.

On growth, let us look again at this week's *The Economist*, which I mentioned in my intervention on Gavin Brown's speech. On page 96, it publishes economic data for 42 countries, as I mentioned—not just European countries, the USA and Japan but Chile, Malaysia, Israel and so on. The UK comes 28th on that list in terms of growth. Egypt—beset by troubles this year that greatly hit its tourism industry—will grow one and a half times faster than the UK. If we look at other indicators such as inflation, the UK comes only 25th.

In response to the autumn statement, the Institute for Fiscal Studies reported that the pace of cuts in public service spending will accelerate from 2.3 per cent a year between 2011 and March 2016 to 3.7 per cent a year until early 2019. The IFS pointed out that only a third of the promised spending cuts had yet been implemented.

The IFS also noted that even further austerity will be required to meet George Osborne's various promises in the autumn statement, including those on marriage tax allowances, while also meeting his pledge to balance the budget by the end of the next Parliament without raising taxes.

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

**Kenneth Gibson:** I will give way later, Gavin, but I want to make a bit more progress first.

**The Deputy Presiding Officer:** Could members address each other by their full names, please?

**Kenneth Gibson:** Indeed, Paul Johnson, the director of IFS, said:

"The chancellor continues to make specific promises on spending increases whilst stating that he will keep total spending at the same level. He can't keep doing that."

On the cost of living, Mr Johnson stated that the general standard of living will

"surely still be below its 2010 level"

by the general election.

Indeed, page 16 of chart 2.1 of the Treasury's distributional analysis that accompanied the autumn statement shows that all households will be worse off in 2015-16 relative to 2010-11, taking into account direct, indirect, tax credit, benefit and public spending changes as a percentage of net income. The poorest quintile will be 3.7 per cent worse off.

Earlier this year, the Office for National Statistics published a report showing that real-terms wages are now at roughly 2003 levels. The OBR paints a similarly glum picture, predicting that cuts in Government spending over the next six years will shrink spending back to a level not seen since 1948.

In the statement itself, table 1.3 shows a 5.5 per cent decrease in business investment this year and shows net trade either falling or stagnating in six of the seven years from 2012 to 2018 inclusive. In 2015, it will grow by an abysmal 0.1 per cent.

Of course, the approximately £232 million in departmental expenditure limit consequential cuts that the Scottish Government will receive as a result of the autumn statement will be put to good use by the finance secretary, but when the Scottish budget is already being cut by £3.1 billion and capital spending has been cut by 26.9 per cent over the piece, those additional funds are frankly derisory and it is insulting to expect the people of Scotland to be grateful.

On the contrary, the chancellor would do well to follow the lead of the Scottish Government and recognise that an increase in capital spending would bring jobs and prosperity to all parts of the UK by helping to stimulate an economy that has a long way to go before living standards approach pre-recession levels.

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

**Kenneth Gibson:** Yes, time is getting on and I do not want the member to miss his intervention.

**Gavin Brown:** I am very grateful. The member may be aware that there were huge increases in capital spending in last year's autumn statement but it turned out that a number of the apparently shovel-ready projects did not even have planning permission.

**Kenneth Gibson:** Gavin Brown has often criticised the Scottish Futures Trust, but he is strangely silent on the failure of his London bosses as regards their inability to deliver the UK national infrastructure plan, which was published on 4 December. *[Interruption.]*

**The Deputy Presiding Officer:** Order, please.

**Kenneth Gibson:** According to the *Financial Times*, it is making minimal progress on that plan.

The Labour Party has already pinned its colours to the mast in terms of continued austerity, with Ed Balls claiming that he will be “ruthless” about cutting public spending beyond 2015, further cementing the Labour Party’s undignified lurch to the right. However, the prospect for Scotland could be even worse in the not too distant future.

A week past Monday, the Westminster All-Party Parliamentary Taxation Group issued a report that said:

“In the case of a No vote, the Barnett Formula must be replaced as a priority, with a needs-based formula for inter-regional resource allocation the best alternative, using the seven indicators of relative need identified by the Holtham Commission.”

The report is hugely significant and would, based on the Holtham commission’s findings, see Scotland’s budget cut by a further £4 billion—equivalent to £1,600 for every income tax payer in Scotland—while our oil, gas and whisky revenues continue to head south.

The behaviour of the unionist parties on the issue is nothing short of shameless and entirely Janus-faced. I tell the Scottish people who say that we are better together as part of the UK that at Westminster they are plotting to slash Scotland’s budget even further than they already have.

There is a better way for Scotland. By securing the economic levers of power for this Parliament; harnessing our vast natural resources; growing our working population; making Scotland a more attractive place in which to do business; and ceasing Scottish subsidies to Westminster, we can pursue a fairer and more aspirational future for Scotland.

**The Deputy Presiding Officer:** I am afraid that the member must close.

**Kenneth Gibson:** I urge members to support Mr Swinney’s amendment.

15:50

**Michael McMahon (Uddingston and Bellshill) (Lab):** While I have absolutely no sympathy for the Conservatives’ predicament, I appreciate that it must be difficult being a Tory in Scotland. It seems from the array of arguments that they have to deploy in trying to defend the coalition Government’s record that doing so cannot be easy for them—or, for that matter, for their partners in crime the Liberal Democrats.

I can only imagine that it is due to the Tories’ desperation in the face of the overwhelming rejection of the contents of George Osborne’s autumn statement that they have chosen to ignore reality and bring to the chamber this delusional and perfunctory debate. I applaud Gavin Brown’s

attempt to validate his Government’s economic analysis in his party’s self-congratulatory motion, but I remind him of the words of that committed Tory Dr Samuel Johnson, who said:

“He that applauds him who does not deserve praise, is endeavouring to deceive the public”.

Despite the case that is proffered by members on the Tory side of the chamber, the OBR has refused to endorse the chancellor’s self-assuredness, and it has instead contended that any recent economic and fiscal improvement is entirely cyclical and that growth will slow again significantly in 2014.

**Willie Rennie (Mid Scotland and Fife) (LD):** I do not want to interrupt the sunny and bright tone of Michael McMahon’s contribution, but does he recognise that there is some growth and that there is predicted to be more growth rising in the years ahead? That is something that he can at least recognise.

**Michael McMahon:** I am always looking on the bright side, Mr Rennie—I am just about to come to that.

The OBR accepts that the economy has expanded by 2.6 per cent in the year to the fourth quarter of 2013, far ahead of its own 1 per cent March projection. However, it does not believe that that improvement in growth will carry over into next year with any impetus. Instead, it continues to hold to its prediction that we can expect quarterly growth of 0.5 per cent during 2014. That suggests that the annual GDP increase will peak at 2.7 per cent in the first quarter and slow to 2 per cent by this time next year.

While the coalition partners try to talk up the country’s economic position, the country’s independent fiscal institution maintains that the chancellor’s claims for the success of his economic strategy are unsubstantiated, and that the change that he cites in his defence can be ascribed entirely to nothing more than cyclical strength, with no contribution from better supply-side performance. That in turn means that the structural budget deficit forecasts are no better—and are in fact slightly worse—than they were in March, despite falling headline borrowing.

Despite what the Tories say, the OBR analysis indicates that the chancellor is barely meeting his medium-term fiscal mandate while balancing the cyclically adjusted current budget five years ahead. Indeed, the OBR predicts that the economic situation will become less favourable, with growth slowing and unemployment levelling off at 7 per cent.

**Gavin Brown:** I do not want to rain on Michael McMahon’s parade, but he said that growth is going to slow in 2014. If it is 1.4 per cent in 2013

and is projected to be 2.4 per cent in 2014, can he explain how that represents a slowing down?

**Michael McMahon:** Because the rate of growth will be slowing down—that is not a difficult concept.

We need counter-cyclical measures in a period of economic downturn, and not self-delusional back-slapping for an economy that is doing what most economies would be doing at this point in the economic cycle, regardless of Government policy.

So much for the Tories' position—what about the Scottish Government's position? Predictably, the Scottish Government's counter-argument to the Tory motion is to resort to the tried-and-trusted excuse that any economic woes facing Scotland are all the fault of the constitution and that only constitutional change will fix the problem. Ministers sit there twiddling their thumbs and hoping that economic misfortune will drive Scots into the yes camp next September.

We know that that strategy is not working, but that gives me no pleasure because it means that Scotland's workforce, its unemployed and its households are not being properly defended from the Tories. A cynical short-term political strategy is hurting Scots and there is a failure to protect them from the damage that is being inflicted on them.

That need not be the case. Under current devolved powers, the Scottish Government has the ability to support the long-term future of important industrial sectors such as manufacturing, and in vital areas such as education and skills the Parliament already holds full powers. Public procurement could be better used to enhance Scotland's economy, as it is not Westminster but European Union directives that impose limits on what the Scottish Government can do.

That is the case now, and the same circumstances would prevail in an independent Scotland, so it is simply not credible to argue that constitutional change in and of itself will boost Scotland's economic prospects, as the SNP amendment claims. Global economic forces have acted on all world economies and will continue to impact on Scotland, whether or not it is independent.

Bad policy decisions from Westminster and the Scottish Government are adding to our problems, so let us start to address them now. For a start, we need an end to the Tory-SNP alliance—*[Interruption.]*

**The Deputy Presiding Officer:** Order.

**Michael McMahon:** We need an end to the Tory-SNP alliance against Labour's plan to freeze gas and electricity bills—members might as well accept that that is the one thing that they agree

on. In addition, it is not too late to support the long-term change to the energy market that is needed if we are to stop bills rising this winter.

Rather than make uncostered promises of jam tomorrow, the Scottish Government could start its transformational change in childcare now. We need long-term planning if we are to tackle the cost of living crisis, and we need genuine transformational change in areas such as house building, skills development and childcare.

All afternoon, Tory and SNP members have patted themselves on the back and congratulated themselves without having any right to the praise that they afford themselves. As people say, self-praise is no praise.

**The Deputy Presiding Officer:** I remind members that there is no time to spare. I am afraid that members might have to be dropped from the debate.

15:56

**Linda Fabiani (East Kilbride) (SNP):** Selective memory is a wonderful thing. I seem to remember that it was one Mr Miliband who formed the big six in the first place.

**Iain Gray:** Will the member take an intervention?

**Linda Fabiani:** No, thank you.

When I read the motion, I thought that it seemed quite upbeat, but then I remembered what the people of Scotland have long since learned: to beware of Tories bearing gifts. Further scrutiny proved interesting. The Institute for Fiscal Studies has branded Mr Osborne's business rate changes a "deadweight ... giveaway", which will deliver no new developments, so it is not clear what advantage there would be in our following Mr Osborne's example, as Gavin Brown suggests that we should do. Surely it would be better to consider John Swinney's package of expansion of the small business bonus scheme, which is targeted on the smallest premises and businesses.

**Willie Rennie:** Will the member give way?

**Linda Fabiani:** No, thank you.

The national insurance changes for under-21s sound sensible on the surface, but 20 per cent of our young people are unemployed and the changes will not start until 2015. The lack of urgency on youth unemployment is another example of the UK's failure to engage with the challenges that face Scots.

On corporation tax, the issue that is not being tackled is that the biggest companies seem to pay none at all. Vodafone gained more than £80 billion on a United States share disposal but paid no UK

tax on the profit. Given that Vodafone's chief financial officer is one of Mr Osborne's tax advisers, it is unlikely that Mr Osborne will move to close the loophole—and given that Gordon Brown, with Ed Balls as his adviser, created the loophole, I would not hold my breath waiting for Labour to do anything about it.

**Patrick Harvie:** That does not sound like a reason for following UK Government policy of the past 20 years or so, which has been to cut, cut and cut corporation tax.

**Linda Fabiani:** Our having the power over corporation tax is what is important, because then we can target, in all sorts of ways, to the best economic advantage of our country.

**Murdo Fraser:** Is this a back-bench rebellion?

**The Deputy Presiding Officer:** Order.

**Linda Fabiani:** As we watch the effects of the autumn statement unfold and as we see the spring budget, we will be able to see what Scotland's direction of travel will be if we vote no. It is already clear that there is no appetite in Westminster for tackling the growing dominance of London and the south in the United Kingdom economy.

The message that is coming through in the press is clear. *The Daily Telegraph* said:

"London's astonishing boom can lift the whole of Britain".

*The Guardian* said:

"London's economic boom leaves rest of Britain behind".

A headline that I thought was certainly true was this one, in *Estate Agent Today*:

"London's house price boom is outstripping 2007 bubble".

That is worrying—look what happened the last time. When Osborne says that the UK is booming, he means that he has turned the tap on for a property boom in London and is pretending that that benefits the rest of the UK. That is his strategy to win in 2015.

By contrast, Labour seems clear on just one thing: it does not believe that it can win power in the UK without Scotland's help. However, Labour's message to Scots has changed. Until fairly recently, we were told that we were too vulnerable for independence. Now, Anas Sarwar and Douglas Alexander are telling the opposite story and saying that we are too wealthy for independence. They are trying to convince Scots that we would be callous to leave the poor of Preston to get by without our money.

The problem for Messrs Sarwar and Alexander is that there is an absolute lack of evidence that Scotland's extra taxes ever get near places such as Preston. The Treasury and successive UK Governments have ensured that Scotland and

many other parts of the UK have lost out, whether by bending the rules to spend billions of pounds on regenerating London under the Olympic banner or by keeping expenditure off tax and putting it on to energy bills.

Members here are in denial about losing £4 billion a year if we vote no. If we look back, we see that we are already heading that way. In 2007-08, 9.9 per cent of identifiable public expenditure came to Scotland, but in 2011-12 we got less than 9.6 per cent. In 2011-12, every part of the UK with the exception of London and the south got a lower proportion of identifiable expenditure than it had received in 2007-08. In real terms over that period, Scotland lost more than £8 billion and the north lost over £0.5 billion while London and the south received an extra £11.5 billion. Is it any wonder that Boris Johnson is backing the better together campaign?

Talking of the better together campaign, I was appalled to see that the Labour amendment contains absolutely no criticism of the Tories and simply has a go at the SNP. It is about time that Labour realised that Scotland taking control of its own resources will mark a break with the UK economic policy that has seen an increasing gap between rich and poor and between the wealthy south and the rest of Great Britain, let alone Scotland. It is time to tackle the paradox that Scotland has a higher GDP than the rest of the UK but has more poverty and less wealth.

I believe that, despite that paradox, the Cabinet Secretary for Finance, Employment and Sustainable Growth has steered Scotland well with limited powers and resources. I say that we should look to Scotland's future as an independent country, so I support John Swinney's amendment.

16:02

**Willie Rennie (Mid Scotland and Fife) (LD):** I commend Gavin Brown for his characteristic generosity. He has given Labour and SNP back benchers the opportunity to speak up for the solid progress that has been made in the UK economy. We would have been denied that opportunity to debate the autumn statement if it had been left up to the Government's business managers. Thanks to Gavin Brown, we have that opportunity.

I have to say, however, that most back benchers do not seem to have seized the moment to recognise that significant change. The exception is Linda Fabiani, who seems to be using the opportunity to distance herself from the SNP's corporation tax policy right in front of the finance secretary's eyes. I wonder whether she is going to join others on the back benches nearer to Patrick Harvie than to the finance secretary.

We should recognise that the UK coalition Government has stuck to the economic plan that was set down three years ago despite the foreign-debt crisis abroad, the problems with the EU economy and the denunciation of others—many of whom are in this chamber—who said that growth would return only if we spent more. Because we stuck to the plan, we are building a stronger economy. Growth this year is predicted to have doubled to 1.4 per cent, is forecast to rise to 2.4 per cent next year and is expected in the following four years to be 2.2 per cent, 2.6 per cent, 2.7 per cent and 2.7 per cent.

**John Swinney:** Will Willie Rennie give way?

**Willie Rennie:** I will give way in a second. The finance secretary might like to take the opportunity to acknowledge that all the warnings that he gave us years ago—that we would not be able to grow the economy without spending more—were not true, and that he should have believed in us more than in what he was saying.

**John Swinney:** In a sense, that is the ground that I want to cover with Mr Rennie. He ignores the fact that £197 billion more borrowing has been required than was set out in the 2010 plan. To be fair—I am always fair in the chamber—the chancellor is spending more money on capital than he planned to spend in 2010 but is, in doing so, guilty of breaching Mr Rennie's golden rule that there was to be no spending beyond what was set out in 2010.

**Willie Rennie:** The chancellor stuck to the plan, but the finance secretary wanted him to deviate from it and to spend an additional £10 billion on top of the extra spending that he had condemned previously. However, the finance secretary now wants to take the credit for what is happening in Scotland while saying that nothing that the UK Government has done has worked in Scotland. He lacks credibility on that matter in all ways. I urge him not to intervene again in case he falls into a similar trap.

Employment is up to 400,000 extra jobs this year. Unemployment is also lower than it was in 2010, despite Mr Swinney's advice. In 2018, it is expected to fall further to 5.6 per cent, which will match where Scotland is, so right across the UK we are getting the benefits of the economic growth. We have the lowest proportion of workless households for 17 years, businesses have created three jobs for every one that has been lost in the public sector, and it is predicted that 3.1 million more jobs will be created by business in 2019. Far from the mass unemployment that has been predicted by Mr Swinney, we have a record number of people in work.

I accept that there is much more to do—

**Mark McDonald:** Will Willie Rennie give way?

**Willie Rennie:** I will not, just now.

I am glad that the UK Government did not listen to many members in this chamber who wanted us to deviate from the plan that they said would not work.

**Kenneth Gibson:** Will Willie Rennie accept an intervention?

**Willie Rennie:** No—not just now.

The UK Government has put in new measures, including the abolition of national insurance contributions for under-21s, extension of the city deal to Glasgow, which I hope the Scottish Government embraces, £10 million for the Shetland Islands, £10 million for the Higgs centre for theoretical physics in Edinburgh, and money for the huge wind farm in the outer Forth Estuary, for the Ineos plant at Grangemouth and for Countesswells in Aberdeen.

**Kenneth Gibson:** Will Willie Rennie accept an intervention?

**Willie Rennie:** Not just now.

Those measures are on top of the cancellation of Labour's fuel duty rise, the money for free school meals, the £50 reduction in energy bills and so much more, including the tax threshold increase that has reduced the tax for hardworking people.

The crucial opportunity that the autumn statement has given is to two-year-old children.

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

**Willie Rennie:** Everybody in this chamber now supports expanding quality early education for two-year-old children. A year ago, I was not so sure that that support existed, although some farsighted individuals on the SNP back benches, including Bob Doris, spoke up for that change. For last year's budget, I prepared my costed plan and went to Mr Swinney to try to persuade him of the case's merits. I admit that I was despondent when he did not agree to those reasonable plans. He described it as

"an honest disagreement about where the focus should lie."—[*Official Report*, 6 February 2013; c 16526.]

Therefore, members can imagine my genuine delight with the change of approach in the Government's white paper. What Bob Doris and I have been saying for some time has been endorsed.

**The Deputy Presiding Officer:** Come to a conclusion, please.

**Willie Rennie:** With perfect timing, the coalition Government provides the money to fund that through the Barnett consequential. We do not

even need to wait for the taxes to come in; we can get on with it now.

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

**Willie Rennie:** I look forward to my annual discussion with John Swinney on the budget. I may even take Bob Doris with me.

**The Deputy Presiding Officer:** I once again appeal to members to take less than six minutes and certainly not more. I call John Mason.

16:08

**John Mason (Glasgow Shettleston) (SNP):** We certainly see a lot of optimism in the Conservatives' motion, but there is very little evidence or hard facts to back up that optimism. We will see what happens in due course.

I have been on the Finance Committee for some time with both Kenny Gibson and Gavin Brown. We have looked at various OBR projections, so we need to take some of its optimism with a pinch of salt.

The motion suggests that the UK economy is growing faster now and that it will do so in the future, but that means little when it started off in a worse position and—as we have heard—it is not growing as fast as other countries' economies. The UK economy was damaged more than those of other countries and, unlike in the UK, gross domestic product is back at pre-recession levels in Canada, Japan, the United States, Germany and elsewhere.

As well as looking forward to what might happen, let us remember to look at the facts of what has happened. Population is a key factor in the economy. When we joined England in the union in 1707, its population was about four times the population of Scotland. Now England's population is about 10 times ours. Surely that has been hugely damaging to our economy. Over the years, people have left Scotland because they saw little future here under the UK, and our economy has suffered as a result.

Since devolution, that problem has been taken much more seriously by all Administrations and there are signs of improvement, but we still have a problem when we have engineering vacancies that cannot be filled and low business start-up and growth rates. That could be addressed—partly, at least—by allowing talented young overseas graduates who have studied in Scotland to stay on for a few years and contribute to the economy.

The motion mentions national insurance. A break for employers for the young people whom they take on is certainly to be welcomed, but we are still left with a UK tax system that is highly

complex. What do the UK parties intend to do to simplify the system? For example, would they consider combining national insurance and income tax?

On corporation tax, of course taxation of company profits is basically a good thing, but we are in a competitive situation internationally. We want to attract investment and jobs here, and it is clear that cutting the rate of corporation tax can increase the tax take overall. The risk that Linda Fabiani highlighted relates not to the rate that companies are paying, but to the fact that some companies are not paying any corporation tax at all, or are paying it in the wrong places. As she said, the fact that some companies are paying hardly any corporation tax is not to do with the rate; it is because the regime that is in place is slack. If we tax salaries and dividends that come out of companies, and if there is transparency internationally on transfer pricing, where the profits are made and where the tax is paid, we should see movement on that front. That might be as important as the rate.

**Ken Macintosh (Eastwood) (Lab):** Does Mr Mason think that Professor Joseph Stiglitz would agree with him on corporation tax?

**John Mason:** I am not here to speak for anyone else. If Mr Macintosh wants someone else's opinion, he can ask them. I am here to give my opinion.

The public health supplement targets sales of alcohol and tobacco. We cannot tax those products specifically, even if we might like to have the powers to do so, but we know that they cause harm and result in extra costs for the national health service. Therefore, the imposition of such a targeted rates charge is surely the best thing to do. That is an example of using the powers that we have, even if they are not ideal.

**Gavin Brown:** Should the money from the public health supplement go to the NHS?

**John Mason:** As I understand it, the NHS is the one sector that has had its funding protected. I am not entirely convinced by the argument for ring fencing. The whole point of raising tax is redistribution and helping those at the bottom. Too much ring fencing brings dangers.

The Conservative motion uses the phrase "help the Scottish economy". To me, it suggests that any increase in economic activity is good, but surely we must accept that there is good economic activity and bad economic activity. If we all drank twice as much whisky, that might help the economy, but it would damage our health and it would cost the NHS. Instead of taking the Conservatives' simplistic view, we need to think through potential economic activity and its likely impact.

**Patrick Harvie:** Will John Mason give way?

**John Mason:** I am sorry, but I am pushed for time.

If we are to have minimum pricing for alcohol, larger shops might make higher profits. Surely they should pay tax on those.

We have debated business rates and empty property relief previously, and I am not sure that we need to debate them again. However, we have had examples—in smaller towns and in cities such as Glasgow—of cases in which it appears that developers have deliberately sat on property in the hope that its capital value will increase. The result was a shortage of property to let in some locations. I have previously used the example of the old post office in George Square in Glasgow, which sat empty for years and was a serious blight on a key part of the city centre. Are the Conservatives seriously suggesting that such owners should not pay rates?

The motion is about finance. I accept that that is a broad topic and that the focus has been on the economy and its recovery, but there seems to have been a glaring omission. Who will benefit from any economic recovery? We know that the UK is one of the most unequal societies in the developed world. Are the Conservatives satisfied with that? If the Liberal Democrats are satisfied with that, that is even more disappointing. Even if the Conservatives' argument is that the poor must suffer most until they get the economy going again—I do not agree with that—at what stage do they think we should start sharing out the benefits more equally? At what stage should the statutory minimum wage be raised to a living wage?

However big or small the cake is, it needs to be divided up. Have the Conservatives nothing to say about creating a more equal society, or is it all just about getting a bigger cake and deil tak the hindmost?

16:15

**Neil Bibby (West Scotland) (Lab):** I am sure that we all accept that politics is about priorities. The UK Government and the Scottish Government have their own decisions to make. The Chancellor of the Exchequer made his decisions in last week's autumn statement, some of which will be welcomed and many of which will not. There was the decision to continue corporation tax cuts, which Labour and the Greens stand alone in opposing, and a lack of decisive action to help families in Scotland and across the UK with the cost of living crisis. However, the Scottish Government has its own big decisions to make, including how to spend its £35 billion budget and the £300 million of Barnett consequential that it will receive.

I welcome this Scottish Conservative debate and the opportunity that it provides to discuss the issue. The Conservatives have proposed that the priority for the consequential be business; they are perfectly entitled to do so. Similarly, Labour is entitled to put forward its priorities; families need to be helped with the cost of living, so we are calling for energy bills to be frozen, the living wage to be extended and more childcare for families now.

I want to focus on childcare, which has already been fully devolved to the Scottish Parliament and Government. Despite all the hype that we have heard, we have seen little action on this issue from the Scottish Government over the past six years. As Labour's amendment makes clear, we want to extend childcare for two-year-olds now and we believe that, in order to help families, we should invest the Barnett consequential in childcare.

**Mark McDonald:** Will Neil Bibby give way?

**Neil Bibby:** I am happy to do so. Perhaps Mr McDonald will tell us whether he agrees with my call to invest the money in childcare.

**Mark McDonald:** The Barnett consequentials are for a two-year period. What does Mr Bibby suggest we do after those two years are up?

**Neil Bibby:** We should invest that money to help families now. *[Interruption.]*

**The Deputy Presiding Officer:** Order.

**Neil Bibby:** I notice that Mr McDonald failed to agree with my call to do that.

It is time for the SNP Government to put its money where its mouth is and to decide whose side it is on. We talk all the time about the importance of the early years in children's learning and development, the need to help people with the cost of living and the importance of childcare to the economy. I think that we are on the same page on this.

**Bob Doris (Glasgow) (SNP):** Will Neil Bibby give way?

**Neil Bibby:** I am sorry, but I am not taking an intervention just now.

However, we should not just be talking about those things; we should be acting on them. The fact that the SNP childcare policies in the white paper come without a full price tag is not going to help anyone; indeed, the real possibility that people might not vote for the white paper means that it could also be irrelevant. Rhetoric needs to start meeting reality. After all, we have the powers and resources to change things for the better now. Investment in childcare now would build on Labour's achievements in office in an area in which it has a record to be proud of.

**Kevin Stewart:** Will Neil Bibby give way?

**Neil Bibby:** I am sorry. I am not giving way just now.

We introduced universal early years education for three and four-year-olds and we had a childcare strategy within months of coming to office. We raised standards and we introduced child tax credits to supplement child benefit. The Scottish Government might have said a lot of things about childcare recently and made big promises in the white paper, but it is talking about the issue now only because Alex Salmond needs to convince a lot more parents to vote for independence.

People will for a number of reasons be rightly cynical about this new-found priority. Why should families believe SNP promises when it cannot cost them fully? Why should families believe SNP promises when it still has not implemented its promise of 600 hours of free childcare for three and four-year-olds, which was first made way back in 2007? Why should families believe the SNP when it cut nursery provision for vulnerable two-year-olds when it first came to power? John Swinney and Alex Salmond have said that their proposals would create thousands of jobs and save families thousands of pounds. My message is simple: do it—and do it now.

**Bob Doris:** I respect Neil Bibby's argument that childcare should be made a clear priority. Two weeks ago, however, Labour's priority was colleges, last week it was housing and two hours ago it was local government funding. Have you deserted those three priorities and is childcare now the only priority? Where does Labour stand on the other three issues that it was demanding money for just two hours ago?

**Neil Bibby:** As I have made quite clear, I am calling on you to spend the Barnett consequential on childcare. Your "jam tomorrow" policy and your Judy Garland approach—

**The Deputy Presiding Officer:** Through the chair, please.

**Neil Bibby:** Your Judy Garland, "Somewhere Over the Rainbow" approach is not going to help any families now. In fact, during a cost-of-living crisis, you should be using the resources that you have to save families money. Providing half of Scotland's two-year-olds with childcare would save 30,000 families more than £2,000 a year on childcare, but the SNP's refusal to act now means that, instead of saving families money, it is costing them money.

If the SNP will not back Labour on extending childcare now, the white paper promises will not be worth the taxpayer-funded paper that they are written on. That will simply confirm the suspicion

that, for the SNP, it is more about changing women's votes than about changing their lives. It will confirm that you will say anything, but your only real priority is independence.

John Swinney often asks Opposition parties where we could get the money from. As I said earlier, it is there; it is in front of Mr Swinney. He will receive £300 million over the next two years from the autumn statement.

Labour wants extra childcare to help families with the cost of living now, and to help to give children the best start in life. Childcare was the big priority two weeks ago, but it has not even made it into the 233 words of Mr Swinney's amendment.

It is time that we helped families with the cost of living, and it is time that the SNP Government put its money where its mouth is when it comes to childcare. It is time that the SNP decided whose side it is on and backed Labour's call for more childcare now.

**The Deputy Presiding Officer:** Members should remember to speak through the chair, please.

16:21

**Jamie Hepburn (Cumbernauld and Kilsyth) (SNP):** It was particularly peculiar to hear Gavin Brown laud the OBR's growth projections—much of his motion is in that vein, as was his speech—because OBR projections have had to be revised time and again, as they have proven to be wrong. Mr Brown is on the Finance Committee with me, and those matters are constantly brought to its attention. I am surprised that he has not taken that on board.

Just last week, Professor David Bell, whom Gavin Brown is not shy of latching on to if he has said something with which he agrees and that suits him, provided the Finance Committee with written evidence that said that the OBR does not have a good record on projections. Gavin Brown was there, and he seems to ignore Professor David Bell's views on the OBR's track record.

If we are to rely on the OBR, we have to look at what it has said over the piece. The latest OBR forecast is that, by 2015, the UK economy will be 7.5 per cent larger than it was in 2010. In June 2010, it forecast that the UK economy would grow by 14.3 per cent over that period. In that month, it also forecast that, in 2013, public sector net debt would be 70.3 per cent of GDP. December's forecast put the figure at 75.5 per cent. It previously forecast that, in 2014-15, public sector net borrowing would be £37 billion. December's forecast is that it will be £96 billion, which is 159 per cent higher than the 2010 estimate.



**Willie Rennie:** I am grateful that the member's calculator has been out, but does he recognise that the economy is growing? Does he think that that is a good thing?

**Jamie Hepburn:** Just to be clear, it is not my calculator that has been out; it is the OBR's calculator. We heard such good things about the OBR from Mr Brown and from you, Mr Rennie, although to be fair to Mr Rennie—

**The Deputy Presiding Officer:** Through the chair, please.

**Jamie Hepburn:** I beg your pardon, Presiding Officer.

We heard such good things about the OBR from Mr Rennie earlier. He can at least be forgiven because he is not a member of the Finance Committee, so he does not see the regular updates. I would have thought that it is well placed to put such matters on the record. If we are going to laud the OBR, we have to reflect that growth has failed to reach its previously predicted figures, and that debt and borrowing are higher than were previously predicted.

It was interesting to hear Mr Brown suggest that external factors were to blame. He talked about the euro crisis. Surely any person in the street could tell us that the austerity agenda must have contributed to the failure to match previous predictions. Let us not forget that that agenda has seen some £3.1 billion cut from the block grant and a 25 per cent reduction in Scottish capital budgets. That has put us in the position that the cabinet secretary and Mr Gray referred to. The GDPs of countries such as Canada, Japan, the USA and Germany are now above pre-recession levels, but in the second quarter of 2013, the UK's GDP remained at 3.3 per cent below its pre-recession peak.

It was interesting to hear the exchange between the cabinet secretary and Mr Brown. When the Scottish Government called for borrowing to invest in the economy and the economic recovery, we heard Tory hysteria that that would somehow lead to a market crisis. Borrowing by the UK Government is now much higher than was predicted—and that is borrowing to fill a hole that has been left by the failure to grow the economy as predicted. If that money had been borrowed earlier, we might have seen rather better economic growth than we have seen over the past few years.

The talk of economic growth will ring hollow for too many. I think that Iain Gray made the point very fairly that families are feeling squeezed right now. Kevin Stewart rightly put on the record that another 50,000 children are likely to be pushed into poverty as a consequence of the UK Government's welfare reform agenda. Just this

week I was contacted by a constituent who is an engineering graduate who has £16 per week to live on through the welfare system. We must reflect on the fact that, for such people at the sharp end of the economic experience, talk of economic growth certainly does not reflect their personal experience.

**Margo MacDonald:** Is it true that the credit rating portrays what everybody else values a currency and economy at, and that the UK's credit rating has not reached again the AAA rating that it used to have?

**Jamie Hepburn:** Indeed. That rating was one of the UK Government's holy grails. Of course, it was said that independence would jeopardise the AAA rating, but we have seen agencies revise downward the UK's rating.

I turn briefly to the Labour amendment. I said that I agree with what Iain Gray said earlier, but I disagree with his amendment. I do not disagree with its sentiment, because I think that we all want to see better childcare provision in Scotland. However, I think that my colleague Mark McDonald's point was a fair one, because we must reflect on the fact that the Barnett consequential that Mr Gray wants to pay for childcare extension are for only a two-year period. How can we possibly extend childcare for only a two-year period with no guarantee thereafter?

I heard the catcalls earlier that our plan is independence. Indeed, it is. I hope that we will have independence and I believe that we will, but I do not know that we will. Only when we have the powers of independence will we really be able to see the Scottish Government's ambitious vision being taken forward, which will cost some £700 million per annum. If any member can identify £700 million for the agenda that the Scottish Government has identified in the current context, they are somewhat of a magician. That is just another reason why we need independence.

16:27

**John Lamont (Ettrick, Roxburgh and Berwickshire) (Con):** Thanks to the approach that has been taken by the United Kingdom Government over the past few years, we have seen several positive signs that our economy is improving: improved growth forecasts; reduction in the national deficit; and faster-than-predicted increases in job creation. That finally banishes the argument that we should have diverged from our path of implementing sensible economic measures and controlling our spending.

The SNP's fabled plan MacB seems to have disappeared, as the SNP has finally come to terms with the reality that the UK Government is doing what is best for our economy. The measures

announced by the chancellor in last week's autumn statement continue that good work, while also helping people and businesses across Scotland. The fuel duty freeze will provide real help to motorists who have had to pay more and more in recent years just to keep up with the cost of running a vehicle; a reduction in green levies will help more than 2.5 million Scottish households with the cost of their electricity bills; and, with the abolition of national insurance contributions for under-21s, the UK Government will help to support the 138,000 jobs for young people that we currently have in Scotland and grow that number.

However, there is one issue that I want to concentrate on that is of particular concern in my constituency in the Borders. In the autumn statement, the UK Government announced significant measures towards helping with business rates, because not only will retailers and food and drink premises south of the border get a special discount of £1,000 from their business rates, but all businesses will be protected with capped business rate increases. Those are important measures that will undoubtedly help businesses in the rest of the United Kingdom and provide a welcome boost to struggling high streets. It is therefore unfortunate that the Scottish Government has not fully replicated those measures for the benefit of Scottish businesses.

The measures are the sort of help that Hawick High Street in my constituency badly needs. In a trend that has become all too familiar throughout Scotland, Hawick has seen many shops close in its town centre over the past few years. The number of empty premises is on the rise and they are scarring what I believe is one of the most beautiful town centres in Scotland. However, as much of the High Street is designated—wrongly, in my opinion—as a prime retail area, none of the premises is entitled to benefit from the bonus scheme or discounts that are currently on offer. I have been contacted by many local businesses asking for help with their rates, and in turn I have been in contact with the cabinet secretary to raise those concerns, but so far the Scottish Government has been unwilling to take action. Something can and must be done to help those businesses. The situation has become so bad that the community council has organised a special meeting to discuss the situation.

I am sure that everyone in the chamber appreciates how important town centres are. Not only are they the living face of our communities, but they are vital to our towns' economies and their social wellbeing. They influence how people experience and relate to their local area, and they remain the place in our communities where people meet and interact. We do not need any surveys or statistics to know why our high streets are so popular with our constituents. Local residents

recognise the important role that town centres play, especially in our more historic market towns.

The next few weeks will be a nervous time for those retailers. The Christmas rush represents the busiest time of year for many small businesses and they know that, if they do not achieve good sales this month, the rest of the year will be a struggle. With online retailers taking more and more business away from our high streets, the nature of our town centres is starting to change. The Scottish Government needs to acknowledge that change, and the onus is on us to do something to help. However, high streets such as the one in Hawick have received little help from the Scottish Government.

It is now up to the Scottish Government to recognise the problems that Hawick and other town centres face and to start using the powers that are already at its disposal to provide real help to our retailers and our high streets. The businesses in my constituency cannot afford to wait any longer for action to be taken. I urge the Scottish Government to sit up and take notice of the growing concerns before it is too late.

**The Deputy Presiding Officer:** I call Mark McDonald, to be followed by Ken Macintosh. We must then move to five-minute speeches.

16:32

**Mark McDonald (Aberdeen Donside) (SNP):** Some of the people who I represent would look on this debate and the glorification of the Osborne approach by Gavin Brown with a mixture of incredulity and bemusement, because for many of them the reality that he talks about is not the reality that they experience. During the Donside by-election, I noted with interest that, when the Conservatives campaigned, they stayed well away from the communities of Middlefield, Woodside, Printfield and Fersands—areas that are absolutely at the sharp end of Conservative welfare reforms—lest they actually had to see the impact of their policies on everyday people's lives.

I am interested that, during his speech, Gavin Brown talked about how good the chancellor's budget will be for the retail sector and he then tried to suggest that all the pressures that the sector is facing are the fault of that nasty Mr Swinney and his policies in the Scottish Parliament, yet when I raised with him very real point about the 20 per cent VAT hike, on which there was no consultation with business, he skated over the prospect of that having any role in the real pressures that businesses are facing.

**Alex Johnstone:** Will the member take an intervention?

**Mark McDonald:** No, no.

Businesses that I represent and talk to are certainly feeling the sharp end of that—particularly the smaller businesses, for whom the margins are tight. I will come back to small businesses later.

**Murdo Fraser:** Will the member give way?

**Mark McDonald:** That is why I do not recognise the retail levy issue as being a wider concern among the people and businesses that I represent.

**Murdo Fraser:** Will the member give way?

**Mark McDonald:** Not at this time. I thought that that have might been obvious from the fact that I did not let the member in.

Mr Rennie spoke about the record number of people in work. That was interesting in that, while he was doing that, I remembered the Joseph Rowntree Foundation's findings of just a few days ago. It stated that we now have more households who are in work and in poverty than households who are not in work and in poverty. This is the first time that that position has been recorded.

That says to me that, while Mr Rennie lauds the fact that more people are in work, it is not simply the fact of being in work that gives people the opportunity to escape poverty. The UK Government is spectacularly failing to tackle in-work poverty, particularly the reliance of people who are in in-work poverty on benefits, by driving forward the better wage and employment standards that would allow people to escape in-work poverty. That would have the consequential impact of reducing the burden of the welfare budget that Mr Rennie and his colleagues are so keen to reduce. That would be a win-win. Perhaps Mr Rennie will tell us whether that would be a good thing.

**Willie Rennie:** I have never heard Mark McDonald praise the Liberal Democrats and the UK Government for raising the income tax threshold to £10,000, which would help the people whom he claims to represent. If I had heard him praise that policy, he might have a bit more credibility, but he has never done that.

**Mark McDonald:** Willie Rennie is very adept at praising his party's role in the UK Government. He will know that independent analysis stated quite clearly that those tax changes were nullified by changes to the benefits system and other economic policies that are having a negative impact on those who are at the lowest end of the income scale.

On the impact of the Liberal Democrats in Government, most of us have had a wee chuckle at Danny Alexander—the man who shares responsibility for the increase in the number of food banks—being pictured grinning at the opening of a food bank as if that is somehow a

welcome measure. Indeed, Aberdeen has seen the launch of the Food Banks Partnership Aberdeen, which includes a range of organisations from my constituency such as the Middlefield community project, the Fersands and Fountain community work project, and the Printfield community project. Even in a wealthy city such as Aberdeen, more and more people have to rely on food banks. That is a direct consequence of the policies that are being pursued by Mr Rennie's colleagues in coalition with the Conservatives.

I want to talk about the small business bonus scheme. For all that Gavin Brown lauds the impact of his UK Government's policies on the retail and business sectors, small businesses in my constituency praise the small business bonus scheme. During the Donside by-election, the cabinet secretary and I visited Audstar florist in Dyce. We met Audrey Ross, the owner of the business, and she said that thanks to the savings that she has accrued through the small business bonus, she has been able to invest in her business by buying a new vehicle, and to ensure that, during the tough times, her business was partially insulated from some of those impacts thanks to the measures that the Scottish Government has put in place.

**The Presiding Officer (Tricia Marwick):** Can you bring your remarks to a close, Mr McDonald?

**Mark McDonald:** I can indeed, Presiding Officer.

There is a lot of talk among the Conservatives about relying on the OBR as some sort of independent, forward-thinking guru. If we look at the OBR's record over the past few years—its predictions and the need for them to be revised—it is safe to say that the OBR is as good at predicting economic growth as Michael Fish was at predicting hurricanes.

16:37

**Ken Macintosh (Eastwood) (Lab):** Last week's autumn statement was supposed to be one of the big events in the parliamentary calendar and the economic cycle. In the end, it was a bit of a damp squib, overshadowed as it was by a matter of real political moment—the death of Nelson Mandela.

In some ways, I am surprised that the Conservative Party brought the subject before the Scottish Parliament today because what I did see of the autumn statement was rather unedifying. The chancellor tried to present his decisions on fiscal policy against a background of a return to economic growth, but it came across as an almost entirely political calculation. The reaction of the braying ranks behind him, for example, was to greet the news not with delight for the businesses that would be spared or the jobs that would be

secured, but as a group of politicians who believed that their goose was cooked until someone turned off the oven at the last minute.

If that was not unappetising enough, what really stuck in my throat was George Osborne claiming credit for this much-vaunted recovery. Many of us might indeed be thanking our lucky stars that we have returned to economic growth, but I suspect that very few will be thanking George Osborne. It is a sad fact that for 40 of the past 41 months, since the Conservatives came to power, we have become worse off as prices have risen faster than wages. In fact, for those of us who are intrigued to know what happened in the one month when we did not get squeezed, there was an interesting exchange at Treasury questions yesterday.

**Alex Johnstone:** Will the member take an intervention?

**Ken Macintosh:** In a moment. My Labour colleague Clive Efford MP highlighted the fact that the number of people who are earning more than £1 million per year jumped from 13,000 in January to 18,000 following the budget. As he pointed out, that means that their combined income rose from £27 billion to more than £47 billion. He then asked:

“Is that the reason why April was the only month in which earnings rose above inflation?”—[*Official Report, House of Commons*, 10 December 2013; Vol 572, c 112.]

I note that the question was not denied by the Treasury minister. Perhaps Mr Johnstone can answer it.

**Alex Johnstone:** Now that the member has told us what has happened in the past 40 months, might he abandon the year zero approach and remember what happened in the 24 months previous to that?

**Ken Macintosh:** A forward-looking comment from Mr Johnstone, there, trying to blame Labour for three years of no growth at all and flatlining from the Tory policies. The Tories justify their austerity economics with a promise that they will balance the books by 2015. Now they are not even forecasting a return to surplus until 2019.

The chancellor proudly boasted that the autumn statement is “fiscally neutral” but it is certainly not socially, economically or politically neutral. How can the Tories be proud of cutting taxes for the highest earners while freezing wages for working people? How can they justify abolishing support for families and removing vital welfare benefits for the most vulnerable while the biggest multinationals pay less and less tax, if they pay tax at all?

Professor Brian Ashcroft has written an excellent article in which he points out that it is simply not true to state as fact that austerity has been good for economic recovery. In fact, many

economists believe that austerity has simply stalled or delayed our economic recovery behind that of similar industrialised countries—a point made by the distinguished convener of the Finance Committee and our distinguished cabinet secretary, too.

Returning to the much-heralded recovery, perhaps even more worrying were the observations of the Office for Budget Responsibility on the autumn statement. As my colleague Michael McMahon said, in the opening paragraph of its report it states in an incredibly damning sentence:

“We judge the positive growth surprise to have been cyclical, reducing the amount of spare capacity in the economy, rather than indicating stronger underlying growth potential.”

This Government is quite simply using all the wrong measures to judge its own success. It pursues and fails to reach its own borrowing targets—by some £200 billion—and seeks the approval of credit rating agencies that we should not be asking to tell us the time of day and, yet again, fails to achieve that jaundiced approval. What really matters to people is their sense of wellbeing in economic terms: whether they have a job, what kind of job that is, whether they can pay their fuel bills and what the cost of living is. The scary thing is that after three years of a flatlining economy, working people here in Scotland are more than £1,400 a year worse off.

What should we be doing? I start by praising the Scottish Government, because it is at least indicating that it wants to move to measures of wellbeing through the national performance framework.

I have a lot of sympathy, too, for the language of Keynesian economic growth that Mr Swinney uses, although I am worried that the cuts to the housing budget, for example, run entirely contrary to what the cabinet secretary says he wants to achieve.

Where I perhaps part company with the SNP Administration is on its cuts to colleges. Surely if there is one thing that this Government should be doing it is educating people to the best of their ability and giving them the skills and training to improve not just their employability but our country's productivity.

However, I think that Labour and the SNP have quite a similar agenda—or we certainly talk the same progressive language. The First Minister has spoken about a transformational change in childcare. Well, let us do it now.

I do not associate with the paranoid tendency in the SNP. Linda Fabiani accused us of having a go at the SNP. I ask her to read the amendment. In fact, I specifically ask the cabinet secretary to

reply to our amendment and tell us what his views are on childcare and whether we should spend the autumn consequentials on childcare. It is a specific question and we heard nothing on it in the cabinet secretary's opening speech. I ask him to address it in his closing remarks because we in the Labour Party will give our whole-hearted support to investing that sum in childcare. Let us shed our reputation as having one of the most expensive childcare systems and have one of the best.

**The Presiding Officer:** We now move to five-minute speeches.

16:44

**Bob Doris (Glasgow) (SNP):** Forecasts are one thing; reality is something very different. As we have heard, a UK Government target in 2010 to grow the economy has been dramatically missed. As a result, UK Government borrowing will be £197 billion higher by 2016 than predicted. That is the reality, yet increasing UK debt is being used as an excuse to make drastic and swingeing cuts to the welfare payments of some of the most vulnerable people in Scottish society. That attack on our most vulnerable could result in £4.5 billion being taken from welfare by 2014-15.

The reality of that is that working tax credit reforms, for example, will take £3,870 from working families every year. In terms of the childcare element of that, there will be £1,560 less.

If we look at the working tax credit reforms by the UK coalition in the round, we see that 372,000 families will be worse off to the tune of, on average, £810 a year. The bedroom tax—a topical subject—will mean that more than 70,000 affected households will be nearly £600 worse off every year and will no longer be able to pay their rent in full. I will give the chamber one final example: the reform of incapacity benefit into employment support allowance affects 144,000 people to the tune of—on average, by 2016—£3,480 a year.

That is wrong for a number of ethical and moral reasons, but it is also wrong for economic reasons. Those people in my constituency, across Glasgow and across Scotland spend money in the real economy. They do not hoard money or invest money; they spend it in their local cafe or on getting a bus into the town centre to see if they can get some bargain clothes for their children. The cuts are wrong on many levels, but they also directly take money out of the economy. They are wrong ethically and they are wrong in business terms.

The best way in which to cut the welfare budget is to get people into meaningful work, and the way to do that is with increased capital investment. Between 2010 and 2016, there was a 26 per cent

cut to Scotland's capital budget. That is £927 million, which is a huge number at first glance. However, if we put it beside the £197 billion additional UK debt due to the Conservative-led coalition's mishandling of the economy, it quickly pales into insignificance.

**Mary Scanlon (Highlands and Islands) (Con):** Will the member give way?

**Bob Doris:** I am sorry, but I have only five minutes.

However, every £100 million that is invested in capital projects can generate £160 million of economic activity and support 1,400 people into work in a year. Those capital cuts have cost the Scottish economy £1.5 billion and have prevented 13,000 Scots from having jobs created for them—Scots who could be off benefits and in meaningful employment, paying taxes and doing better in their lives.

There has been a mishandling of the economy and completely wrong priorities have been backed by the UK coalition, so I cannot possibly support the motion that is before us today. I am not willing to cheerlead for austerity and pain in my communities. The UK parties should be ashamed of themselves. The Conservatives and the Liberal Democrats are a disgrace, flag waving about the pain that is being caused to the people I represent.

We have already heard about more money for housing, colleges and local government. I would love there to be more money for childcare. I would also love there to be more money for free school meals and kinship care, which are two of my other priorities. I draw Labour's attention to the fact that the free school meals pilot in primary 1 to primary 3 that the Scottish Government proposed had to be shelved because of UK cuts to our budget. The only way in which we can get sustainable, transformational childcare in this country is by the huge investment of £700 million every year—not as a one-off payment—that will transform the lives of the people I represent and will give our children the best start in life.

**The Presiding Officer:** I am sorry but your time is up.

**Bob Doris:** We all know that that investment will be achieved only with a yes vote and independence.

16:49

**Murdo Fraser (Mid Scotland and Fife) (Con):** I am gently reassured by the fact that Bob Doris is unable to support the motion that is before us this afternoon.

The Chancellor of the Exchequer's autumn statement provided good news for Scotland. Not

only were we told that the economy is growing again, and growing at an encouraging rate, despite all of the doom and gloom warnings that we have heard from Labour and SNP politicians—and, believe me, there was a lot of doom and gloom in the chamber this afternoon—but there were specific measures to help aid the economic recovery.

Michael McMahon said that “self-praise is no praise”, and he is right, so let me tell him some of the organisations that have praised the chancellor’s autumn statement. They include the British Independent Retailers Association, the British Retail Consortium, the Confederation of British Industry, the Federation of Small Businesses, the Institute of Directors and the Scottish Chambers of Commerce—the list goes on. They have all combined to praise the chancellor’s statement.

I will concentrate on the help that the UK Government is giving to business and why I believe that the Scottish Government should at least match it. As Gavin Brown pointed out, the freeze on fuel duty will be good news for businesses right across the country, and particularly in rural areas. We have seen the scrapping of employer national insurance contributions for 1.5 million under-21-year-olds across the UK, which will save businesses in Scotland £45 million and support the jobs of 138,000 young people here. In addition, the Barnett consequential has provided the Scottish Government with an additional sum of more than £300 million over the next two years. Already, debate has opened up on how we should spend that largesse.

Perhaps most interesting has been the chancellor’s approach of introducing a 2 per cent cap on the business rate increase, with a special discount for retail premises that sell food and drink and that have a rateable value of £50,000 or below. That will make a real difference to the attempts to breathe life back into our high streets.

The Scottish Government and Mr Swinney are fond of telling us that Scotland has the most competitive business tax regime in the UK. Certainly, businesses here benefit from the small business bonus scheme, and I am proud of the role that the Scottish Conservatives played in ensuring that it was introduced earlier than the SNP originally intended. I have no doubt that the scheme has helped many small businesses on our high streets to survive the recent economic downturn. I also welcome Mr Swinney’s admission this afternoon that, had it not been for George Osborne’s cap of the business rates increase at 2 per cent, he would have been happy to impose an inflationary increase of 3.2 per cent.

**John Swinney:** Can Mr Fraser tell me on how many occasions the Chancellor of the Exchequer has not applied the inflation rate at September to the increase in business rates?

**Murdo Fraser:** Mr Swinney should join me in welcoming the step that Mr Osborne has taken. In fact, we should reflect on what a miracle worker Mr Osborne is because, under the devolution settlement, he has no power over the Scottish business rate, but he still ensures that Scottish businesses directly benefit from his announcement, as Mr Swinney follows his lead. Let us hope that that trend continues.

The danger is that the competitive advantage that Scotland had is being eroded. We have had the increase in rates on businesses with empty properties and the retail levy, which is an additional rates charge that is not payable by businesses in England and that costs £95 million. The MSPs from all parties who met representatives of Sainsbury’s last week will have heard them say clearly that, as a direct result of that SNP policy, their business no longer believes that Scotland is as profitable a part of the UK to set up new stores as England and Wales. Residents in places such as Pitlochry and Perth who are looking forward to a Sainsbury’s store and wondering why it is not coming need to know that it is the decisions of the SNP Government that are delaying Sainsbury’s from taking forward projects. We have also heard concerns from the business community about the fact that Mr Swinney’s budget plans for the next two years include a £450 million increase in revenue from business rates.

Therefore, if there is a competitive advantage, it is being eroded and that is already having a negative impact on the Scottish economy. The SNP’s white paper says that the SNP will take forward a reduction in corporation tax if it has power to do so. However, only a minority of businesses pay corporation tax, whereas virtually every business pays business rates.

**The Presiding Officer:** You need to bring your remarks to a close.

**Murdo Fraser:** A cut in business rates today in Scotland is therefore more beneficial to the economy than a cut in corporation tax would be, because more businesses would benefit. It is within the power of the Scottish Government to deliver that today, rather than wait for jam tomorrow in the unlikely event of independence. The Scottish Government should take action today to help Scottish businesses. We do not want to lose our competitive advantage in the UK, which is why I support Gavin Brown’s motion.

16:54

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I agree with Gavin Brown's opening remark that there is a long way to go. One of the difficulties in setting out on a journey is the need for a road on which to travel. If capital spending is cut, that road is not built. That is what the Conservatives have inflicted on us.

I congratulate the Conservatives on exploiting a Scottish invention to a degree that was previously unthought of. Scotland invented the overdraft, and boy are the Tories exploiting it. We have moved from the overdraft to the credit card as the UK's credit rating has been cut from AAA to AA+. Of course, when credit ratings are cut, interest rates increase, so the outlook is not necessarily good.

The point of a debate such as this is not about the numbers. We can trade them all day long and choose our own numbers, but do people outside here understand what they mean? What does £197 billion of new borrowing physically look like? It works out at something over £5,000 per household in the UK. That sounds like quite a lot of money.

What does £5,000 look like? If we made a pile of 5,000 pound coins, it would reach the ceiling; alternatively, it would go all the way horizontally from me to my colleague Alex Fergusson. That is a big lot of money. People would know what it meant if they saw it sitting somewhere, waiting to be spent. That is only the increase in debt and not the amount of debt.

What does the £5,000 compare with? The increase in debt for every household is more than we pay a pensioner in state pension every year.

One of the jobs that we as politicians must do is turn such abstract arguments into something that Joe Public can relate to—something physical—because £197 billion is just an awfully big number. It happens to have 12 digits or, in binary, 38 digits.

People who deal with big numbers get desensitised to them. Thirty years ago, I was in the Bank of Scotland's London dealing room, where we settled up with the Bank of England in about 30 minutes at the end of the day by trading excess money to other banks that were short or vice versa. That was done with paper and pencil, and I was there to see whether we could automate the process.

At the end of the day, when the numbers were added up for the various corrections that had been made and the trades that had been done with other banks, it was found that the numbers were £56 million adrift. The interesting thing is that the people there said, "It disnae matter," and they went to the pub. People who deal with big numbers get desensitised to them. The figure of

£197 billion, which is not the debt but the increase in debt, is so vast that none of us here has any conception of what it means.

Sam Goldwyn said that predictions are a risky business, especially when they are about the future. The OBR has given new meaning to that comment with its flaky predictions of growth, which have been halved, and of borrowing, which has more than doubled. When we rely on figures from a source such as the OBR, we rely on a chimera and on something that is provably of little worth.

With the terms of the debate, the Conservatives have given us insight into precisely how we cannot rely on the numbers that we get from such independent people. The OBR does not have a track record that we can rely on. We must be careful to illustrate to people what the numbers look like in bread and butter terms. I hope that my example has given my dear colleagues something on which to engage with their constituents.

16:59

**Margaret McDougall (West Scotland) (Lab):** Unsurprisingly, I will not support the Conservative motion. I cannot support the lack of reality that underlies the sentiment that would see working people and the vulnerable in our society worse off. The truth is that, since David Cameron came to office, working people are on average £1,600 worse off.

The autumn statement does nothing to tackle the cost of living crisis. We have a flatlining economy in which prices have risen faster than wages for 40 out of the past 41 months during Cameron's term. Osborne celebrated our recovery and growth, but the fact is that growth is meagre—far lower than in Germany, America and many other countries, as we have heard. This is the slowest recovery for 100 years.

The autumn statement was a chance for the coalition Government to provide real benefits. For example, it could have announced an energy price freeze and saved every Scottish household £120 as well as making long-term changes to the energy market, but it did not. It could have announced that it would scrap the damaging welfare reforms, but it did not. It could have announced real measures for growth, but it did not.

What about the coalition Government's promise to balance the books by 2015? In 2015, borrowing will be £79 billion, so I am not sure what books the Government is trying to balance—certainly not the budget. By 2016, borrowing will be £197 billion higher than was expected when forecasts were made in June 2010, as we have heard numerous times this afternoon.

In 2010, we were promised increased living standards, growth, and cuts to the deficit, yet the coalition Government has failed every test it has set for itself. There is still no recovery—in fact, there are more people living in poverty now than there were at the start of the Con-Dem Government.

The coalition Government is out of touch. Not only is it not working for ordinary working people, but it is not working for anyone—unless, of course, they are one of the fortunate few earning more than £150,000, who received a huge tax cut. It is becoming increasingly clear that, to benefit from the coalition, people need to be one of the elite few.

In Scotland, we feel the pain of the coalition Government's programme of austerity but, through the Barnett consequential, we are set to get an additional £308 million over the next two years. That money could be used—as Labour's amendment to the motion states—to extend early learning and childcare to 50 per cent of two-year-olds. That would mean that the Scottish Government could start to implement transformational childcare changes now. There is no need to wait—it is time to get Scotland off pause and start tackling child poverty. The Scottish Government has the power, but does it have the will to do it?

Nicola Sturgeon MSP stated during the launch of the white paper that the reason for not delivering a transformational childcare strategy is that the money raised would go into the coffers of the UK Treasury. Does that mean that if Scotland votes no, this Government will never deliver that strategy, despite the fact that it is well within its power? If the cabinet secretary will not agree today to start implementing those changes, will he at least assure us that, in the event of a no vote, this Government will start delivering for Scotland? Or is childcare just another political carrot to try to attract a yes vote?

**John Mason:** Will the member give way?

**Margaret McDougall:** Do I have time, Presiding Officer?

**The Presiding Officer:** You are just coming to your last minute, so I would not take an intervention if I were you.

**Margaret McDougall:** I am sorry, Mr Mason, but I am out of time.

We stand ready to work with the Scottish Government on improved childcare now, because we can implement measures now to help many struggling families across Scotland.

The autumn statement is more of the same from the UK Government: tax cuts for the elite few and misery for the masses, with no hope of the

economic growth, the increased living standards or the cuts to the deficit that we were promised.

The economy is flatlining and Osborne has privatised the defibrillator. However, I do not agree with the Scottish Government that the only solution is to vote yes. The solution is to get rid of the out-of-touch UK Government and vote in a Labour Government that will work for working people and the disadvantaged in our society because establishing new borders in an increasingly connected world will not help to tackle inequality or improve living standards across Scotland.

With the extra money from the Barnett consequential, I call on the Scottish Government to start work on the promised transformational childcare strategy now. Thanks to devolution, we have the opportunity to make a real difference to families across Scotland now and that is what we should be doing.

17:04

**Iain Gray:** In this afternoon's debate there has been some sympathy for the Tories who are arguing their case today. Michael McMahon made that explicit when he spoke about how hard it must be to be a Tory and have to defend the indefensible in the form of George Osborne's autumn statement. I would like to say that the Tories have made a fair attempt at it, but it is fairer to say that they have really struggled to do so.

They have, of course, had some support—*[Interruption.]* I can hear Alex Johnstone—I will come to his contribution in a minute.

The Tories have had some support from Willie Rennie, which we would expect as his party is in coalition with Mr Osborne's party. Mr Rennie has intervened on members on a number of occasions today to pose the question, "Will you admit that there is growth and there will be more, and that that is a good thing?" A number of us—Mr Swinney and I, for example—acknowledged that it was good to see some growth, but the point is that there is rather less than was predicted or planned for.

I ask members to stop and think about it: if a Government's economic policy is that there will be growth, that is quite limited in vision. It is a bit like saying that the coalition Government's housing policy is that there will be houses, or that its school policy is that there will be schools, although it does not appear to take that approach to the NHS, which I am not entirely sure is going to survive in any form that we know it.

If that is the scope of the vision that we are supposed to celebrate today—that there is some growth—it is pretty minimal. With regard to the



quality of that growth, it is worth looking at the OBR's analysis.

**Willie Rennie:** I recognise that Iain Gray is trying to be positive in acknowledging that there is some growth, and that is a good thing. However, he must surely also recognise that the advice that he and others gave three years ago that we should abandon this strategy was just wrong.

**Iain Gray:** I do not accept that, and the OBR points out just how the growth that Mr Rennie celebrates has been achieved. It states in its analysis that the growth is driven by increases in house prices and consumer spending from savings, and that that is not sustainable. The alternatives for which we—and my colleagues in Westminster—have argued were aimed at creating sustainable growth in the economy.

The Conservative members opposite me have sometimes struggled with justifying some of their positions. I was particularly struck by a couple of exchanges on the welfare budget—to which significant reductions were proposed in the autumn statement—which strike at the core of the fallacy of success.

Gavin Brown said that the welfare budget is going up but is not rising as much as it would have without the austerity programme. That is not the case. The budget for employment support allowance alone has gone up by almost £3 billion, which is more than Mr Osborne predicted, and housing benefit has increased by £2.7 billion more than was predicted. That is because of the austerity programme, the fact that so many people have been thrown out of work and the squeeze on wages, which has led to people qualifying for and claiming more housing benefit.

The Tories' desperation in attempting to justify their position reached its nadir when Alex Johnstone called out from a sedentary position while John Swinney was talking about borrowing, "We are borrowing less." The fact of the matter is that George Osborne has borrowed more in the past three years than the Labour Governments did during 13 years of government. He is not borrowing less—he is borrowing £200 billion more than he planned to.

The OBR has featured heavily in the debate today. Mr Swinney was almost waxing lyrical about the OBR at one stage, which surprised me a bit, because the OBR papers that accompanied the autumn statement included a downward revision of its own estimates of oil revenues. That poses some problems for Mr Swinney's economic forecasts for independence, as oil revenue would be £1.7 billion less than was suggested by the OBR's previous forecast, which in itself was significantly lower than Mr Swinney's own forecasts.

I was even more surprised when Kenny Gibson went further and quoted the IFS. Some weeks ago, when the IFS published its report on Scotland, I did the rounds of the television studios with some of Mr Gibson's colleagues, who came close to painting the IFS as some kind of satanic cult. If SNP members want to quote the IFS, they must accept that it says not only that there is a bleak picture for the UK but that the picture for Scotland is bleaker still and an independent Scotland would require tax rises or significant cuts simply to stand still.

**Jamie Hepburn:** Will the member take an intervention?

**Kenneth Gibson:** Will the member take an intervention?

**Iain Gray:** I am in my final minute.

**The Presiding Officer:** You are in your final 20 seconds, Mr Gray.

**Iain Gray:** The most striking thing about the debate was that almost no SNP member mentioned the SNP's key policy on childcare, even in the passing. There could be no greater demonstration of the truth.

**The Presiding Officer:** I must ask you to come to a close.

**Iain Gray:** The truth is that a desirable policy is being held hostage to a yes vote. That is no way for a responsible Government to act on the future of the young children of our country. The Government has the opportunity to extend childcare now and it has the resources to do so. It should take that decision.

17:11

**John Swinney:** This has been an interesting debate. If I were to offer Mr McMahon some feedback on his speech, I might suggest that he spelled things out rather bluntly at the start, when he talked about the Conservatives' "delusional" motion. That was rather strong stuff for faint-hearted members.

However, Mr McMahon provided a pretty fair assessment of a theme that has run through the debate, which is that the Conservative and Liberal Government has stuck to the plan—Mr Rennie has stuck manfully to that line all afternoon. If, however, the Conservative-Liberal Government had stuck to the plan, it would not have borrowed £197 billion more than it had planned in 2010 to borrow. If the plan was so successful, we would—apparently—have had 5.9 per cent more growth by 2015 and would not have had to borrow £197 billion. I am with Mr McMahon on the importance of having a realistic debate about levels of growth.

It is fair to say that members have welcomed the return of growth to the economy—I am with Mr Gray on that. I set that out in the budget statement in September, when Mr Brown was somewhat less charitable about Scotland's growth achievements. I am quite happy to acknowledge that growth is returning to the economy. That is what we have been pressing for; we would just have liked it to happen a bit earlier.

Business rates have been a major issue in the debate. I might have misheard Mr Lamont, and if I did so I will amend the record today, but I think that he said that no business in Hawick High Street benefits from the small business bonus scheme. I see that Mr Lamont is shaking his head, so maybe I did mishear him, because there are in Hawick 863 commercial properties that have rateable values of under £18,000, some of which will be among the 3,580 properties in the Borders that have saved £23 million in business rates since the Government introduced the scheme.

**John Lamont:** I clarify that the area of the High Street that is designated “prime retail”—it is a large part of the High Street—does not benefit from any discount or incentive scheme. That is the part of the High Street where I identified a real problem, and it is the area where most of the empty units are.

**John Swinney:** We are entering very specific territory. I have engaged on the matter in the past, so I share with Parliament that Mr Ewing wrote last month to everyone on the valuation roll who does not currently benefit from the small business bonus scheme to advise them of the opportunities. That will, of course, include any such businesses in Hawick.

Mr Lamont also said that the Government has not supported Hawick. I point out to him that in 2009-10 Hawick received £353,000 from the town centre regeneration fund. I have seen some of the fruits of that money in my visits to the town. If my memory serves me right, I think that I will be going to Hawick on Monday—I am pretty sure that that is correct. If Mr Lamont wants a chat over a cup of coffee in the heart of Hawick project, I am quite willing to allow him to stand his hand. Oh! He is standing up. Here we go.

**John Lamont:** I would be happy to meet the minister to discuss the empty shops. We could meet in my office on the High Street, at the heart of Hawick or in one of the other wonderful institutions in that wonderful town.

**John Swinney:** I have now had the opportunity to check my diary and I see that I am going to be in Hawick on Monday morning, so I make that commitment. I cannot possibly bring myself to grace the door of Mr Lamont's office, however, so

the heart of Hawick seems to be a sensible compromise.

On business rates, the Conservatives have advanced the argument that we should replicate all that has been put forward by the chancellor in his budget statement. I would turn that argument round and pose the question: should I have replicated all that the business rates regime in England has delivered over the past few years? If I had done that, small businesses in Scotland would not have benefited from the saving of £15,000 on average that they have made as a consequence of our measures. I put it to the Conservatives that the Scottish Government has been in a leading position in delivering business rates support much more consistently over the period than has the Government south of the border, which is what has given the Scottish economy its competitive advantage.

Let me put the public health supplement in perspective. A total of 240 premises out of 220,000 commercial premises in Scotland—0.1 per cent of all commercial premises in Scotland—are paying the public health supplement, which will come to an end in 2015. We should bear that in mind when we consider the question of competitive advantage.

**Murdo Fraser:** Has Mr Swinney been told by Sainsbury's what it told some of us at a meeting last week—that it no longer finds Scotland as attractive a place as England and Wales to invest in and to open new supermarkets in?

**John Swinney:** I have met Sainsbury's, but it has not made that point to me. Asda has announced the building of four new stores and a depot in Scotland. If organisations want to make representations to me about such things, I am perfectly happy to meet them.

In yet another of Ken Macintosh's thoughtful speeches to Parliament, he asked me to address specifically the Labour amendment on childcare; I am happy to do so. There are consequentials from the autumn statement last Thursday that I have not yet allocated. The Government is giving consideration to all those issues and we will advise Parliament of our intentions in due course, just as I have advised Parliament today of our intentions on business rates. We will update Parliament after the Cabinet has come to its conclusions.

In closing, I make the point that we cannot spend the money twice—we can spend it only once. My colleague Bob Doris intervened rather effectively on Neil Bibby in marshalling the fact that a couple of weeks ago Labour's priority was colleges, a week ago it was housing, at 2.40 this afternoon it was local government and in this debate it is childcare. We have argued for the

importance of childcare provision, which is why we have expanded it from the 412 hours that we inherited from the Labour Party to 475 hours, and intend to expand it to the 600 hours that are provided for in the budget that I have put to Parliament.

**Neil Bibby:** Will the cabinet secretary give way?

**John Swinney:** I am afraid that I must bring my remarks to a close.

We will reflect on how those consequentialists can be used to realise the Government's policy priorities. However, I say to everyone in the chamber that the resources can be spent only once; they cannot be spent on more than one occasion in order to meet multiple policy priorities.

17:19

**Gavin Brown:** I am rather amused to hear that the cabinet secretary seems finally to have realised that we can spend the money only once. That comes from a Government that claims that we will, when we are a separate Scotland, be able to decrease tax, increase spending, decrease borrowing and have not one but two oil funds—one for the short term and one for the long term. That is spending the money five times.

The debate on the autumn statement is usually one that the Scottish Government is particularly keen to have. In 2008, it had a statement and a debate on the pre-budget report, as it was then called; in 2009, it had a debate on the pre-budget report; in 2010 we had the spending review; in 2011, it wanted a debate, and in 2012 it wanted a statement. However, in 2013—this is interesting and noteworthy—the Government, for the first time, did not want to have a debate or a ministerial statement in Government time on the consequences and consequentialists of the autumn budget statement. Perhaps that is because most, if not all, the news in that statement pointed to a positive economic position. It contained policies that could help to drive forward our economy and it included consequentialists for Scotland that the Scottish Government does not want to talk about terribly much.

Let us look at what the Scottish Government asked for. In keeping with usual practice, the cabinet secretary wrote a letter to the Chancellor of the Exchequer setting out his key priorities. The Scottish Government's priorities were additional capital investment, improved access to finance and no additional cuts to spending. I will take those in reverse order. He got no additional cuts to spending; in fact, as we know, the UK Government went further and gave him additional money to spend over the next two years—an additional £1 million for the current financial year, which I accept is not terribly much, an extra £120 million for 2014-

15 and an extra £187.5 million for 2015-16. So, his primary objective was delivered.

The cabinet secretary wanted additional capital investment. That is what he got, with an additional £98 million to add to the March budget and the previous year's autumn statement. We have made the point that, when the chancellor gave that money a year ago, it turned out that a significant number of the Scottish Government's so-called shovel-ready projects were not particularly shovel ready—some did not even have planning permission. However, for a considerable time, it was claimed that they were shovel ready.

The Scottish Government's third priority that it asked for in its letter to the chancellor was improved access to finance. That is exactly why funding for lending is being turned towards the business sector and away from the housing sector, with incentives in that particular scheme being skewed heavily towards small and medium-sized enterprises. All major banks will have to appoint a senior champion to promote the independent appeals process. Furthermore, additional sums are going into the British business bank—£250 million—to add to the existing £1 billion. The Scottish Government demanded its three priorities; they got those three priorities through consequentialists and a number of positive policies to help to grow the economy.

Let us return to the theme of business rates, with which the cabinet secretary ended his speech with his talk about the regime south of the border. Firstly, let us look at the business rates cap. Although we welcome that it is 2 per cent instead of 3.2 per cent, the reality—to be fair to the cabinet secretary, he admitted this—is that, had it not been for the chancellor's intervention or the announcement in last week's autumn statement, the business rates increase in Scotland would have been 3.2 per cent and not 2 per cent. That is crystal clear. The logical conclusion that was drawn by Murdo Fraser is that it looks as though if people want business rates to be cut in Scotland they should go to the Chancellor of the Exchequer instead of the Cabinet Secretary for Finance, Employment and Sustainable Growth in Scotland.

**John Swinney:** How does Gavin Brown explain the fact that a small business in Scotland will pay £15,000 less in business rates over this valuation period because of decisions that we have taken, as opposed to decisions that have been taken by the chancellor?

**Gavin Brown:** That comes from the Government that refused to have transitional relief in Scotland when it was in place in England. Murdo Fraser's point—he made it extremely well—is that the competitive advantage to which the cabinet secretary and the Government continually refer is being eroded.

Earlier, I praised the Government for what it did on business rates in its first term of office through the small business bonus scheme. I was happy to do so at the time and I am happy to do so again, but since being re-elected as a majority Government, the SNP has continually eroded that competitive advantage. As has been mentioned, it brought in the retail levy without any form of consultation.

**Mark McDonald:** Will Gavin Brown give way?

**Gavin Brown:** I will not, at this time.

The Government also brought in an empty property relief cut without consulting on the proposal, which has also eroded Scotland's competitive advantage. Business is paying an increasing share.

**John Swinney:** Will Gavin Brown give way?

**Gavin Brown:** I will give way in a moment.

Another advantageous policy south of the border is that retail premises that have a valuation of up to £50,000 will get a discount of £1,000, but that appears not to be being replicated in Scotland—although the cabinet secretary may, of course, change his position. That policy will have a £39 million benefit in Barnett consequentials in 2014-15, but from what we have heard about the local government settlement, we know that about £3.8 million of that will be applied to extension of the small business bonus scheme. In my view, we are eroding our competitive advantage step by step. That is why we are pressing the cabinet secretary to take action.

I said that I would give way to the cabinet secretary and I am happy to do so.

**John Swinney:** If we follow the logic of Mr Brown's argument, the Scottish Government would have to unwind the level of support that we are providing through business rates relief, because it appears that we have to follow every decision that is made south of the border.

Secondly, on empty property relief, Scotland still has a more competitive regime than that which exists south of the border.

**Gavin Brown:** Our critique is that the Government seems to be doing everything in its power to erode and to roll back that advantage. Although it says that it would do other things if it had the powers to do them, it is failing to use the powers that it has. That is true in relation to air passenger duty, which the Government says it would cut, although it is doing nothing with the powers that it has on the air route development fund. It says that there ought to be a VAT cut for the hospitality industry, but it is doing nothing for the industry here through business rates. It says that it would like to cut VAT for construction firms if

it had the power to do so, but it is doing nothing for that industry with the powers that it has on business rates.

I want to pick up on a few other themes. The Government and—I have to say—the Labour Party have completely ignored the fact that there was a meltdown of the euro two years ago. When the UK Government made predictions in 2010, of course it did not predict that the entire continent was going to go into meltdown and that some members of that currency were at serious risk of departing from it. No one predicted that. Of course, that had a knock-on effect on growth and borrowing between then and now. Anyone who tries to ignore the effects of that is not facing up to reality. That would have been the difficult position that we faced, regardless of whether we were independent and regardless of whether we had a Labour, a Conservative or, indeed, a coalition Government. We cannot ignore that.

We have heard a lot of positive comments from business about the autumn statement and very little criticism of it. I will close with a statement that rather sums up the results of the autumn statement. The director general of the CBI, John Cridland, said:

"We have always advocated the dual approach of tackling the deficit and driving growth—the OBR forecasts confirm it is working. Let's stick with what works."

## Business Motions

17:29

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of business motion S4M-08554, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a business programme.

*Motion moved,*

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

Tuesday 17 December 2013

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Stage 3 Proceedings: Landfill Tax (Scotland) Bill

*followed by* Scottish Government Debate: Violence against Women

*followed by* Scottish Parliamentary Corporate Body Debate: Reappointment of Members of the Standards Commission for Scotland

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 18 December 2013

2.00 pm Parliamentary Bureau Motions

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

*followed by* Stage 1 Debate: Bankruptcy and Debt Advice (Scotland) Bill

*followed by* Financial Resolution: Bankruptcy and Debt Advice (Scotland) Bill

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 19 December 2013

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Finance Committee Debate: Finance Committee Report, Draft Budget 2014-15

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 7 January 2014

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 8 January 2014

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Education and Lifelong Learning

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 9 January 2014

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time—[Joe FitzPatrick.]

*Motion agreed to.*

**The Presiding Officer:** The next item of business is consideration of business motion S4M-08556, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a stage 2 timetable for the Marriage and Civil Partnership (Scotland) Bill.

*Motion moved,*

That the Parliament agrees that consideration of the Marriage and Civil Partnership (Scotland) Bill at stage 2 be completed by 24 January 2014.—[Joe FitzPatrick.]

*Motion agreed to.*

## Parliamentary Bureau Motions

17:30

**The Presiding Officer (Tricia Marwick):** The next item of business is consideration of two Parliamentary Bureau motions S4M-08557 and S4M-08558, in the name of Joe FitzPatrick, on approval of Scottish statutory instruments.

*Motions moved,*

That the Parliament agrees that the Scottish Charitable Incorporated Organisations (Removal from Register and Dissolution) Amendment Regulations 2013 [draft] be approved.

That the Parliament agrees that the Register of Young Voters (Anonymous Entries) (Scotland) Order 2013 [draft] be approved.—[*Joe FitzPatrick.*]

**The Presiding Officer:** The question on these motions will be put at decision time.

## Decision Time

17:30

**The Presiding Officer (Tricia Marwick):** There are five questions to be put as a result of today's business. I remind members that, in relation to the debate on finance, if the amendment in the name of John Swinney is agreed to, the amendment in the name of Iain Gray will fall.

The first question is, that amendment S4M-08551.4, in the name of John Swinney, which seeks to amend motion S4M-08551, in the name of Gavin Brown, on finance, be agreed to. Are we agreed?

**Members:** No.

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

**For**

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

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

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Baker, Richard (North East Scotland) (Lab)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Boyack, Sarah (Lothian) (Lab)  
 Brown, Gavin (Lothian) (Con)  
 Buchanan, Cameron (Lothian) (Con)  
 Carlaw, Jackson (West Scotland) (Con)  
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)  
 Davidson, Ruth (Glasgow) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)  
 Fergusson, Alex (Galloway and West Dumfries) (Con)  
 Fraser, Murdo (Mid Scotland and Fife) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Iain (East Lothian) (Lab)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harvie, Patrick (Glasgow) (Green)  
 Henry, Hugh (Renfrewshire South) (Lab)  
 Hilton, Cara (Dunfermline) (Lab)  
 Hume, Jim (South Scotland) (LD)  
 Johnstone, Alex (North East Scotland) (Con)  
 Johnstone, Alison (Lothian) (Green)  
 Kelly, James (Rutherglen) (Lab)  
 Lamont, Johann (Glasgow Pollok) (Lab)  
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)  
 Macdonald, Lewis (North East Scotland) (Lab)  
 Macintosh, Ken (Eastwood) (Lab)  
 Malik, Hanzala (Glasgow) (Lab)  
 Marra, Jenny (North East Scotland) (Lab)  
 Martin, Paul (Glasgow Provan) (Lab)  
 McArthur, Liam (Orkney Islands) (LD)  
 McCulloch, Margaret (Central Scotland) (Lab)  
 McDougall, Margaret (West Scotland) (Lab)  
 McInnes, Alison (North East Scotland) (LD)  
 McMahon, Michael (Uddingston and Bellshill) (Lab)  
 McMahon, Siobhan (Central Scotland) (Lab)  
 McNeil, Duncan (Greenock and Inverclyde) (Lab)  
 McTaggart, Anne (Glasgow) (Lab)  
 Milne, Nanette (North East Scotland) (Con)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Murray, Elaine (Dumfriesshire) (Lab)  
 Pearson, Graeme (South Scotland) (Lab)  
 Pentland, John (Motherwell and Wishaw) (Lab)  
 Rennie, Willie (Mid Scotland and Fife) (LD)  
 Scanlon, Mary (Highlands and Islands) (Con)  
 Scott, Tavish (Shetland Islands) (LD)  
 Smith, Drew (Glasgow) (Lab)

Smith, Elaine (Coatbridge and Chryston) (Lab)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, David (Highlands and Islands) (Lab)

**The Presiding Officer:** The result of the division is: For 63, Against 53, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** Because that amendment has been agreed to, the amendment in the name of Iain Gray falls.

The next question is, that motion S4M-08551, in the name of Gavin Brown, as amended, on finance, be agreed to. Are we agreed?

**Members:** No.

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

### For

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

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

#### Against

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

**The Presiding Officer:** The result of the division is: For 63, Against 53, Abstentions 0.

#### *Motion, as amended, agreed to,*

That the Parliament agrees that the UK Government's austerity drive has resulted in key opportunities for growth being missed; notes that the Office for Budget Responsibility now expects the UK economy to be 5.9% smaller in 2015 than forecast in 2010 and that, as a result, UK Government borrowing will be £197 billion higher by March 2016 than expected in June 2010; notes that the price of the UK Government's failure to deliver sustainable growth is being paid by households facing rising costs of living at the same time that wages have fallen in real terms; recognises the steps taken by the Scottish Government to reduce the cost of living through the council tax freeze and the social wage, to support the economy through the most competitive business rates regime in the UK and to help people back into employment; notes that Scotland's economy has grown by 1.8% during the last year, which is faster than the UK as a whole; further notes that Scotland's performance in employment, unemployment and inactivity rates are the strongest of the four nations of the UK, and welcomes the publication of *Scotland's Future: Your Guide to an Independent Scotland*, which sets out the only detailed vision for Scotland's future and the steps that the Scottish Government would take with the powers of independence to increase productivity, participation and growth levels, to tackle inequality and to improve living standards across Scotland.

**The Presiding Officer:** The next question is, that motion S4M-08557, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

#### *Motion agreed to,*

That the Parliament agrees that the Scottish Charitable Incorporated Organisations (Removal from Register and Dissolution) Amendment Regulations 2013 [draft] be approved.

**The Presiding Officer:** The final question is, that motion S4M-08558, in the name of Joe FitzPatrick, on approval of an SSI, be agreed to.

#### *Motion agreed to,*

That the Parliament agrees that the Register of Young Voters (Anonymous Entries) (Scotland) Order 2013 [draft] be approved.

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



## Arbroath CAFE Project

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

The final item of business is a members' business debate on motion S4M-08445, in the name of Alex Johnstone, on the Arbroath community alcohol free environment—CAFE—project. The debate will be concluded without any question being put.

#### *Motion debated,*

That the Parliament commends the CAFE Project in Arbroath on what it considers the wide range of activities and opportunities that it offers to young people in the area, including street football, guidance on training and employment, health advice and active citizenship; understands that the project has achieved national and international recognition for its success in providing a comprehensive alternative to alcohol, drug use and crime; welcomes that what it considers the innovative CAFE Project model has been adopted elsewhere in Scotland and the UK, and wishes it every success as it continues its pioneering work.

17:35

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

It gives me great pleasure to bring this debate on the Arbroath CAFE project to the chamber. In doing so, I take the opportunity to welcome representatives of the project who are watching proceedings from the public gallery.

The Arbroath CAFE project offers a comprehensive range of activities, opportunities and advice services for young people and those with a disability. In fact, it is the only large-scale activity-based drop-in facility of its kind in Angus.

Time does not permit me to discuss in depth the full range of services that the project offers, nor the many plaudits that it has won over the years, but the highlights include drop-in sessions that run four nights a week and offer games and cooking, art and crafts, keep-fit and guitar lessons. All those sessions are run with an emphasis on developing skills, boosting confidence and self-esteem, developing literacy and numeracy skills, and promoting good sportsmanship and a healthy lifestyle.

The project also provides parent and toddler sessions; a darts academy in which people are coached by the Scottish international player Alan Soutar; a chess club; an interschool five-a-side competition; a get set, get fit programme for 12 to 15-year-olds from disadvantaged backgrounds; and speed, agility and quickness sessions that provide tailor-made programmes for those with a disability. Those sessions are designed to improve motor skill development.

One of the activities that has gained substantial coverage over the years is street football, which involves a portable pitch that can be set up almost anywhere and allows young people to form teams

and have a game of football under appropriate supervision. Some members might recall the street football visit to the Scottish Parliament a few years ago. Members were able to have a go themselves and play football with very enthusiastic and extremely energetic and skilful young footballers.

The project's street football team came third in an extremely tough competition in the inaugural street football world cup in Germany in 2006. It also won the fair play award in that tournament. That speaks volumes about the many added benefits that young people receive when they take part in the CAFE project.

Many of the activities take place in the project's own premises, but other venues include sports centres, local parks, woods, beaches, the golf course, theatres and cinemas.

Like all excellent community organisations, the CAFE project does not work in isolation. Its holistic approach means that it engages with health visitors, criminal justice teams, the national health service, the police and fire services, the job centre and local charities, to name but a few.

All the activities combine to offer a comprehensive service to young people that provides them with an alternative to hanging about on street corners and getting into trouble. There is a safe, alcohol-free environment that is highly valued by those who use it and the partner organisations, which also seek to help vulnerable youngsters, some of whom come from areas that appear in the index of multiple deprivation. Some might come from a domestic setting in which alcohol, drug and domestic abuse can be a recurring feature of life.

On average, around 650 people are helped by the CAFE project each year. They are not just helped; they play a pivotal role in how the project is run. They are consulted on activities, games, equipment and the standards of behaviour that are expected. The groups can also decide on the content of their 10-week programmes. Equally important is the fact that they help to ensure that the programmes are delivered on time and on budget. Crucially, they, too, are encouraged to volunteer their services to help the project through working behind the CAFE bar or supervising youngsters or younger members.

All of those things have made a hugely positive contribution to the lives of those who have participated and, consequently, local communities have also benefited. Norrie Stein, the founder of the CAFE project, tells me that it has made a significant impact on youth offending in the area. Who would know better than him, given his role for many years as a local sheriff?

We know that young people taking advantage of the programmes and the advice and help available at the CAFE project are empowered to turn their backs on life choices that will negatively impact on their own opportunities. Such is the success of the CAFE project that it is now a much-studied model that has been replicated throughout the United Kingdom. It has become hugely important in Arbroath and Angus and a much-loved resource valued by all who are kept up to date with its activities through the local press.

As with many charitable organisations, funding the project is becoming more challenging. The community has rallied round and has been extremely generous, ensuring that the good work will continue until at least next year. The CAFE project itself has responded well, rationalising its business plan and cutting costs wherever possible. The fact is that the CAFE project, although a small charitable organisation in comparison with some others, punches well above its weight in terms of activity and outcomes. We need to see that good work continue.

I look forward to hearing the other contributions to this debate. I commend the hard work and outstanding achievements of the invaluable organisation that is the Arbroath CAFE project, and I look forward to seeing its progress in the future.

17:41

**Anne McTaggart (Glasgow) (Lab):** I am very happy to contribute to Alex Johnstone's members' business debate on the Arbroath CAFE project. I am especially keen to take part in a debate to promote the value of a community project because I previously worked in community learning and development environments in both rural and urban locations across Scotland.

In my view, the Arbroath CAFE project is a first-class example of community learning and development in action. This commendable social enterprise offers young people in Angus opportunities to participate in a variety of activities. I understand that the formal aspects of the provision include training for employment, health guidance and citizenship education. I am happy to note that the Arbroath CAFE project has achieved national and international recognition for its endeavours and achievements in providing a comprehensive alternative to alcohol and drug misuse and the subsequent involvement in criminal activities that can so easily result from that for some young people.

The subject of developing programmes for alternatives to drug and alcohol misuse is close to my heart, as I have previously worked in that field in the voluntary and statutory sectors. I was

fortunate enough to gain extremely valuable experience as an addiction counsellor in Glasgow. As a consequence, I am very aware of the challenges that workers in the field of alcohol and drug misuse face, especially when working with young people.

I am aware that all those involved in supporting the Arbroath CAFE project have worked hard to seek the funding required to maintain the services that it provides for young people. They achieved their goal through generating donations, hosting fundraising events and sourcing various grants for which they were eligible. They should be commended for that task in itself.

I take this opportunity to make a suggestion about utilising the experience of the Arbroath CAFE project. Again, I draw on my experience of working in community learning and development in both formal and informal settings. The Arbroath CAFE project brings together the two elements of community learning and development—youth work and adult education—in a supplementary and complementary fashion. In that way, it is an example of community development that would lend itself easily to a process of peer education, whereby the valuable experience and skills that have been gained through the Arbroath CAFE project could be disseminated to similar groups and organisations across Scotland. The project's model could be replicated across the country through a peer-education approach that highlights it as a template of best practice.

17:45

**Graeme Dey (Angus South) (SNP):** Some months ago, I visited Inverbrothock primary school in Arbroath to give a talk to primary 6 pupils on the life of an MSP and the work of the Parliament. Having—I thought—fired their imaginations and enthusiasm, I invited questions. Up shot the first hand, but the young lady in question did not want to explore the workings of the Parliament or ask anything remotely connected with the role of a constituency MSP. She simply asked, "How can we save the CAFE project?" That put me in my place, although I was able to explain that I had been helping Sheriff Stein to identify a number of funding sources that might be explored. It emerged that several of the kids were deeply concerned about the threat to the project, and they outlined some fundraising ideas of their own that they thought could assist in securing its future.

I tell that story simply to illustrate how much the CAFE project means to those who use it. I think that, after 17 years, those of us who live and work in Arbroath have become so used to it being there that we have perhaps come to take it for granted. The revelation that Children in Need had called a halt to providing funding, with all the potential

consequences that that threatened, was a wake-up call.

My most recent visit was on a night that was given over to providing activities for youngsters and adults with learning difficulties. Some were there with carers, but the project is proud of the fact that a significant number of the participants eventually develop the confidence to attend on their own, which of course has the benefit of giving the carers a wee respite as well.

As Alex Johnstone highlighted, however, the project does much more than that. On four evenings a week, it offers drop-in sessions for P4s to P6s and then S1s to S4s, with a range of activities that help to develop skills and an emphasis on healthy living and good citizenship. There are teatime clubs two afternoons a week and a holiday club that runs three afternoons a week. The P7 active boys and girls groups welcome many youngsters who are in care or under supervision. There is a parents and toddlers group, an Alan Soutar darts academy and a chess club. Additionally, jobcentre staff are there once a month to advise and assist young people into work. All told, it is estimated that 650 young people a year benefit from the CAFE project's work. That is why it is so important that a means is found to ensure its survival beyond July.

Missing out on a 13th year of funding from Children in Need was undoubtedly a blow, but the CAFE project was not unique in that, with nine out of 10 applications to Children in Need being unsuccessful. As Alex Johnstone said, these are difficult times for charities and competition for funding is fierce. However, I understand that the CAFE project is planning to knock on Children in Need's door again quite soon, and I wish it well in that. I welcome Angus Council's renewed engagement with the project, which I understand will lead to the council assisting with the preparation of grant applications and with energy efficiency measures to help to drive down the overheads that are created by the age of the building at Brothock Bridge.

In concluding, I pay tribute to Sheriff Norrie Stein, the project's founder, who is in the gallery tonight. Mike Weir MP and I will meet him on Sunday for an update on the progress that is being made to secure the project's long-term future. We are going to grab a coffee in the cafe at Morrisons in Arbroath, as Sheriff Stein will be there participating in a bag pack to raise funds for the project. I think that we will be chatting almost on the run, as it were. Sheriff Stein is a remarkable man whose contribution to the town and its surroundings was recognised relatively recently with the naming of a street in his honour, and the CAFE project is an equally remarkable Arbroath institution. I wish both a long and prosperous

future, and I congratulate Alex Johnstone on giving us this opportunity to note all that the CAFE project has achieved.

17:48

**Richard Baker (North East Scotland) (Lab):** I congratulate Alex Johnstone on securing the debate, which gives us a chance to reflect on what is a successful and important project not just for the Arbroath area but for Scotland, given its influence and the innovative work that it has done. It provides support to some of those in the local community in Arbroath who most need it, it helps young people from challenging backgrounds and, as has been said, it provides the only large-scale activity-based drop-in centre for young people and those with disabilities in Angus.

I recall visiting the CAFE project in 2007 during that year's election campaign with Jack McConnell, who was then the First Minister, and Cathy Jamieson, who was then Minister for Justice. We heard all about the good work that the CAFE project does and we saw the facilities that are provided at the centre. We met the young people who were using the facilities and who clearly found them invaluable in making a big difference to their lives. Those young people would otherwise not have had a huge amount to do in many instances. It was clear that the Arbroath CAFE played an extremely important role in the local community.

Members might also recall that, during that election campaign, the issue of antisocial behaviour was particularly to the fore. One of the benefits of the work of the CAFE project has been that it has offered some of those young people who might be at most risk of being involved in antisocial behaviour alternative activities. It has therefore benefited the wider community and not just the young people.

The project has not just offered those young people the social and leisure activities to which Alex Johnstone referred; it has provided them with skills through work placements, volunteering, and work with the jobcentre. It has also offered health advice. The CAFE is therefore providing a whole range of essential services to young people and other individuals and families in the area.

That project and the visit remain so clearly in my memory not just because I met young people who clearly valued the work of the project but because I met Sheriff Norrie Stein, whose enthusiasm for the work and the mission to provide much-needed support to young people in the area is infectious. It is clear today that he galvanises the whole community around the work. I know that the determination was born from Sheriff Stein's experience of meeting young people through his

work as a sheriff. Those young people had not had the opportunities that are provided by a project such as Arbroath CAFE. As Alex Johnstone said, the project is providing young people in the Arbroath area with opportunities to lead far more productive lives as young people and in the future as well. The benefits of the project also lie many years into the future.

The project does not just have local effects. Through its innovative and successful street football project, it has supported young people in Arbroath, in the north-east and throughout Scotland. Hundreds of communities have benefited from the pioneering approach of the Arbroath CAFE project.

As has been said, at this time, the project needs our support more than ever. I hope that the minister will reflect on what she has heard tonight and on the huge amount of support that the project has in the community and in the chamber, and that ministers will do all they can to support the Arbroath CAFE project so that it can continue to play its vital role in the community for many years to come.

17:52

**The Minister for Children and Young People (Aileen Campbell):** Like Alex Johnstone and Graeme Dey, I welcome the Arbroath CAFE members to Parliament this evening.

Yesterday we had the opportunity to discuss the invaluable work that is done by YouthLink Scotland and the youth work sector as a whole. All those who contributed yesterday recognised how important it is to give time, commitment and care to helping our young people to live the most fulfilled lives that they can, and to reach their full potential. That is the essence of good youth work: the focused and passionate commitment to giving young people the chance to make the most of their lives.

I am therefore grateful that Alex Johnstone has brought the example of the Arbroath CAFE project to the attention of Parliament. In his opening speech, he gave us a vivid picture of the project's work and its impact on the young people who benefit from the project, and on the wider community. It is also good to learn about a Scottish football success in a world cup, which is unusual and something that we should celebrate.

The breadth of activities that the CAFE provides is impressive. It provides that all-important drop-in centre that gives young people a safe and welcoming environment in the community, and is the basis for a number of projects that provide real development opportunities, particularly for those youngsters who face some difficulties or serious challenges in their lives. As Graeme Dey said, it is

clear that the project is very dear to Arbroath's heart. The number of people that it helps is impressive.

It also provides the basis for connections into the wider community by hosting other projects such as the mother and toddler group, and an employability drop-in service in conjunction with the local jobcentre. Those connections are considerable. According to the local *Evening Telegraph*, the project works with health visitors, social workers, criminal justice offender services, nurses, police, firefighters, parents, carers, teachers, Angus Council community learning and development, Angus Council recreational team for people with disability, the jobcentre, local businesses, the Round Table, the Rotary clubs, the Royal British Legion, and churches, to name just a few. In that way, projects such as the Arbroath CAFE project embody many of the principles that we talk about in abstract terms here in the chamber and in wider political discourse.

We often talk about prevention and early intervention. Projects such as the Arbroath CAFE project are perfect examples of prevention and early intervention in practice. As Anne McTaggart said, by providing positive channels for the energy and enthusiasm of young people, such projects divert them from finding less constructive activities, even where the temptations and opportunities to do so are strong.

Richard Baker, Alex Johnstone and Graeme Dey described the passion and leadership of the founder of the project, former sheriff Norrie Stein. Judging by their comments, he has clearly left a mark on all of them. Norrie Stein said:

"The CAFÉ Project has changed people's lives, there's no question about that. It was very rare to see anybody with a connection to the CAFÉ Project appear in court—thereby breaking a family tradition in some cases."

We know that early intervention and diversion works. The whole-systems approach to youth justice has played a major contribution in the significant decline in youth offending in the past few years. It appears that the Arbroath CAFE project is well and truly doing that in practice.

We talk about the idea of wellbeing. I know that Angus Council has developed the wellbeing web, which is being used throughout Scotland. It is a good time for us to stop and reflect on how many of the safe, healthy, achieving, nurtured, active, respected, responsible and included—or SHANARRI—wellbeing indicators a project such as the Arbroath CAFE project achieves. It provides a safe environment, free from some of the more corrupting and destructive influences that can bear on young people as they reach their teenage years. It promotes healthy and active living, seeking to harness young people's energy through sports-related activities. By providing services for

the more disadvantaged youngsters and promoting volunteering, it is all about nurture, responsibility and inclusion. Such projects thrive on the respect that they afford young people and the respect that they get in return.

We often talk in the chamber about an assets-based approach. We know that the best way to secure the long-term improvements in life chances that we want to see is through the building up and strengthening of people and their local communities. In the long run, it is not about treating young people's needs but about giving them and their families the strength, resilience and opportunity to tackle life's challenges. That is true of communities, too. Locally based initiatives designed to meet local needs and drawing on the inspiration and commitment of local people are at the core of that approach.

We often talk about multi-agency collaboration. The list of those with whom the project works is clear evidence that all the agencies involved in helping and supporting young people work best when they are brought together and work together.

I understand that there are issues of funding uncertainty. That has been clear in reports in the local press. I am aware that the project has just secured funding of £3,000 from the Bank of Scotland community fund, which should secure the project's continuation until July next year. However, I am told that Angus Council has since been offering the project financial and other sorts of advice to help it to become more sustainable and look for funding from a range of sources. I know that a number of potential funding organisations are willing to discuss the future with the organisation and also that the project has launched a public appeal. I wish the project well in its efforts and hope that Graeme Dey takes part in the bag pack that he described.

As a Government, we are keen to see that projects that contribute to the wellbeing of young people and to local communities can be sustained as far as possible. In yesterday's members' business debate, I referred to the range of support that the Government provides to youth work organisations and to the range of funding mechanisms by which they can seek support. That includes cashback for communities, which is an example of a funding opportunity that the Arbroath CAFE project should definitely pursue.

Again, I am sincerely grateful to Alex Johnstone for bringing to the chamber the Arbroath CAFE project, both as an example of the huge range and wealth of youth work projects across the country, and as a reminder of the challenges that we face in difficult times in maintaining the support that our young people need and deserve.

It has been clear from the passionate contributions from Richard Baker, Graeme Dey and Anne McTaggart that we need to sing loudly about the contribution of youth workers to our country, their talent and commitment, and the support that they give to our young people to enable them to go on to lead fulfilling lives. The Arbroath CAFE project is undoubtedly a good example of such work. The respect that it has gathered from right across the political spectrum is testament to the work that it puts in to ensure that young people in Arbroath are given all the opportunities that they need and deserve in life. Thank you.

*Meeting closed at 18:00.*



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