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Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 8 January 2014

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Scottish Parliament

Wednesday 8 January 2014

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

Portfolio Question Time

Education and Lifelong Learning

The Deputy Presiding Officer (John Scott): Good afternoon, everyone. We have portfolio questions on education and lifelong learning.

Question 1, from Jamie Hepburn, has been withdrawn. A satisfactory explanation has been provided.

Cantonese and Mandarin (Teaching)

2. Graeme Pearson (South Scotland) (Lab): To ask the Scottish Government what action it is taking to increase the provision and uptake of Cantonese and Mandarin in schools. (S4O-02748)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Scottish Government continues to encourage young people to learn Mandarin and Cantonese, as well as to learn about Chinese culture and history. Over the past five years, we have launched 13 Confucius classrooms serving 17 local authorities across Scotland and we have new national qualifications in Chinese languages at higher and advanced higher levels. In December, our Confucius classroom at St Ninian's high school in East Renfrewshire won the accolade of best Confucius classroom in the world at the world Confucius Institute conference in Beijing.

Graeme Pearson: The minister will understand how important it is that our young people in Scotland have a knowledge and understanding of Mandarin and Cantonese. How will he encourage Scottish children to take the languages to advanced level and how will he increase the number who do so?

Dr Allan: I recognise the member's involvement in the issue through the cross-party group on China. Similarly, I am of the view that we should be working to increase the numbers. Indeed, we have managed to increase them, as the number of presentations for Mandarin is up from 298 to 334 this year. We have set ourselves a target to double the number of Mandarin teachers between 2011 and 2017, and we have an aspiration to double the number of presentations in the same period.

Liz Smith (Mid Scotland and Fife) (Con): The minister referred to the fact that good progress is

being made in improving the situation with teaching and making sure that the General Teaching Council for Scotland has more qualified teachers of Mandarin and Cantonese. However, there is a serious problem in relation to local government employment of those teachers. What discussions is he having with local government to help with that?

Dr Allan: My impression is that local authorities are very much engaged. As I indicated, 17 local authorities are already working directly with the Confucius classrooms. Also, we work through the one-plus-two programme, for instance, which is an on-going programme of engagement with local authorities, to make sure that both national Government and local government are signed up to the idea that, over the next few years, we want all our children to come out of primary school with exposure to two languages, one of which, in many cases, will be Cantonese or Mandarin.

The Deputy Presiding Officer: I call Christian Allard.

Christian Allard (North East Scotland) (SNP): To ask the Scottish Government what plans it has for providing education infrastructure in North East Scotland.

The Deputy Presiding Officer: My mistake. I call Mike MacKenzie to ask question 3.

Rural Schools (Unnecessary or Inappropriate Closures)

3. Mike MacKenzie (Highlands and Islands) (SNP): To ask the Scottish Government what steps it is taking to prevent unnecessary or inappropriate closures of rural schools. (S4O-02749)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I know that the member is, like me, deeply committed to our rural schools and recognises their importance to many communities. In order to improve and strengthen the process for all school closure proposals, the Scottish Government is taking forward amendments to the Schools (Consultation) (Scotland) Act 2010. For rural schools specifically, I intend to amend the act to clarify how the presumption against closure should operate in practice.

As many members on both sides of the chamber will recall, a key policy objective of the 2010 act, which was passed unanimously, was to create a presumption against closure of rural schools. However, following the recent judicial review, the court concluded that the 2010 act does not contain such a presumption, and the resultant confusion between communities and local authorities means that there is a need to revise it.

The Government's policy remains that there should be a presumption against closure of rural schools. Consequently, our amendments will clarify exactly what is meant by that presumption and will describe it precisely in legal terms to ensure that they will have the intended consequences.

Mike MacKenzie: We now know that the population is increasing across many parts of rural Scotland. For example, in Shetland, we are already seeing significant renewal of activity in the oil and gas sector, and the joint United Kingdom and Scottish Government publication "Scottish Islands Renewable Project: Final Report" suggests that renewable energy will create around 2,900 new jobs on Shetland by 2030.

The Deputy Presiding Officer: And the question is?

Mike MacKenzie: I am getting there, Presiding Officer.

In view of that, does the cabinet secretary believe that education authorities are taking a wide enough view when considering rural school closures?

Michael Russell: There is a delicate balance to be struck on this matter and Mike MacKenzie is right to draw attention to it. In areas where the population is increasing, such as Shetland, there is a need to provide new schools or expand schools. Closing schools at the same time can be misunderstood and can be counterproductive.

Building strong communities is an issue in areas where the population is expanding and it is also an issue in areas where the population is declining. In Argyll and Bute, which I represent, there is a severely declining population—it is one of the worst population declines in Scotland. Closing rural schools there may accelerate population decline because it may threaten existing small communities.

In all those circumstances we need to be very careful when we are talking about closing good, viable rural schools. That is very important. There is no evidence that the closure of a good school benefits education anywhere, and we should remember that.

Classroom Assistants (Employment)

4. Neil Findlay (Lothian) (Lab): To ask the Scottish Government how many classroom assistants have been employed in schools in each of the last five years. (S4O-02750)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The number of classroom assistants employed in schools in each of the last five years was 5,505 in

2013; 5,666 in 2012; 5,623 in 2011; 5,430 in 2010; and 5,532 in 2009.

Neil Findlay: Classroom assistants play a very important role in schools and often work and build positive relationships with some of the most vulnerable pupils. What actions is the minister taking to ensure that classroom assistants are employed in adequate numbers, so that they continue to play their vital role in our schools?

Dr Allan: I agree with Neil Findlay that classroom assistants play a vital role in our school system. Last year saw a peak number in classroom assistants in recent years and the numbers have been relatively stable throughout the past five years, as I indicated. At the end of the day, local authorities have to make decisions about how they employ classroom assistants and in what numbers. The Government makes clear our view of the importance of classroom assistants and their central role in the education system.

The Deputy Presiding Officer: Regrettably, John Pentland is unable to be with us to ask question 5.

Mandarin (Teaching)

6. Roderick Campbell (North East Fife) (SNP): To ask the Scottish Government what steps it is taking to promote the teaching of Mandarin in schools. (S4O-02752)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Scottish Government continues to encourage young people to learn Mandarin and Cantonese, as well as learn about Chinese culture and history. To add to the answer that I provided to Mr Pearson for question 2, we are supporting 22 Chinese teachers from Tianjin schools to live in Scotland and work in their partner schools and we provide annual funding for young people and headteachers from Scottish schools to visit China to establish and foster links.

Roderick Campbell: During visits to schools, I am aware that they have an advantage when a native speaker comes to take Mandarin language classes. Does the minister agree that foreign language assistants are vital to enhancing language learning in schools and can he advise what action the Scottish Government is taking to increase the number of foreign language assistants in Scottish schools, particularly for Mandarin?

Dr Allan: Across all languages, we have managed to stabilise and slightly increase the number of foreign language assistants over the past three years from 59 to 70 to 73. The Government works with various agencies, including the British Council and others, to make sure that that number goes up. We recognise that

foreign language assistants can be a very cost-effective means of introducing native speakers support of class teachers. One specific example is the early learning of Chinese project, which was launched in 2013 and involves more than 30 Chinese-speaking students.

Children with Additional Support Needs (Mainstream Schools)

7. Kevin Stewart (Aberdeen Central) (SNP): To ask the Scottish Government what guidance it provides to ensure that children with additional support needs who are educated in mainstream schools receive appropriate support. (S4O-02753)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): Through close collaboration with stakeholders, the Scottish Government has ensured that a wide range of guidance documents on supporting those with additional support needs is accessible to practitioners, families, children and young people. For example, the supporting children's learning code of practice provides guidance on the provisions of the Education (Additional Support for Learning) (Scotland) Act 2004 as well as on the supporting framework of secondary legislation.

Kevin Stewart: Is the minister convinced that all local authorities are applying getting it right for every child to ensure that the needs of children requiring additional support are met? Can exam course rules be made more flexible to take into account the needs of young people who may have communication difficulties?

Dr Allan: The GIRFEC approach puts each child at the centre of service delivery. Provisions in the Children and Young People (Scotland) Bill, with on-going support from the national GIRFEC implementation team, will help to ensure consistency of implementation throughout Scotland. In addition, the Government places specific duties on local authorities under the 2004 act. The Scottish Qualifications Authority is careful to ensure that all assessment approaches are flexible and do not create barriers for learners who require additional support. That would certainly include those learners with communication difficulties.

Liz Smith (Mid Scotland and Fife) (Con): I have a similar question, which is about children in residential care who have additional support needs. What is the Government doing to provide that care? In criticism that was levelled at it by Audit Scotland just a few months ago in respect of the national framework, it did not come out in a very good light.

Dr Allan: The standards that apply in respect of inclusion and educational standards would apply there, too. The Government has the needs of

young people, whether they are in mainstream, residential or other forms of education, close to its heart.

On mainstreaming versus residential education and the wider issues around that, it is worth saying that, although the Standards in Scotland's Schools etc Act 2000 provides a duty to mainstream as the norm, it makes it clear that where residential or other specialist education is more suitable—for reasons of proportionality, cost or, most important, the needs of the individual child—that remains an option.

Tuition Fees (Independent Theological Colleges)

8. John Mason (Glasgow Shettleston) (SNP): To ask the Scottish Government what recent discussions it has had with independent theological colleges regarding tuition fees for students from Scotland. (S4O-02754)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): There have been no recent discussions. However, I have received a joint letter from the International Christian College in Glasgow and the Scottish Baptist College in Paisley regarding tuition fees for Scottish students. A response has been issued this week.

John Mason: Students are puzzled that Scottish students have to pay fees but cannot get loans, whereas English students pay fees and can get loans to cover them. Would the cabinet secretary be willing to meet me and representatives of the colleges to see whether we can find a way forward?

Michael Russell: I am, of course, willing to meet John Mason and representatives of the colleges. I should say, however, that although John Mason may be puzzled about the situation, there are strong reasons why it exists. There are many advantages to studying in Scotland and I do not think that those should be forgotten.

Childcare Provision (Glasgow Provan)

9. Paul Martin (Glasgow Provan) (Lab): To ask the Scottish Government what steps it is taking to improve childcare provision in the Glasgow Provan constituency. (S4O-02755)

The Minister for Children and Young People (Aileen Campbell): From August 2014, through the Children and Young People (Scotland) Bill, the Scottish Government is increasing and improving early learning and childcare provision for three-year-olds and four-year-olds and the most vulnerable two-year-olds throughout Scotland.

Two-year-olds who are looked after or are under a kinship care order are specified on the face of

the bill. Any further expansion will be specified through secondary legislation. As the First Minister announced in the chamber yesterday, from August 2014 we will increase the number of two-year-olds who will benefit from 600 hours of funded early learning and childcare.

We will begin by focusing on the families who are most in need. From this August, the entitlement will cover two-year-olds in families that are seeking work—which is approximately 15 per cent of the total population of two-year-olds. In August 2015, we will further expand provision to families who are claiming certain benefits, under criteria that are currently used to determine eligibility for free school meals. That means that, from August next year, about 27 per cent of two-year-olds will receive funded provision.

The Children and Young People (Scotland) Bill will introduce a requirement that all local authorities consult representative local populations of parents on the patterns of early learning and childcare provision that would best meet their needs. It will be the statutory duty of local authorities to implement the provisions in the bill on early learning and childcare.

Paul Martin: The minister's response may have sounded comprehensive, but it missed out childcare for school-age children. What provisions will the Government introduce, perhaps in its independence white paper or in future legislation—I know that it is missing from the Children and Young People (Scotland) Bill—to deal with childcare provision specifically for school-age children?

Aileen Campbell: I absolutely agree that childcare for children who are beyond the pre-school years is important. That is why I have asked the task force to consider the matter.

It is no surprise that Paul Martin wants to dodge the issues that were announced yesterday, given that he voted against the childcare extension that we have proposed. That is a real pity. Perhaps he would also like to explain to his constituents in Provan why yesterday he voted against free school meals. The policy stands to benefit an additional 11,200 pupils in Glasgow—the city in which he resides.

Clare Adamson (Central Scotland) (SNP): Does the minister agree that transformational childcare can be achieved only with control over all areas of policy, and by ensuring that the tax that is raised in Scotland stays in Scotland?

Members: Hear, hear.

Aileen Campbell: I absolutely agree with Clare Adamson's point. [*Laughter.*] Labour members may laugh; I do not think that talking about the future of our children is a laughing matter. Again, I

go back to the fact that Labour voted against the progressive move that was announced yesterday.

The proposals that were announced yesterday—which I have outlined to Paul Martin—and the proposals in legislation are first steps towards our wider work to enhance childcare, but the transformation that we seek can be achieved only through independence. With independence, we will have the powers that will give us access to the revenue that will be generated by increased numbers of women in the labour market, which is what will pay for that increased provision. Our ambitions for childcare cannot be funded by consequential handouts of our own money from Westminster. We are talking about transforming the structure of our economy and the nature of our society. Plus, we will be able to divert the money that is wasted on immoral Trident weapons to spend it instead on the long-term wellbeing of our children. That is the kind of country that I want to live in.

Kezia Dugdale (Lothian) (Lab): If the Labour Party voted against free school meals yesterday, the Scottish Government voted against its own childcare policy by opposing the Labour amendment. Does the minister accept that yesterday's motion was actually about independence? The debate was titled, "Scotland's Future". Given that the motion said that we need independence if we are to deliver on childcare, can the minister explain why the Government moved on childcare yesterday?

Aileen Campbell: I am glad that Kezia Dugdale has decided to take part in this little exchange, because I would like to know whether she has consulted any of the small businesses in the Lothian region, which she represents, because on television last night she suggested that she would use money from them to pay for 50 per cent of the childcare.

I would also like to point out that we are focusing on families that are most in need, so we regret that the Labour Party decided to vote against the motion yesterday. We would also like to know what the Labour Party wants to cut from the Scottish budget in order to fund its proposals, and how it would deliver them in the timescale that it is setting out. Those are the questions that Labour members failed to discuss yesterday.

Tuition Fees (Objective Justification)

The Deputy Presiding Officer: Returning to today's business, I call Drew Smith.

10. Drew Smith (Glasgow) (Lab): To ask the Scottish Government what discussions it has had with the European Union regarding objective justification for charging United Kingdom students tuition fees but not students from other European

Union countries in the event of Scotland becoming independent. (S4O-02756)

I hope that that question struck a more consensual note.

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Mr Smith and I are known for consensual politics, of course.

Ministers and officials have raised the issue of cross-border students in writing and in a series of meetings with the EU and with other European states.

Drew Smith: The Scottish Government has asserted that Scotland's border with England will be somehow unique in terms of European law and that the ease of transport across it to study somehow means that the Scottish Government can blatantly break EU laws that are designed to prevent member states from discriminating against the citizens of another member state. I presume that the cabinet secretary understands that that position will inevitably end up with our being in court.

What assessment has the cabinet secretary made of the practice in other EU countries—for example in our closest neighbour, Ireland, which is part of the common travel area and has not attempted to impose a tuition fee only on English, Welsh and Northern Ireland students as the Scottish Government is proposing? What estimate has been made of the legal costs of defending that very dubious position?

Michael Russell: I thank Mr Smith for the confirmation—I think that it is the first time that we have heard it from the Labour Party—that Scotland will be an independent member of the EU. I am grateful for that and think that it is a step forward.

Page 199 of “Scotland's Future”—which I am sure that Mr Smith has read—says that

“our current policy of charging fees to students from the rest of the UK to study at Scottish higher education institutions”

is the best way to maintain the positive current mix of students at Scottish universities, and to ensure that Scotland-domiciled

“students continue to have access to higher education opportunities”,

which is something that Mr Smith would wish to happen.

Each member state is, of course, free to adopt its own domestic policies, consistent with the objectives of the EU. We believe that our fees policies contribute to student mobility across the wider EU while addressing the consequences of the unique situation of Scottish independence. In those circumstances, we believe that it will be

possible to deliver our policy in a way that is compatible with EU requirements.

Mary Scanlon (Highlands and Islands) (Con): On an equally consensual note, will the cabinet secretary explain to us the legal advice that he has used and that he deems will make it acceptable for an independent Scotland to discriminate against English, Welsh and Northern Irish students compared with students from other EU countries? Will that advice be made available to other MSPs?

Michael Russell: I am delighted to be consensual about that, because there is legal advice in the public domain. It is the legal advice that exists for Universities Scotland, which I am sure Mary Scanlon has read, and it is entirely clear.

All I can say about Government legal advice is that ministers do not confirm or deny whether legal advice exists but, of course, the First Minister has made it clear that everything in the white paper is consistent with legal advice. I accept that, if he says it, it is undoubtedly true in this instance as well.

Given all those circumstances, I simply assure Mary Scanlon that the policy is well founded, that the doctrine of objective justification is well understood throughout Europe and that a range of very special circumstances apply that would make the defence of objective justification entirely legitimate.

I am sure that Mary Scanlon also now recognises that, as an independent member of the EU, Scotland will have much to offer. I am sure that the policy will be part of its offering to ensure that the nation continues to achieve in higher education.

Joan McAlpine (South Scotland) (SNP): Does the cabinet secretary agree that free higher education is helping to give Scottish students the best start to their careers by keeping student debt levels lower in Scotland than in the rest of the UK?

Michael Russell: I certainly have no difficulty in agreeing with that point. It is absolutely clear that, if we look across these islands, Scottish students have a great advantage, as debt levels have soared elsewhere. That has happened because of a policy that the UK Government has pursued—a policy that is based on a report that the Labour Party commissioned and which it has continued to support. Student debt levels are soaring. I will give members the figures. Student Loans Company figures that were published in 2013 show that the average student loan debt for Scottish students is £6,850. In Wales, it is £14,910 and in England it is £18,740. Those figures tell members the truth: higher education in other parts of these islands is being monetarised. It will not be monetarised in Scotland.

Neil Bibby (West Scotland) (Lab): Mr Russell mentioned Universities Scotland legal advice in defence of his argument. Will he confirm that that legal advice says:

“RUK students will require to be treated no differently from other EU students”?

Michael Russell: Neil Bibby should read the totality of the advice. [*Interruption.*] No, no.

I pointed out yesterday that Mr Bibby's figures do not compute; his reading skills do not compute either. The totality of the legal advice indicates that there is a perfectly strong argument and case to be made on objective justification.

If Mr Bibby was prepared to argue for free education in Scotland—education that is based on the ability to learn, and not on the ability to pay—I would have more respect for his position. The fact that he threatens Scottish students, present and future, with substantial amounts of debt rather invalidates any contribution that he could make to the debate on higher education.

Local Authorities (Meetings)

11. Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): To ask the Scottish Government when the Cabinet Secretary for Education and Lifelong Learning last met local authorities and what education issues were discussed. (S4O-02757)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): I regularly meet education officers from local authorities across Scotland to discuss a wide range of education issues.

Christina McKelvie: I thank the cabinet secretary for that short answer. I draw to his attention the continuous issues with poor support and organisation for children who require autism primary education from South Lanarkshire Council—in particular, the council eventually granting a placing request only for the parents to be told that it will not provide transport. I add that the delivery of the primary education is good.

I ask the cabinet secretary to meet me and some of the parents who have raised those issues with me in relation to autism education services and support from South Lanarkshire Council.

Michael Russell: I am more than willing to meet the member and her constituents to discuss the issue. We should always be willing to listen to parents' views on educational matters.

The provision of education is a statutory responsibility for the appropriate local authority, which is South Lanarkshire Council in this case. In discharging their legal duties, authorities are responsible for setting school admissions policies,

which include procedures for dealing with placing requests.

Local authorities have a duty to make such arrangements as they consider necessary for transport between homes and schools for pupils who reside and attend schools in their areas. However, if a pupil attends a school on a placing request, the local authority does not have to provide a school bus or any help with transport costs.

I give two caveats. If there are spare seats on buses, an authority can offer them for free or at cost to pupils who are not entitled to transport. Such places are often referred to as privilege places. When a pupil has support needs, I would expect the local authority to be very sympathetic and supportive. Every member in the Parliament knows that parents of children with support needs often have to fight extra hard to get the support and services that their children are entitled to. Local authorities have an obligation to ensure that parents do not have to do that.

Hospitalised Children (Provision of Education)

12. Alison McInnes (North East Scotland) (LD): To ask the Scottish Government what action it is taking to ensure that children in hospitals outwith their home local authority area are provided with education. (S4O-02758)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The responsibility for providing education for children and young people who cannot attend school because of ill health rests with education authorities. To support education authorities in delivering that duty, the Scottish Government published guidance for them in 2001. That guidance is being revised to ensure that it takes account of the current policy and legislative landscape and is firmly focused on the collaborative working that is required to meet the needs of each child and young person.

Alison McInnes: In recent research by Action for Sick Children Scotland, just over a quarter of the wards that were surveyed reported that they do not provide education for children who are from other local authority areas. The organisation claims that that is partly because of cumbersome arrangements between local authorities.

That position is clearly contrary to Government guidance. I welcome the actions that the minister outlined, but what barriers has he identified that still need to be overcome? Will he prioritise work with local authorities and national health service boards to resolve the situation and ensure that, within the constraints of their medical condition, every child is provided with education no longer than five days after their admission?

Dr Allan: The issue is of key importance. As I said, the Government is working to ensure that the guidance is adequate to cope with such situations. The refresh process that I mentioned has involved Action for Sick Children, the National Parent Forum of Scotland and others to ensure that we address the issues.

The member asked what the issues are. A number of matters have been raised, which include co-operation levels between education authorities and the varying costs of provision. I am sure that the group that is working on the subject will find a way forward that updates the rules.

Rural School Closures

13. Dennis Robertson (Aberdeenshire West) (SNP): To ask the Scottish Government what the next steps are following the moratorium on rural school closures. (S4O-02759)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): Following the moratorium and the report of the commission on the delivery of rural education, I am taking forward amendments to the legislation on school closures, as I have said. I expect those amendments to improve the consultation process for all school closure proposals and to clarify the presumption against closure for rural schools specifically.

Parents and communities deserve an open and honest consultation process and decision making that is transparent. They also deserve to have a real say in decisions that affect them. I expect our amendments, along with improvements to the statutory guidance in relation to the Schools (Consultation) (Scotland) Act 2010, to deliver that.

Dennis Robertson: Does the cabinet secretary agree that a closure should not be made on the basis of the school roll alone? He had to intervene in relation to Logie Coldstone school, in my constituency, whose roll was eight in 2010-11 but is now 25 in 2013-14. Closing that school would have been devastating for the community, but that would have happened if it had not been for the intervention of the cabinet secretary and the parents group. Will he reassure me and other parents in rural areas that schools should not be closed on the basis of the roll alone?

Michael Russell: The member raises an important issue and I entirely agree with him. Numbers are only one of the criteria that any authority would want to be aware of, and numbers can change dramatically. The member's example of Logie Coldstone is replicated across the country. I know of many schools threatened with closure that were down into single figures but are now bursting at the seams.

Educational benefit is at the centre of the school closure process. That is what we have built into the outputs that we are emphasising and stressing as we go forward. Scotland's geography dictates that we will always need to have small rural schools. Scotland's flourishing rural sector can flourish only if we continue to provide services within rural localities.

Local authorities are supported to provide rural schools through the grant-aided expenditure funding mechanism. Local authorities should—indeed, must—explore all reasonable alternatives to the closure of a rural school and listen to suggestions from the community about alternative solutions; I think that the amendments that we are bringing forward to the 2010 act will help to ensure that.

Children with Additional Support Needs

14. Claudia Beamish (South Scotland) (Lab): To ask the Scottish Government how its education policy supports children with additional support needs. (S4O-02760)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Education (Additional Support for Learning) (Scotland) Act 2004 was put in place to support our commitment to all children and young people with additional support needs receiving the education and support that they require to achieve their maximum potential in life.

The act places strict duties on local authorities to meet the additional support needs of all children whose school education they are responsible for, and to tailor provision according to the children's individual needs.

The supporting children's learning code of practice explains those duties and provides guidance on the act's provisions as well as on the supporting framework of legislation.

Claudia Beamish: I thank the minister for that answer, but considering the fact that there has, I understand, been an 89 per cent increase in the number of children with additional support needs, will the minister explain how the Scottish Government intends to address the issue, particularly when fewer teachers are fulfilling the ASN statutory requirements and the umbrella group Scottish Children's Services Coalition fears that

"teachers and other education staff do not have the time and resources to give all ASN children the help they need"?

Indeed, from my experience of working with children on the autism and dyslexia spectrums and from discussion with others, I would agree with that view. What can the minister do to address

those concerns in relation to initial and on-going teacher training and support staff training?

Dr Allan: Although I certainly do not underestimate the work and commitment that are involved for teachers who deal with children with additional needs, I do not agree with the comment that somehow teachers are not fulfilling their statutory duties in that respect.

There has been an increase in the number of children recorded with additional needs—while the Government is working to make provision for that increase, it should be recognised that a large proportion of that increase is, of course, because the definition of additional needs now captures many more needs than it previously did.

Oil and Gas and Renewables Sectors (Skills)

15. Nanette Milne (North East Scotland) (Con): To ask the Scottish Government what steps it is taking to ensure that schools provide opportunities to learn the skills that will be required in the oil and gas and renewables sectors. (S4O-02761)

The Minister for Youth Employment (Angela Constance): Learning and skills development that supports pathways into the energy sector is embedded within curriculum for excellence and features in a number of qualifications. The sciences and technologies curriculum areas provide opportunities for learners to explore different types of energy sources and their uses.

Education Scotland has developed resources to support teaching on energy and to build young people's awareness of careers in the sector, such as its STEM central website, which uses engineering as a context for learning. Energy skills Scotland is also working with industry to facilitate better engagement with schools.

Nanette Milne: I thank the minister for her helpful response. Aberdeenshire and Angus councils are already taking very positive steps to promote oil and gas career opportunities to pupils. I believe, however, that more needs to be done to promote future opportunities in the oil and gas sector to young people right across Scotland and that those opportunities should be given more significance in careers advice within Scottish schools.

I agree that some steps are being taken but what discussions are ministers having with the oil and gas and renewables industries not only to help to meet future workforce needs and skills but to overcome the current very significant shortage of such skills?

Angela Constance: I thank Mrs Milne for her supplementary question and I appreciate her interest in this matter as one of the co-conveners

of the oil and gas cross-party group. I certainly saw her comments on this very matter on the energy voice website over Christmas.

The energy sector—and the oil and gas industry in particular—is a huge bonus for the Scottish economy. It offers a wealth of opportunities for young people, including young women as well as young men, and we must ensure that those opportunities are available the length and breadth of Scotland.

I know of the good work that is taking place in the Aberdeen City, Aberdeenshire and Angus council areas, but there is an onus on us all to see how we can extend and learn from that good practice. The Government wants deeper and more comprehensive engagement between the world of education and the world of work. Our on-going work includes the Wood commission, of which Nanette Milne and her colleagues will be aware, and the energy skills Scotland initiative, which is crucial in developing a long-term co-ordinated plan for the whole country. The Wood commission has made some pertinent recommendations with regard to science, technology, engineering and mathematics and careers advice.

However, we need to ensure—I hope that this will reassure Nanette Milne—that the opportunities that exist for young people in the north-east are available to young people the length and breadth of Scotland.

Team Teaching (Benefits)

16. Liam McArthur (Orkney Islands) (LD): To ask the Scottish Government what evidence it has that team teaching brings the same benefits to children as smaller class sizes. (S4O-02762)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): The Education (Lower Primary Class Sizes) (Scotland) Regulations 1999 and the Education (Lower Primary Class Sizes) (Scotland) Amendment Regulations 2010, which prescribe maximum class-size limits for primary 1, 2 and 3 classes, provide that, where teaching is conducted by more than one teacher, the class-size limit can be exceeded. That provision was introduced primarily to overcome accommodation constraints and is not linked specifically to the achievement of wider benefits from smaller class sizes. It is clear that contact time with each child is increased by using two teachers, which will have some effect.

Liam McArthur: I certainly acknowledge the benefits that team teaching can deliver and the dedication of the teachers who are working in such a way. However, I am concerned that team teaching is a necessity for some schools—as the cabinet secretary suggested—because of a lack of

space, rather than a choice that is based on educational outcomes.

Given that the figures suggest that, between 2010 and 2012, there was a 20 per cent increase in the number of team-taught classes in P1 to P3, does the cabinet secretary think that there is a case for looking again with local authorities, education trade unions and others at whether more can be done to reduce the requirement to provide such classes?

Michael Russell: Liam McArthur raises an important issue, and we should look closely at the matter. The use of team teaching in any situation may benefit children. There has been an increase in team teaching, and—with regard to the figures that Liam McArthur gave—that may well be the case in areas where there has been a population increase or where there is pressure on school buildings. He is right to draw attention to that, and I am happy to discuss the matter further with him.

As we move forward on the class-size issue, it will be useful to look at the issue of team teaching, and I undertake to do so.

Educational Infrastructure (North East Scotland)

17. Christian Allard (North East Scotland) (SNP): To ask the Scottish Government what plans it has for providing educational infrastructure in North East Scotland. (S4O-02763)

The Cabinet Secretary for Education and Lifelong Learning (Michael Russell): The Scottish Government is investing more than £134 million in eight new secondary schools and one new primary school in north-east Scotland through the £1.25 billion Scotland's schools for the future programme between now and March 2018.

In addition, in the academic year 2013-14, the Scottish Further and Higher Education Funding Council will provide approximately £5 million of capital funding to colleges and universities in north-east Scotland for on-going maintenance of the educational infrastructure.

Christian Allard: Will the cabinet secretary join me in welcoming the £19.9 million that the Scottish Government has provided through the Scottish Futures Trust for the new Alford community campus in Aberdeenshire?

Michael Russell: I am delighted to do so, although we are being thanked for a slightly overgenerous amount: the project's total value is approximately £19.9 million, while the Scottish Futures Trust's contribution is £13.3 million, or two thirds of the total. It is great news for the north-east, and demonstrates once more the Government's commitment to delivering a high-quality school estate throughout Scotland.

I am sure that Christian Allard will be generous in welcoming the fact that, in addition to the Alford project, the Government is supporting the replacement of two further secondary schools in Aberdeenshire—Ellon and Mearns academies—through the schools for the future programme. The completion of those three projects involves a total investment of approximately £78 million, which includes Scottish Government contributions of more than £40 million, and will benefit around 2,000 pupils.

Severe Winter Weather

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Paul Wheelhouse on severe winter weather impacts and Scotland's response. The minister will take questions at the end of his statement. There should therefore be no interruptions or interventions.

14:40

The Minister for Environment and Climate Change (Paul Wheelhouse): I want to update the Parliament on the impacts across Scotland of the severe winter weather that we have experienced over the festive period, and to give details of the tremendous work that has been carried out by the emergency services, other responders, local communities and individuals to mitigate the impacts of the storms during the past two weeks.

As I have seen for myself when I have visited areas that have been affected by flooding, there is no good time to be hit with flood damage, power outages, transport disruption and other severe weather impacts. However, over the Christmas and new year period such scenarios were particularly challenging for the families and businesses that had to deal with the impacts and for the people in the responder organisations that are tasked with dealing with the consequences. Our thoughts are with all those people—thankfully, small in number—whose Christmas and new year were adversely affected by the weather, whether through short periods of lost power, property flooding or disrupted travel.

Particular credit must go to the many hundreds of staff across the police and fire and rescue services, local authorities, utility companies and other key organisations, who sacrificed big elements of the Christmas and new year period to ensure a safe and secure festive period for so many people.

The Scottish Government resilience operation had already been active earlier in December, working on weather issues in partnership with agencies and organisations such as the Scottish Environment Protection Agency, Transport Scotland, Police Scotland, power companies and local authorities, before we experienced the severe weather that impacted on the festive period.

Thanks to the resilience partnerships' work across Scotland, responders were given an early warning by the Met Office, in the week before Christmas, of the potential for severe weather. That put all the relevant organisations at national and local level on alert and allowed them to warn the public and inform them of what was expected,

what they could do to protect themselves and what mitigating action was being taken by the authorities, including the targeted deployment of staff and resources to the areas that were most likely to be affected.

The Scottish Government's resilience room was activated and the emergency committee held 15 meetings from Christmas eve until this week, including on Christmas day, hogmanay and new year's day, with involvement throughout from ministers across relevant portfolios and with close involvement from the First Minister. That co-ordinated effort, with the regular sharing of detailed information on the location and level of risk faced by areas across Scotland, helped to ensure that local authorities, the emergency services and the communities that they serve could put in place crucial protection measures and prepare for the worst of the weather impacts.

Such measures included the use of demountable defences in Oban, which stopped floodwater reaching the heart of the town, and the deployment of Dumfries and Galloway's mobile flood pod, which I saw for myself last week and which provided flood protection equipment, including flood gates, to properties in Dumfries and Newton Stewart.

No one in the Parliament would expect Scotland to be immune from severe weather during the winter months. However, what we have experienced so far, although it is not unprecedented, has been particularly unusual. To compare the recent spell with the numerous periods of stormy weather in the past, the Met Office's national climate information centre has done an analysis of the number of weather stations in Scotland that have registered winds over certain thresholds since the start of December. That suggests that December 2013 was one of the stormiest months in Scotland since January 1993. Temperatures for the month were well above average, especially in Scotland—indeed, for Scotland and for the UK overall, it was the mildest December since 1988.

With respect to rainfall, it was Scotland's wettest December according to records dating back to 1910. Many areas saw nearly twice the average rainfall, and there were few dry spells that would have allowed saturated land to drain and high river, loch and reservoir levels to reduce. For example, Callander received some 540mm of rain in December—that is 21 inches of rain, or 240 per cent of the average for the area—with more than 20mm of rain on 18 days.

We will no doubt face further spells of challenging weather before winter is over. Vigilance remains the key word and our resilience operation will continue actively to monitor the weather and work with partners to identify

potential threats and respond accordingly over the coming weeks.

A widespread flood risk was continually present across the festive period. Indeed, flood warnings have been continually in place for parts of Tayside since mid-December. As at 12.45 this afternoon, seven flood warnings and three flood alerts were still in place in Scotland, despite the relatively improved weather picture over the past few days.

Although most of the weather that we saw was in line with normal winter expectations, it was unusual to see front after front without a sustained break that would have allowed saturated ground and river catchments to recover from the abnormally high levels of rainfall. That effect was combined with the effects of tidal surges in the west and east, and, in places, very strong winds, which created periods of coastal flood risk.

Some smaller catchments are particularly responsive to severe rainfall events, as I saw when I visited Jedburgh in my capacity as a regional member. Parts of Dumfries and Galloway, the Borders and Ayrshire saw some of the worst flooding in living memory, while communities on large parts of the west coast, in the islands, along the various east coast firths and in the north-east experienced the damaging effects of storm surges, high tides and severe gales.

The joint SEPA-Met Office Scottish flood forecasting service was active in providing early guidance on flood risk to local responders, which was invaluable in allowing them to put in place measures to respond to potential flooding. Unfortunately, it was not possible to prevent flooding everywhere, but the efforts of our responders consistently helped to mitigate its impacts. I heard at first hand how important that early notification was during my visit to see the effects of flooding in Dumfries and in visiting Govan police station to witness the preparedness efforts against coastal flooding.

In addition to undertaking work proactively to support the emergency responders, SEPA engaged directly with the public through its excellent floodline direct warning system, providing flood warnings and alerts to the public that allowed them to make informed decisions about how to manage their own potential flood risk. Over the past month, SEPA issued a total of 360 flood alert and flood warning messages, which meant that there were almost 100,000 text or telephone alerts to customers registered with floodline. Since mid-December, SEPA has had 1,250 new registrations to its floodline service—an increase of 7 per cent—meaning that almost 18,200 people across flood-vulnerable areas of Scotland are now registered for that valuable service. It is an invaluable resource, and I

encourage members to publicise it to further increase registrations.

I am sure that members will also support me in reiterating my thanks to emergency responders across Scotland. Despite their own personal commitments and desires for the festive period, they were consistently available and active in taking proportionate responses to identified flood risks and protecting our communities. That preparedness was essential and invaluable, but, in terms of flood risk management, it is only part of the picture. Next week, I will host a summit with local authorities and other key partners, such as Scottish Water and SEPA, at which we will take stock of the work that will culminate during the latter stages of 2014-15 to produce the first ever round of flood risk management plans. Those are informed by SEPA's work on producing our first ever national flood risk assessment and the new flood risk and hazard maps that SEPA will publicise next week, which identify the sources and receptors of flood risk, including by mapping velocity and the depth of flows to inform local responders. That work will inform flood risk management strategies throughout Scotland and will support us in targeting efforts to plan and invest in the reduction of impacts in areas that are vulnerable to flooding.

Investment is essential to support efforts to manage and, where possible, reduce flood risk. In the light of this demonstration of the potential impacts that flooding can have on communities, businesses, transport networks and individuals, I reiterate that flood risk management is a priority for the Scottish Government. Only a relatively small number of properties have been damaged by localised flooding, and we have not experienced the significant damage or disruption that have been seen in other parts of the UK, to which I extend my sympathies. The benefit of the flood warning and flood risk management actions demonstrates value from our investment.

We have continuously maintained and protected our support for SEPA and, in conjunction with our partners in the Convention of Scottish Local Authorities, we have maintained the element of the local authority settlement that is identified for flood protection. The Scottish Government has continued to invest in supporting actions to reduce flood risk, including protecting SEPA's budget at £37.5 million and increasing it, in challenging financial circumstances, to £39.5 million in 2015-16. Local authorities can also apply for funding for large new flood protection schemes using capital funding worth £42 million a year. That investment is making a difference and will stand us in good stead. We will aim to maintain it as we move forward, recognising that climate change raises an expectation of more frequent severe weather events, not least because of recent

Intergovernmental Panel on Climate Change projections of 0.26m to 0.83m increases in global sea levels, which would see our sea defences come under ever-increasing pressure.

Over the immediate Christmas period, around 26,000 customers experienced power disruption due to the extreme high winds. However, the majority of those customers in locations right across Scotland were reconnected within a few hours and very few were without power for more than 24 hours. During the rest of the festive period, a small number of customers—hundreds rather than thousands—suffered power outages at various points but power was restored to almost all of them within hours, which was a remarkable effort given that it was achieved despite very testing conditions.

Both Scottish Power and Scottish and Southern Energy Power Distribution deal with harsh conditions every winter in Scotland and, as a result, they were well prepared for the situation that arose. The 875 linesmen, engineers, contractors and tree cutters and the more than 140 call centre staff who, in many cases, gave up their own time deserve our thanks for their efforts in very challenging conditions. *[Applause.]* Both companies deserve our praise and recognition for their tremendous efforts in Scotland over the festive period. My colleague Fergus Ewing has written to the Office of Gas and Electricity Markets to show the Scottish Government's support for the efforts of Scottish Power and SSE, which must be properly recognised in the post mortem that Ofgem is currently undertaking.

Scotland's transport network stood up remarkably well to the severe weather conditions and, through the swift action of dedicated staff, disruption was kept to a minimum. Inevitably, given the storm force winds and terrible sea conditions, our ferry services were worst hit, but operators tried to be as flexible as possible and to make journeys when it was safe to do so. That included CalMac Ferries taking the unprecedented step of running special sailings to North Uist and Harris on Christmas day and, again, we should recognise and applaud the public spiritedness of CalMac staff. *[Applause.]*

Transport Scotland's traffic control centre was active in monitoring the situation. Keith Brown, the Minister for Transport and Veterans, was involved throughout, and the multi-agency co-ordination team was called up to help to manage emerging issues.

In recognition of the financial burden that severe weather incidents and their impacts can place on local authorities, on behalf of the Scottish Government, the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, formally triggered the Bellwin scheme on hogmanay.

As I said, the weather that Scotland has faced over the past two weeks may not have been unprecedented, but it has been particularly unusual and presented challenges for responders and the communities that they sought to protect. The same could be said about the response of the many authorities and organisations involved in keeping Scotland running. It was not an unprecedented response—they are all well practised in working in partnership—but it was unusual and, indeed, exceptional, given the scale of the response and the sacrifice of many who gave up their festive celebrations to make sure that others could enjoy theirs.

We always look to learn lessons, but we can be proud that when a severe test was presented Scotland's responders demonstrated that they were resilient in the face of that challenge.

Claudia Beamish (South Scotland) (Lab): I thank the minister for early sight of the statement.

As the minister acknowledged, the holiday period is a time when we should all be able to relax. However, due to the severe weather, it has been a very challenging time for many households and communities. It is essential that the Scottish Government gives all possible support to those affected as they come to terms with their situation after the initial clear-up. The statement is a welcome step in that regard.

Will the minister clarify how the budget for the Bellwin scheme will be distributed, what the application process is and what the budget is?

I have concerns about the floodline warning systems for the future. I highlight to the minister that it was not possible to get detailed advice in Clydesdale by Friday 3 January, despite the area having been severely flooded earlier in the week. The Rural Affairs, Climate Change and Environment Committee argued in the budget recommendations that it is essential

“to ensure greater consistency across Scotland.”

Will the minister guarantee that the position will be reviewed urgently? Will he give us an update on flood insurance issues?

Partnership working is imperative and it would be helpful if the minister could clarify what assessment has been made of whether any alteration should be made to the present arrangements for communication between partners, including local authorities. Will there be a report from next week's welcome summit?

Sadly, it has now been proven that there is an even more urgent need for robust funding for coastal and river flood defences. The response was rapid and we cannot prevent floods everywhere, as the minister said, but will he urgently review the budget in view of severe

weather patterns? Alongside those funding imperatives lie the Scottish Government's commitments to climate change mitigation. Will the minister clarify what arrangements are in place for the related research budget and whether that could be increased due to severe weather developments?

Paul Wheelhouse: I hope that I will be able to cover all those questions to some degree. I welcome Claudia Beamish's positive tone. As I am sure she knows, the deployment of the Bellwin scheme is based on eligibility for funding, for which there are well-specified criteria. We should welcome the fact that the scheme is open. Indeed, it was reassuring to the likes of Dumfries and Galloway Council when I met it, as it knew that the Bellwin scheme would help it with exceptional costs in this situation. Repairs will be on a like-for-like basis—the eligibility rules are strict in that regard, but I am sure that the Cabinet Secretary for Finance, Employment and Sustainable Growth will look at and deal fairly with any applications that come in.

On communications between parties, as is the case with every incident, we are looking at where improvements might be made. We have just moved to the new Police Scotland structure and we have our three new regional partnerships in place. This is the first major test that they have faced, so I would be surprised if things did not come out of the situation that we needed to tighten up on. I assure the member that I will act on messages of that nature, should there be any, and ensure that we address any communication difficulties.

As far as the issue of urgency is concerned, I think that the situation was dealt with with all due urgency. I point out that the budget that the Scottish Government deploys—the £42 million of capital funding—works out at roughly three times the amount that is funded per property at risk in England, so we can be relatively comfortable about the level of resource that the Scottish Government is dedicating to the task. As always, we will keep such issues under close watch and will ensure that we try to provide as much resource as possible to tackle what is, as Claudia Beamish rightly identified, a severe test for us as a society as we seek to deal with climate change.

I agree that such events reinforce how urgent it is for all societies to engage in climate change mitigation. Specifically in relation to Scotland and the role of the Scottish Parliament, they emphasise that we should take our climate change mitigation responsibilities extremely seriously. I assure Claudia Beamish that that is, as I am sure that she is aware, a very high priority for me as a minister.

Alex Johnstone (North East Scotland) (Con):

I thank the minister for advance sight of his statement and add my thanks to those whom he thanked in it. I am sure that the difficulties were significant for those people who had to suffer Christmas day without electricity, but they were nothing compared with those of the workers who spent Christmas day up a pole in the teeth of a driving gale and driving rain trying to restore power supplies. The minister mentioned CalMac. I would like to extend his thanks to Scotland's many outstanding private ferry operators, who demonstrated the public service motivation that lies behind their business model. They should be thanked, too.

My questions relate to SEPA. The first one is fairly specific. Is the delay in the regional pluvial, fluvial and coastal contracts and the subsequent delay in SEPA's submission of flood risk and flood hazard maps to the European Union likely to lead to delay in the publication of the flood risk management plans, which is to happen by 2015?

On the subject of SEPA, I acknowledge the minister's considerable effort in relation to the floods that happened a year ago in my backyard in Stonehaven and his timely visit to see the situation there. However, in the year that has passed since then, it has been indicated that SEPA might be a stumbling block when it comes to finding short-term and effective remedies for some of the causes of flooding in that situation. That said, it might also be the case that SEPA is being used as an excuse for the inability of other agencies to act in a timely way.

Is it time for the minister, as a representative of the Government that effectively straightened out SEPA in 2008, to look at SEPA's actions in relation to flood management to identify whether any improvement could be made to the structures or whether the problem lies elsewhere?

Paul Wheelhouse: I identify with Mr Johnstone's comments about the private ferry operators. I am aware that they played an important role during the troubles that we had over the festive period.

On SEPA, I highlight the positive contribution that it makes in enabling us to be prepared for such incidents. The flood warning systems that it has in place are of huge value, as I heard directly from responders in Dumfries and elsewhere. For operators of key industrial sites such as Grangemouth, having the ability to predict, within very tight margins, at what time of day flood waters will hit has been hugely helpful, just as it has been for local responders.

On flood risk plans and the new maps that are being produced, I met David Sigsworth, James Curran and colleagues this morning to get an

update. They met the December deadline—just—for providing the maps. That was a challenging task that involved the marshalling of a huge amount of data from local authorities. In some cases, local authorities said that, in effect, the requirement to provide data to underpin the maps doubled the amount of data that they have to store at local authority level. That gives members an idea of the scale of the task.

It will be challenging to meet the deadline to have the maps finalised and the action plans put in place, but we are still aiming to meet it. If there are resource issues, the Government will try to do what it can to assist SEPA. There is a capacity issue with the number of quality hydrologists who are available to us. In the past, we have tried to pump-prime the number of hydrologists coming through the university sector to underpin the workforce that we need. I certainly give the member an assurance that I will keep an eye on that issue and that I will do what I can to support SEPA from the point of view of resourcing.

As for the issue of SEPA being used as a scapegoat, I have seen certain reports that suggest that in some cases it is being unfairly blamed for problems that are being encountered at local level. I will take each case on its merits and, if need be, make representations on that front.

As far as Stonehaven is concerned, I hope that Alex Johnstone welcomes the warning scheme that is now up and running on the Carron, which is an example of the investment programme that SEPA has put in place to ensure that local responders and communities are equipped with the quality of information they need to make the kind of timely response that we have seen over the past couple of weeks. I hope that that will assure the member that SEPA is doing everything it can and that it, like me, is treating the issue as a very high priority.

The Presiding Officer: I am sure that members will have noted that we have only 10 minutes left for nine questioners. As I need to protect the debate that is coming afterwards, which is itself very tight for time, I cannot allow any more time for the ministerial statement and therefore ask for questions and answers to be kept as short as possible to ensure that we get everyone in.

Richard Lyle (Central Scotland) (SNP): I welcome the statement and the hard work done not just by the minister himself but by other ministers over the past few weeks. Given the high level of rainfall and severe wind conditions in Scotland over the past number of weeks, what further steps is the minister taking to safeguard all vital services and minimise disruption to residents, and what lessons has he learned in that respect?

Paul Wheelhouse: I will try to be as brief as possible but I should say that we appreciate Keith Brown's efforts over the period to keep close control of what was happening with transport. Of course we cannot control the weather and disruption can never be ruled out, but as a result of the coastal event we have identified certain vulnerability points on the Ardrossan line and in other areas that we need to be mindful of. However, because these things had been experienced before, the transport operators took steps such as ensuring that replacement bus services were in place in the expectation of the event happening.

We ensure that, where known, lessons from previous events and winters are identified, considered and acted upon and we have improved the operation of the Government's own emergency arrangements, including the traffic Scotland national control centre at Queensferry, in which Keith Brown virtually set up camp during the period in question. The multi-agency response team has been activated six times already this winter to deal with instances of high winds, heavy rain and times of high risk; we also remain ready to deal with severe weather events on our trunk roads and have invested in new equipment and materials, including gritters, ice breakers and alternative de-icers that, despite the recent weather, might well need to be deployed at some point this winter. We have also improved communication with our key operators such as CalMac and other private ferry operators to ensure that services run as smoothly as possible.

Jackie Baillie (Dumbarton) (Lab): I, too, thank the staff in West Dunbartonshire and in Argyll and Bute for their work but I am sure that the minister will acknowledge that the areas that have flooded are those that have ever done so. Are the flood prevention schemes that are under development on the River Leven and Gruggies burn likely to attract Scottish Government support?

Paul Wheelhouse: I am happy to meet the member to discuss the specific aspects of the Leven scheme. Clearly our partners in COSLA have a process for assessing all applications that come in at £2 million or over; I am not sure of the specifics with regard to the cost of the scheme on the Leven, but I imagine that it will be substantial.

We have a well-established mechanism and an open application process in place. The deadline is 21 January and, no matter whether we are talking about this or a subsequent round, I am very gratified that COSLA has agreed to continue to pool those resources and fund the major schemes that we as a country need to ensure that our key communities are protected with timely and appropriate investment. As I have said, I am

happy to discuss that particular project with the member.

Aileen McLeod (South Scotland) (SNP): The minister will be aware that many settlements on the Dumfries and Galloway coast were affected by this severe weather and that, at present, the region receives only a general warning of the likelihood of such an event. Given the length and varied topography of the region's coastline, will the minister give consideration to how more specific and localised coastal flood warnings can be issued in future?

Paul Wheelhouse: Certainly. We have recently implemented the Forth and Tay coastal warning scheme; I will have to check the number but I think that there are 11 or 12 different locations along the coastline—including Eyemouth, the place I live closest to—that have specific warnings in place. I hope that I can reassure the member by saying that SEPA, in its forward programme for developing warning schemes, has such a scheme planned for the Solway coast for 2015; that too will involve a number of locations on that coastline in providing detailed warnings. However, I have told the leader and chief executive of Dumfries and Galloway Council that I am looking to them for advice about particular sites and river systems in Dumfries and Galloway where they feel that such a scheme would add particular value and we will then consider the resources required to provide that.

Tavish Scott (Shetland Islands) (LD): Will the minister ensure that the Bellwin formula applies to the subsea cable between Shetland and the UK network that was broken, which cut off broadband and mobile communications on 28 December? Will he ensure that such communications, which BT will invest in this year across the whole of the west coast of Scotland, are protected in the future, and will he investigate how that can best be done?

Paul Wheelhouse: I cannot give any assurances on the specifics, but I am happy to look at the issue that Tavish Scott mentions, as I appreciate the severity of the matter to the local economy in Shetland. I will liaise with my colleague the Cabinet Secretary for Finance, Employment and Sustainable Growth on eligibility under the Bellwin scheme. I would be happy to look at that particular issue if Tavish Scott writes to me.

Sarah Boyack (Lothian) (Lab): Can the minister clarify whether phase 2 of Edinburgh's vital flood scheme will be eligible for funding from the £42 million to which he referred, as that much-delayed £25 million scheme is currently £6 million short?

Paul Wheelhouse: Our position on that is that it is obviously for COSLA to prioritise which

schemes are funded. In the case of the Water of Leith, we have a historic scheme that has been funded to date, so we have already committed funding. I appreciate the difficulties that the City of Edinburgh Council faced in procurement. It has ended up with more expensive contracts than it anticipated and faces exceptional costs.

We have to try to fund a number of other schemes. We have legacy schemes from previous legislation. There is the Brechin scheme, and the Ettrick scheme and other schemes, which will apply by the 21 January deadline, have come forward.

All that I can say is that I will happily meet Sarah Boyack—I met Mr Biagi to discuss a similar issue—to explore the detail in that case and explain the circumstances in relation to the current funding package.

Dennis Robertson (Aberdeenshire West) (SNP): Constituents in Aberdeenshire West, especially in areas such as Huntly, have benefited from the flood prevention methods that are already in place and welcome the early warning alert systems. Will the minister expand on his comments on the Scottish Government's national resilience work? Does he believe that the work that was done over the past few weeks actually worked well?

Paul Wheelhouse: I preface my remarks by saying that we always look to learn from anything that did not go well and try to improve on what happened. Nothing has been brought to me yet that demonstrates that there was any issue in that respect.

Thanks to the joint work that we have developed across the partners—obviously, I have stressed the role of local government, the police and fire services, local responders, our transport operators and power companies—we have all the relevant organisations at the national and local levels working together to ensure that we prepare for such events and respond in as resilient a fashion as possible. Our resilience officials constantly monitor the situation and feed back into learning points any examples of things that did not work well, which we take forward for similar incidents. It is key that, with floods in places that are not covered by schemes, such as Newton Stewart, we learn from the exact circumstances that affected them and feed that back in so that, if a similar weather situation arises, we can predict that something similar might happen at the local level, until such time as, hopefully, we have a warning scheme in place.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): How have the repairs to the two dozen or so harbours that were damaged by the storms of December 2012 from Caithness south

held up in this winter's storms, as they have been joined by damage on the west coast due to higher tides, record high waves and heavier rainfall, which I believe have become a new and worrying norm?

Paul Wheelhouse: The Government has been proactive in supporting a number of fisheries' harbours that were damaged as a consequence of the storms in December 2012. The feedback that we have received from resilience partnerships is that none of those has been damaged and that incidents have not been repeated, but obviously we will wait to see what detailed applications come in under the Bellwin scheme from local authorities, just in case anything has been missed.

Graeme Pearson (South Scotland) (Lab): Over the festive period, I was in New Cumnock with local councillors, particularly at Millar Road, which was very badly affected by the flood, and can confirm the minister's view that the efforts of the police, the fire service, the local authority and utility services were deeply satisfactory, as far as they were concerned. However, a point was raised about the accumulation of silt in the nearby River Afton. There was an indication that it is believed locally that that was the result of a policy that is supported by SEPA. Is that policy in place? Should it be reconsidered, given that the water that was displaced by that silt affected the local community?

Paul Wheelhouse: I am very happy to look at that specific issue, because I am aware that twice in the past couple of weeks there were problems in the Afton and that silt and gravel build-up can cause problems. At local level, the allegation might be that SEPA is responsible for that in some respect. However, we should bear in mind that, like the Scottish Government, SEPA is bound by European directives. We therefore need to look at the situation in the Afton to see whether it relates to the habitats directive and specific issues with regard to compliance with European regulation, or whether it is indeed just an operational issue that we can sort out more easily.

The Presiding Officer: I apologise to Stuart McMillan whom I am unable to call for a question, because we need to move to the next item of business.

Scotland's Economy

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-08714, in the name of John Swinney, on Scotland's economy. Members who wish to speak in the debate should press their request-to-speak buttons now. At this juncture, I remind the open debate speakers that speeches will be limited to five minutes. I call on John Swinney to speak to and move the motion. Cabinet secretary, you have 14 minutes.

15:10

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): I welcome this opportunity to update the Parliament on the Scottish economy and to lead this debate on the opportunities for strengthening our long-term growth prospects: 2014 promises to be an important year for the Scottish economy. There are clear signs that the recovery is beginning to gather momentum with the most stable, if not the most universally positive, outlook for the global economy since the financial crisis. The year 2014 is also when the eyes of the world will be on Scotland. Events such as homecoming, the Commonwealth games and the Ryder cup will provide a once-in-a-lifetime opportunity to showcase our nation to a global audience and to use that to maximise the benefits to our economy. In addition, of course, in September of this year the people of Scotland will have the chance to decide who is best placed to look after Scotland's economy in the future and to generate greater economic prosperity and equality through a vote for Scottish independence.

Last month, the Scottish Government's chief economist published the latest state of the economy report, which documented the relatively positive signs of economic recovery over the past year. Over the year to quarter 2 2013, the Scottish economy grew in each and every quarter. We continue to make progress from the financial crisis, with output in Scotland in quarter 2 now 1.4 per cent below its pre-recession peak and with the United Kingdom in the same quarter 2.7 per cent below pre-recession peak. The labour market has also strengthened over the year; the latest statistics show employment levels in Scotland increasing by 83,000 over the year to August to October 2013 and we still outperform the UK on all the labour market indicators that we observe.

Core business surveys for Scotland, such as the purchasing managers index, report that private sector output continued to expand through the two final quarters of 2013, and confidence is gradually returning to the business sector in Scotland. That is testament to the inherent strength of the

Scottish economy and to the measures that have been taken to ensure that the investment that the Scottish Government has at its disposal is used as effectively as possible to support and encourage the growth of the Scottish economy in such difficult circumstances.

Tavish Scott (Shetland Islands) (LD): Is the cabinet secretary aware that there is currently an industrial dispute pending at the Sullom Voe plant between Petrofac, the contractor for the Total gas plant, and the union? Has he had a chance in his busy day to be in touch with either the contractor or, indeed, the union, given the potential to disrupt what is at the moment the largest civil engineering contract in Britain?

John Swinney: Mr Scott will be aware of the keen interest that ministers take in the issues that affect industrial relations and their impact on the economy, as we demonstrated in the situation in Grangemouth in just the past few weeks, and he will appreciate that ministers will be prepared to do all that we can to bring parties together in all industrial disputes. The primary opportunity to resolve the issues is the direct dialogue between management and the workforce. Ministers will certainly do everything that we possibly can to assist in that respect. If Mr Scott, as a local MSP, has a particular perspective, I will of course be very happy to hear that and to take that forward in any way that we can.

Mr Scott makes an important point about the significance of good, strong and positive employment relations in our economy to ensure that there is the maximum positive benefit for the development of the Scottish economy—that lies at the heart of ministers' objectives in this respect.

As we embark on an important year of political discussion in Scotland, when there is such a concentration on the points of dispute and debate, it is worth looking at some of the areas that are broadly agreed between both sides of the constitutional argument. We agree that Scotland could be a successful independent country and we agree that devolution and the transfer of decision-making powers from Westminster to Scotland has brought major benefits to people who live in Scotland. The improvements in economic performance since devolution show what can be achieved even with limited economic self-determination.

For example, in 1999, Scotland's onshore output per head was the fifth highest of the 12 countries and regions of the United Kingdom. By 2012, it had risen to be the third highest behind only London and the south-east. At the time of devolution, Scotland had a lower employment rate and a higher unemployment rate compared with the UK, but our employment rate is now higher and our unemployment rate lower. The lesson that

I take from those examples is that, where we are able to exercise self-determination here in Scotland and to take decisions that affect the circumstances and conditions of the Scottish economy, we take wise and beneficial decisions that lead to sustained improvement in our long-term prospects. That should be at the heart of the debate that we face in relation to the referendum on Scotland's constitutional future and the whole question of vesting responsibility here in Scotland, where we can take a set of decisions that are appropriate and necessary for the economic conditions here.

In the debate today, there will be much discussion of the nature of the economic recovery. The Conservative amendment invites us to applaud the United Kingdom Government for the steps that it has taken in relation to economic policy.

Alex Johnstone (North East Scotland) (Con): Hear, hear.

John Swinney: I simply say to Mr Johnstone, who is the most audible member on the subject—even from a sedentary position—that the current recovery in Scotland is taking place despite the policies of the UK Government and not because of them. The fundamental mistake that the United Kingdom Government has made has been to prolong the economic difficulty and damage that people in this country have faced. For example, its decision to reduce our capital budget by 27 per cent in real terms over the period 2010-11 to 2015-16 can only be described as one of the worst decisions, as it undermines and impedes economic recovery in Scotland. I go back to some of the arguments that we have had in this Parliament before, when I have advanced the argument about the importance—

Gavin Brown (Lothian) (Con): Will the cabinet secretary give way?

John Swinney: Of course.

Gavin Brown: Is the entire economic recovery, then, down to the Scottish Government?

John Swinney: I say to Mr Brown—I have marshalled this argument in the parliamentary chamber on countless occasions—that the Scottish Government has dealt with the circumstances that we have faced as a consequence of United Kingdom Government policy and our task would have been much more practical and easy if we had not had impediments such as a 27 per cent cut in our capital budget imposed on us by the United Kingdom Government.

Willie Rennie (Mid Scotland and Fife) (LD): I hear what the finance secretary says, but he has stood there before and said that the UK coalition

economic plan would not work. How does he explain the 1.3 million extra jobs across the UK?

John Swinney: What I have said to the Parliament before is that we needed to have more sustained capital investment to minimise the suffering that people have endured. If Mr Rennie and his colleagues are prepared to turn a blind eye to the volume of suffering that members of the public have experienced through the prolonging of the economic difficulties that we have faced, that is not something with which I want to be associated. I would rather have invested in the Scottish economy and not had to deal with the cuts imposed by Mr Rennie's Administration.

Of course, different steps could have been taken, because the chancellor has had to take different steps. Compared with his spending plans in 2010, he has had to borrow £197 billion more than was projected, and he has failed to deliver the nearly 6 per cent worth of value in the economy that was predicted in 2010 according to his original plans. When we consider the issues that we face in relation to the condition of the United Kingdom economy and the challenges that we have faced as an Administration, we have tried very hard to focus our economic policy and our investments on overcoming some of the obstacles that have been presented to us by the decisions that the United Kingdom Government has taken.

Over the next fortnight we will discuss the different parliamentary stages of the Government's budget programme, which is focused on a variety of areas, such as the development of skills, the execution of our capital investment programme and steps to ensure that all aspects of Government policy are focused on economic growth. The programme of policy development that we exercise in our own competence is maximised to ensure that it contributes to economic growth in Scotland.

For example, we have attached a significant amount of attention to ensuring that businesses in Scotland have been able to take forward their investments in Scotland in the knowledge that they operate in the most competitive business rates regime in the United Kingdom. We are very proud of the fact that more than 90,000 small businesses in Scotland can pay either reduced business rates or no business rates. That is a policy commitment that we confirm very firmly to the Parliament today. We believe in our manifesto commitment to support the small business community with the small business bonus scheme and we believe that businesses in Scotland should pay the same poundage that businesses in England pay. Those are important commitments, which ensure that the business community in Scotland is able to plan for the future and invest in its operations and

activities. We will continue to assert those things during the budget's parliamentary passage.

The Government makes it clear that although we can achieve a certain amount of economic impact through the responsibilities that we have, we would want to do more with the greater powers of independence. We would want to focus policy much more by using the tax system to support innovation and the development of new technologies. We would want to ensure that the tax system was integrated and drew together various aspects of corporate taxation with the needs of our economy, and linked together employability, personal taxation and welfare policies in a coherent way. We could ensure that that system operated on a more focused and efficient basis. We could also take steps to support the development of a more integrated global economy, originating from Scotland, with even greater success than we have managed to deliver in the field of inward investment, on which the Government's record is very strong.

Finally, we believe that boosting participation in the labour market is of fundamental importance to the growth and development of the Scottish economy. At the heart of the white paper that was published in November is the Government's commitment to expand by a transformational amount the volume of childcare that is available in Scotland. We have explained, through "Scotland's Future", how that can be done only by having available the scale of resources needed to redeploy resources that we believe would be better spent in Scotland by investing in childcare, rather than on supporting the weapons of mass destruction that are currently supported by the public finances of the United Kingdom.

Our priority is to use those resources for the maximum economic benefit in Scotland. Within the Scottish Government's existing devolved competence, we can take some of the steps on childcare that the First Minister outlined yesterday in a fashion that will lead to the creation of an additional 2,000 work places in the childcare workforce in Scotland, through £3.5 million that the Government will make available for the development of the childcare workforce. However, if we want to take forward the type of transformational effects of the childcare approach that we set out in "Scotland's Future", we must be able to take strategic economic decisions to redeploy expenditure to support investment in childcare, to support investment in the growth of the Scottish economy, and ensure that the resources and benefits that that generates can be reinvested to invigorate the Scottish economy, deliver growth and deliver new opportunities to the people of Scotland.

I move,

That the Parliament welcomes the positive signs of recovery in the Scottish economy over the past year; agrees that this recovery has been delayed by the UK Government's economic mismanagement and cuts to capital spending; recognises that Scotland's long-term potential will continue to be hampered by the large gap between rich and poor, the increasing concentration of economic activity in London and south east England and growing imbalances in the structure of the UK economy, which have been created by successive UK administrations, and agrees that, as set out in *Scotland's Future: Your Guide to an Independent Scotland*, the powers of independence will enable future Scottish administrations to build a more resilient and fairer economy by combining powers over employment policy, migration, industrial policy and taxation to secure stronger levels of economic growth and job creation and create a virtuous circle where the full benefits of increased economic growth and participation are available to be reinvested for the benefit of all the people of Scotland.

15:24

Iain Gray (East Lothian) (Lab): The improvements in the employment and economic positions and the signs of economic recovery outlined by the cabinet secretary are very welcome. He wisely described them as "relatively positive", because to understand the fragility of the economic position we have to look behind the headline figures, welcome as they might be, at the reality of the recovery for many Scots and their families.

The truth is that almost 75,000 more Scots are unemployed than when the cabinet secretary took office. There is a long way to go yet. It is true, too, that too many of the jobs that have been created are insecure, temporary, part-time, zero-hours contracts or simply poorly paid. There are around 250,000 underemployed workers in Scotland, which is about 10 per cent of the workforce, which is an increase of 76,000 since 2008. Those are Scots who are in work but without enough work or enough of a wage to meet their families' needs, far less their aspirations.

Meanwhile, recent analysis has shown that the proportion of the Scottish workforce earning less than the living wage has steadily increased since 2000; 820,000 Scots are stuck in low pay. Across the piece, the workforce has seen wages fall in real terms in every single month since 2010, with the exception of one.

When we welcome the signs of recovery, therefore, many Scots will be left puzzled because, in insecure, underpaid jobs, with wages buying less every month, it hardly feels like a recovery to them. We know that an economy built on insecure, low-paid, low-skilled jobs is not a sustainable 21st century economy. The Government's motion implies that it understands that but it also implies—and the cabinet secretary reiterated this—that as a devolved Government it can do little to address that. That is not true. The

cabinet secretary and I agree that Government spending is a key lever to stimulate the economy. I certainly agree with him when he says that the UK Government has failed to use those levers as it should have done.

However, Government spending in Scotland is still billions of pounds a year. There is spending on capital projects, but there are also contracts for goods and services and support for economic development. The Government could do much more to ensure that that spending underpins high-quality, properly paid employment. All Government contracts should support jobs that pay the living wage, insist on the creation of local employment opportunities, create training and apprenticeship places and avoid exploitative zero-hours contracts.

Mark McDonald (Aberdeen Donside) (SNP):

Last night and today on television, two of Mr Gray's shadow cabinet colleagues have outlined Labour's plans to scrap the small business bonus. How will that help the Scottish economy?

Iain Gray: They did nothing of the kind. It is an interesting point, though, because our position has consistently been that the small business bonus is a missed opportunity. It could have been used to incentivise exactly those issues of employment, training and investment in energy efficiency. It is a missed opportunity by a Government that misses so many opportunities.

John Swinney: Will the member give way?

Iain Gray: No, I am sorry. Let me make progress. [*Interruption.*]

The Deputy Presiding Officer (Elaine Smith): Order, please.

Iain Gray: It is not enough for the Government itself to pay the living wage and avoid zero-hours contracts. It cannot be right that employers working on a contract such as the Borders railway, which is fully funded by the Scottish taxpayer, use zero-hours contracts, or that universities—recipients of millions of pounds of Government funding—are among the worst offenders when it comes to those exploitative terms of employment.

On the other side of the employment equation, the Scottish Government is, as the cabinet secretary said, responsible for skills and training. There, too, we need to look behind the headlines. We have an apprenticeship programme of 25,000 places, all work based, which is good, but is the balance right? More than half of those are short term level 2 places. Meanwhile, industries such as engineering, construction and oil and gas continually complain that they do not have enough apprenticeship places. Behind the top-line number, we could and should be rebalancing the programme to match skills to jobs in those sectors with the greatest potential to grow our economy.

The Government motion, however, speaks to none of that. Rather, it rehearses the Scottish Government's single transferable excuse, which is that it cannot do anything until we are independent. It even hints at the argument that the cabinet secretary made, which was that, somehow, there is no real purpose in investing in the major increases in childcare that will help women back to work, because their tax pounds will not come to us. Presumably, that is why the Government does not think that it is worth investing in our colleges either, because young people will only go out and get jobs and send their taxes down to the Treasury in London.

Bruce Crawford (Stirling) (SNP): Does Mr Gray believe that Scottish firms should pay more in business rates than firms in the rest of the UK?

Iain Gray: No, and nobody has said that they should. [*Interruption.*]

The Deputy Presiding Officer: Order.

Iain Gray: From a sedentary position, someone asks where the money is coming from. I am looking at the analysis of the Barnett consequential. That was the sum of money that we were discussing yesterday, and it is clear to me that, if the Government had chosen not to prioritise free school meals and had instead prioritised its own childcare policy, that would have been achievable.

John Swinney: Will the member give way?

Iain Gray: No. [*Interruption.*]

The Deputy Presiding Officer: Order.

Iain Gray: The white paper argues that, with independence, the economy will inevitably flourish and, in fairness, it sets out the platform for that boom. It will build on a currency union with the UK; an open border and free movement of people and goods with the rest of the UK; a single UK-wide energy market, with consumers across the UK subsidising Scottish renewable energy; UK-wide research funding, from which we can win more than our fair share; and a single financial services sector, so that Scottish banks can access a home market of 60 million consumers, and a single central bank that will bail them out if needed. We are also told that the rest of the UK will even break the habit of all history and provide us with defence contracts for planes and ships. That is a great platform on which to build economic growth, fairness and prosperity, and it is the one that we have today in the United Kingdom and on which we have built prosperity under devolution, as the cabinet secretary outlined.

Stuart McMillan (West Scotland) (SNP): Will the member give way?

Iain Gray: No, I need to carry on.

On Monday, the Deputy First Minister demanded to know what would happen after a no vote. Here is what will happen. We will keep the pound, the UK financial services sector, the energy market, the Bank of England, open borders across the UK and our defence contracts, including shipbuilding on the Clyde.

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

Iain Gray: No.

We will keep all those things that the white paper says are central to our economic prospects. It is a yes vote that would leave us negotiating to get back all those things that nobody except the independence campaign wanted us to give up in the first place.

As an argument, the Government's position is pretty surreal, but the threat to our economy is genuine—at least, that is what economists say. Late last year, the *Financial Times* asked 31 economists what the impact of independence would be on the Scottish economy. Twenty-seven said that it would damage our economy. That is what I saw reported over Christmas but, since then, I have read what they actually said. It is worth reading. I thought that I was dubious about the benefits of independence, but look at what those economic experts say: “inevitable uncertainty”; “huge uncertainty”; “massive uncertainty”; “stagnation”; “damaging”; “disastrous”; “unmitigated disaster”; “a catastrophe”. That is not my assessment; it is the assessment of leading economists with no axe to grind.

What does the white paper propose that an SNP Government would do? What is the big economic decision that it would take to change that? It would present big business with a corporation tax cut and leave the people of Scotland to find another £400 million a year in cuts or increased taxes.

As an argument for economic growth, that is absurd. As an argument for fairness, it is utterly ridiculous. As a reason for failure to take the actions that we need right now on the living wage, skills, job creation, childcare and better procurement, it is only an excuse and a poor one at that.

I move amendment S4M-08714.3, to leave out from “welcomes” to end and insert:

“believes that the Scottish Government must act now to secure what is a fragile economic recovery and ensure a secure, sustainable future in which all can share fairly; notes the importance that the Scottish Government's Fiscal Commission Working Group and *Scotland's Future: Your Guide to an Independent Scotland* place on retaining key elements of the social and economic union, including sterling and a single central bank, as well as the ‘significant and complex linkages between households, businesses and financial services operating across the UK’, and

recognises that the greatest economic potential for Scotland and its people lies with a strong, devolved parliament using every power at its disposal, including new tax and borrowing powers and maximising the opportunity of shared risk and reward in the United Kingdom.”

15:35

Gavin Brown (Lothian) (Con): There is a long way to go with economic recovery. There can be no doubt that there will be many challenges ahead and that a number of potential headwinds could yet blow Scotland and the rest of the UK off course. All sides acknowledge that, but from where we stand at the moment, there is a positive story to tell about the economy. The deficit has been reduced by a third, growth has returned, employment is up and unemployment is down.

That, of course, is acknowledged in the report by the office of the chief economic adviser, but the positive story is happening in the UK as a whole, not in Scotland alone, as the Scottish Government would sometimes like us to believe. That is because—as we all know—macroeconomic policy is decided at UK level. However, the Scottish Government would like to give the impression that all the recovery so far is purely and solely down to its actions. I asked Mr Swinney directly whether it was all down to the Scottish Government, and he could not bring himself to admit that even a small crumb of recovery was down to the actions of the UK Government and the Chancellor of the Exchequer—even though all the macroeconomic powers are held at Westminster.

Stuart McMillan: How can Gavin Brown justify the ever-increasing number of food banks and people going to them weekly to be fed?

Gavin Brown: I have made it clear that we have a long way to go and that there are challenges, but the point that I am making is that the position now is far better than it was a year ago. [*Laughter.*] Members in the SNP seem to be laughing, but their own chief economic adviser says in his report that the prospects now are far better than they were a year ago.

Patrick Harvie (Glasgow) (Green): Will Gavin Brown give way?

Gavin Brown: I will not give way at this stage.

I will rebut another of the cabinet secretary's points. He basically said that the recovery would have happened years sooner had the UK Government spent a bit more money on capital investment. However, he ignores entirely the eurozone crisis that engulfed the continent a few years ago, and he ignores the fact—which is contained in his own economic adviser's report—that the eurozone, with which we trade most, had six consecutive quarters of contraction prior to the second quarter of 2013.

John Swinney: Will Gavin Brown recall one of the major points of debate that he and I had exchanges on during the period in which I was calling for more urgent action and more significant investment in capital expenditure? He replied to those calls by saying that, if we did that, it would spook the markets. The chancellor is borrowing £197 billion more than he expected to in 2010. My argument is that we could have reduced the negative economic impact by an earlier decision to expand capital investment and fund it by borrowing. The chancellor has had to increase borrowing for negative reasons, not positive ones.

Gavin Brown: As the cabinet secretary knows, over the period of the autumn statements and budgets, the Chancellor of the Exchequer increased capital spend, but when the money was given to the Scottish Government, the so-called shovel-ready projects were not shovel ready. Fifty per cent of them did not even have planning permission and, had the money been given earlier, they certainly would not have had planning permission any earlier.

John Swinney: Surely the best test of the Scottish Government's ability to deploy capital expenditure is the level of capital underspend that it has had in every financial year, which is very small in terms of the Government's capital performance. Surely the fact that the Government is able to spend effectively the capital resources that are at its disposal undermines the point that Mr Brown is making.

Gavin Brown: Three letters—NPD—undermine the entire case that Mr Swinney makes.

The Cabinet Secretary for Health and Wellbeing (Alex Neil): Rubbish!

Gavin Brown: From a sedentary position, Mr Neil shouted, “Rubbish,” when I said the letters “NPD”. He was in charge of it for several years, so we will take no lessons from him. [*Interruption.*]

The Deputy Presiding Officer: Order, please, Mr Neil.

Gavin Brown: Let us focus on the chief economist's report, which was interesting. It was broadly positive and it gave credit to the UK and Scottish Governments, but it also pointed out some of the headwinds that we will face.

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

Gavin Brown: With the powers that the Scottish Government has now, it should focus on that.

The report talked about export market fragility. Surveys at the end of last year highlighted it, and the most recent Bank of Scotland business monitor from Monday pointed it out, too. How will the Scottish Government respond to that?

What about the projections in the chief economic adviser's state of the economy report?

Alex Neil: Will Gavin Brown take an intervention?

Gavin Brown: I am in my last 20 seconds.

The Deputy Presiding Officer: Gavin Brown is concluding.

Gavin Brown: The ITEM club's forecast—that is only one group and one forecast—is that Scottish growth will be 1.9 per cent in 2013 but will reduce to 1.7 per cent in 2014. The forecast for the UK is 1.4 per cent in 2013 and 2.4 per cent in 2014. *[Interruption.]* I acknowledge entirely that that is just one projection, but the Scottish Government ought to be looking into the figures and trying to understand what underlies them and why one group of respected economists is making that projection.

The Deputy Presiding Officer: You must finish.

Gavin Brown: The Scottish Government ought to do that now with the powers and resources that it has.

I move amendment S4M-08714.4, to leave out from first “agrees” to end and insert:

“believes that the measures taken by the UK Government to ensure a sustainable economic recovery are showing a positive effect, with growth figures recently revised upward, continued rises in the number of people in work, a fall in unemployment and the budget deficit reduced by a third; recognises that reducing corporation tax to the lowest level in the OECD, scrapping planned rises in fuel duty, raising the income tax personal allowance providing an average tax cut of £700 for 25 million people and taking 2.7 million people out of income tax altogether, and the abolition of employer national insurance payments for young people will help create jobs and assist with economic growth, and calls on the Scottish Government to prioritise the economy by using all levers at its disposal, including scrapping the public health supplement, reversing the decision to charge empty properties at 90% of business rates and implementing a relief scheme for retail properties with a rateable value of up to £50,000.”

The Deputy Presiding Officer: I call Willie Rennie, who has a tight six minutes.

15:41

Willie Rennie (Mid Scotland and Fife) (LD): Yesterday, I had to scrap my speech because the First Minister had the discourtesy to announce a very positive policy, so I am grateful to the finance secretary for not inflicting the same burden on me today, although he might not like the speech that I am about to deliver. I warmly welcomed yesterday's announcement on the expansion of nursery education, in combination with free school meals for the early primary years. As people heard yesterday, I give credit where it is due. Members

will not find a fiercer critic of the nationalists when they get it wrong—which happens quite often—but I refuse to condemn them when they get it right. Yesterday, they got it right, so I praised them for doing so.

When I offer my critique of the SNP today, the nationalists might disagree, but they will not be able to accuse me of blind and narrow opposition; that is just not me.

The First Minister (Alex Salmond): Will Willie Rennie give way?

Willie Rennie: Is it on the point about blind opposition?

The First Minister: By definition, I cannot do that. Before Mr Rennie moves on to the critique, I will give him a further opportunity to continue in the positive vein. He will have noticed Mr Swinney's announcement of a further £3.5 million for workforce development in nursery education, so that we in Scotland, with the great advice and support of Mr Rennie, can avoid the problems that have been demonstrated south of the border, where a lot of the preparation could not be done. Will he continue in a positive vein for just a few sentences more?

Willie Rennie: I am coming out in a rash, but I am happy to continue to praise the SNP for 30 seconds more. However—it is a big “however”—when it comes to independence, the economy and finance, I am afraid that there is a bit more of a gulf between our two parties.

Yesterday's announcement showed what we can do with devolution, although the nationalists said that it could be done only with independence. Their actions have undermined their case. Really progressive and fair actions are possible only with a strong economic base, and the coalition Government is building a stronger economy. Following the difficult decisions in the early days to bring our finances under control, we are now seeing a return to growth that the nationalists and Labour said would not be possible.

The growth rate is up, the business confidence level is up and the unemployment rate is down. We have 1.3 million more jobs, which is mirrored in Scotland by 110,000 more jobs. That is almost exactly our population share. There is next to no SNP jobs bonus.

On the one hand, the nationalists claim credit for the growing economy here, but on the other hand they say that they do not have the powers to grow that economy. It is just like their criticism of the UK coalition Government policy—they say that the economic policy will not work, then claim credit when it does work.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Will Willie Rennie give way?

Willie Rennie: I will not, just now.

Let us contrast that economic growth and rising employment with the uncertainty of independence. There is uncertainty over the currency, but we cannot leave the UK and then demand the benefits of the UK. There is uncertainty over the terms of membership of the European Union, but we cannot expect all 28 member states of the EU to agree to every demand on the rebate or even on fishing rights. There is also uncertainty over the affordability of public services; because of our faster ageing population and volatile oil revenues, our finances will be tighter. It was not I who said that—it was the finance secretary himself, in the famous memo that he wrote to the Cabinet.

I appreciate—this is Patrick Harvie's point—that no one can exactly predict the future. However, with independence we are talking about a whole different order of uncertainty to compound the normal uncertainty that we have in life. I do not want to derail the progress that we are making on the economy at UK level with the uncertainty of independence.

I have always been a pragmatic but strong supporter of the UK. I am a proud Scot and a Fifer who wants to continue Scotland's enduring relationship with our friends across the UK, whether they are in Liverpool, Manchester or Cornwall, where I lived for many years. I have a vision for a stronger economy and a fairer society—not just for us, but across the UK.

As a Liberal Democrat, I want everyone to get a chance to get on. It is why we have increased the tax thresholds to ensure that people on low and middle incomes can be relieved of income tax. I want to move to a position where people on the minimum wage do not pay any income tax at all. Pensions have increased and nursery education and free school meals have been delivered. Those are the benefits of devolution based on a strong economy.

The Liberal Democrats and the Liberals before us have a long and proud tradition of advocacy of home rule in a federal UK—from Gladstone through Steel to those who made the case that ultimately led to this Parliament—but the job is not done.

I want to see further financial and constitutional powers being transferred to the Scottish Parliament not because I believe in separating power but because I believe in local power. That will be sustainable constitutional reform—a settlement that means we can determine our own destiny on the domestic agenda while sharing risk and reward with the rest of the UK.

Consensus is emerging; the devo more project, the devo plus group, Labour, the Conservatives and the trade unions are publishing plans. I am

sure that we will also have the nationalists on board in that growing consensus by the end of the year.

We are building a stronger economy and a fairer society that will give everyone the chance to get on. We are on the right track with the economy. Let us not derail that progress with the uncertainty of independence.

I move amendment S4M-08714.1, to leave out from first “; agrees” to end and insert:

“, including falls in unemployment and rises in employment that match exactly the pattern across the UK; believes that a stable UK Government provided by the coalition in the most challenging financial and economic circumstances has been in the national interest; notes that there are 110,000 more people in employment in Scotland than three years ago and that this figure far exceeds the flagship employment proposals of the Scottish Government; further notes that this is being done while cutting income tax for workers by £700 and increasing the state pension by the highest ever cash amount, and believes that the determined path to a stronger economy and a fairer society is through partnership within the United Kingdom.”

15:48

Alison Johnstone (Lothian) (Green):

Satisfying jobs, good affordable homes to live in, clean thriving neighbourhoods to be part of, security and a chance to prosper in life: those are some of the reasons why a vibrant Scottish economy is important. Some people enjoy those things—we are lucky to live in a rich developed nation that has much potential—but many people are left by the wayside. Poverty and inequality still plague us, despite those riches.

My colleague Patrick Harvie said yesterday that none of us has a monopoly on wisdom or concern when it comes to creating a fairer economy and society. That is true. He also argued that independence will give us a chance to imagine a vision and to create a reality for people that differs from successive years in which the ultrarich have become even richer even as the western economy has hit crisis, and in which Governments have punished the poorest people in society through their vision of austerity.

We want something that is different from George Osborne's “austerity forever” speech on Monday; we want something that is different from David Cameron's preaching about restraint while surrounded by gold at the lord mayor's banquet. The genuine alternative to austerity is equality. Scotland is one of the richest countries in the world, but we must tackle the huge inequalities in our wealth, health, gender opportunities and life chances.

We have enough wealth, but it must be distributed more evenly in order to give those who

wish it the opportunity to get a better job and more skills and education, and to have a settled family life and the ability to contribute fully to our neighbourhoods. Football is an important part of many of those neighbourhoods, and Greens would like new powers in the proposed community empowerment bill that would give fans the chance to take ownership of their local football clubs and sports clubs. The economic and social benefits of ownership should be made widely available to our communities.

Closing the inequality gap will require action in all the social policy areas that are already devolved, but that is not enough. The Green amendment sets out our reasons for why taxation, industry and employment powers should sit in Scotland. That would give us the chance to create a new approach to the economy—one that provides for everyone to live well.

What could that look like? A resilient sustainable economy would be based on Scottish businesses and small enterprises—not on multinational companies that jump ship for a new tax break. It is based on a diverse network of smaller banks including mutuals, municipal banks, co-operatives and credit unions which exist to serve small businesses and ordinary citizens—not just speculators.

Publicly owned renewable energy companies, co-operatively owned supermarkets, regeneration and development that values people's participation, renationalised railways, and successful small businesses are all ways of building a robust economy that is controlled democratically, and not by multinational corporate interests. Greens would like the Scottish Government to negotiate to turn the Royal Bank of Scotland's retail operation in Scotland into a network of local banks, thereby boosting lending to small businesses in every region.

We have to measure what matters. Gross domestic product is not the be all and end all, but too many politicians remain addicted to the impossible goal of everlasting GDP growth at all costs. It is the type of economic activity that matters—not the amount and speed of growth. Oxfam's humankind index shows that Scottish people prioritise their health, safe and affordable homes, a pleasant local environment and satisfying work. It also shows that although they think that money is important, they do not covet vast wealth; they just value having enough money to participate properly in society.

Some employment figures are improving, which is incredibly welcome for the thousands who are out of work, but underemployment and poverty pay still burden our economy and impact very badly on women and young people, in particular. We must reverse our slide into a low-wage, low-

skill economy, as too many people continue to be trapped in poverty despite working very hard.

The Resolution Foundation estimates that the UK would save more than £2 billion a year in welfare payments if the living wage was paid across the private sector. That is because most benefits for people of working age are paid not to the unemployed but to people on low wages. We are, in effect, subsidising corporations that pay poverty wages. An economy that paid fair and decent wages would mean that thousands of people in Scotland could escape the in-work poverty trap and it would increase demand in the economy.

Even with existing powers, the Scottish Government could begin to change direction. For example, the £10 million grant that is spent on subsidising the tax-dodging Amazon would be better spent on growing jobs in Scottish businesses that contribute to our society, no matter how difficult they may find that at times.

Yesterday's announcement on the extension of free school meals was very welcome, but we must ensure that local food producers benefit from that extra public spending. Bold action in the Procurement Reform (Scotland) Bill could ensure that children in Scottish schools always eat—as far as possible—locally produced beef, pork and chicken from just up the road. Recent freedom of information requests have revealed that some Scottish school kitchens have been serving chicken from Brazil and Thailand. By producing and buying local, we will benefit growers, processes, our environment, our children and our economy here in Scotland.

We need a new economic model that is
“resilient and ... provides for everyone to live well.”

I move amendment S4M-08714.2, to leave out from “stronger” to end and insert:

“a new sustainable and democratically accountable economic model for Scotland that delivers an equal, resilient and locally-based economy and provides for everyone to live well.”

The Deputy Presiding Officer: We move to the open debate. The Presiding Officer has already intimated that speeches should be of no more than five minutes. Even with that we are tight for time.

15:54

Linda Fabiani (East Kilbride) (SNP): It was interesting to hear Iain Gray disparage the motion's contention of positive signs of recovery in the Scottish economy over the past year through the good management of John Swinney and his colleagues. Perhaps he recognises in the motion the reality of Scotland's inheritance from staying

too long in a union that is certainly not working in Scotland's interests.

The structural problems in the UK economy that came to a head in 2008 have been rehearsed in this Parliament many times. No doubt that will continue this year. It is our view that, if Scotland stays in the union, any benefits of an economic recovery will be more than outweighed by the continuation of macroeconomic and social policies that are neither supported by most Scots nor suited to enabling Scotland to achieve its full potential.

That is especially the case given that it seems clear that a central plank of the UK recovery plan is about reflating the home counties property market, with scant regard being paid to the effects on the rest of the country.

It is not just the Tories who back the coalition policies. Lib Dem Danny Alexander and Labour's Ed Balls have both made it clear that there is a Westminster consensus on the need for further austerity. Rachel Reeves MP has said that Labour will be tougher than the Tories. She did not mean that Labour will be tough on the people who caused the financial crisis; it is the people on benefits she wants to hammer.

Therefore, regardless of the outcome of the UK election in 2015, I do not think for a minute that there will be a serious attempt to tackle the growing inequality in the UK. The inequality is not just national but regional. Nationally, the top 20 per cent of income earners in the UK earn on average 14 times what people in the bottom 20 per cent earn. Regionally, London and the home counties are like a completely separate economy from the rest of the UK and are set firmly on the path to boom and bust—again—by a Tory party that increasingly represents the interests of only that area.

As I have said before, Westminster's skewing of economic and fiscal policies to suit the south is matched by a shift of public expenditure from other parts of the UK. Scotland is the worst hit, having lost more than £8 billion between 2008 and 2012, during which time London and the south received an extra £11.5 billion. It is no wonder that Vince Cable likened London to

"a kind of giant suction machine, draining the life out of the rest of the country."

In September, Opposition members, including the Labour members who voted yesterday against free school meals and increased childcare, will, along with their Lib Dem and Tory partners, recommend to the Scottish people that they vote to endorse continuation of such policies, in preference to Scots taking the power to make their own decisions.

I find that bizarre. We have become used to speakers who back the union emphasising that Scotland faces big challenges, such as the difficult public finances, the overhang of debt—despite 40 years of oil revenues—and a reducing working population. However, such speakers overlook the fact that those challenges are the product of the union and are among the reasons why we need the powers to do things differently.

With the limited powers that are available to this Parliament, the SNP Government has been able to pursue advantages for Scotland, for example by supporting small businesses. That is a policy to which Labour now seems to be opposed: Patricia Ferguson said today that Labour will look again at the small business bonus, and last night Kezia Dugdale talked about business rates levels. We support the renewables sector, which provides more than 11,000 jobs, and we support growth areas such as food and drink, and life sciences.

As the Deputy First Minister said in St Andrews the other day, Scotland has the opportunity to choose between two futures. For too long, and despite its many assets, Scotland has been in decline relative to every country with which it shares a land or maritime boundary. Only with the powers of independence do we have any chance of building a fairer and more resilient economy.

As the Deputy First Minister said on Monday, we know what yes means. We heard some stuff from Iain Gray today. Will he get together with his better together partners and put something in writing, so that the Scottish people can judge what a no vote in September would mean for the future of Scotland?

15:59

Richard Baker (North East Scotland) (Lab):

The economic case for Scotland staying in the UK is best made by SNP members themselves, because although they say that they want independence, in fact they want to keep the pound, keep the Bank of England, keep UK financial regulation and keep single markets in energy and financial services.

Even those who oppose Scotland's membership of the UK have, ultimately, had to concede how important it is for the future of our economy. The flaw in their approach, which recognises the importance of those shared institutions, is that in each case we know that we will retain them if we stay within the UK whereas there is, at the very least, uncertainty over our future membership of them if we decide to break away.

It is a flawed approach from a party whose economic prospectus under independence is predicated on tax receipts from a commodity whose levels of profitability are volatile. As a

member for North East Scotland, I am the first to champion the importance and success of our oil and gas industry. However, although times are undoubtedly good in the industry now, that has not always been the case and there is considerable doubt over what the price of a barrel of oil will be next year, let alone in 10 years' time. I hope that we can look to another 30 or even 40 years of production, but it is a finite resource—a fact that is reflected in the increased production costs that the industry faces in the mature fields of the North Sea.

Kevin Stewart: Norway has accumulated a sovereign wealth fund of some £470 billion from its oil wealth. Meanwhile, the UK has built up over £1 trillion of debt and has squandered our oil wealth. Would it not be best if we controlled that wealth?

Richard Baker: I will come to the oil fund in a moment. We must remember that Norway has significantly greater resources of oil and gas than we have, but I will return to the issue in a moment.

Before Christmas, I was surprised to hear the cabinet secretary remark that he could not understand how tax receipts from North Sea oil were predicted to decrease at a time of increasing investment in production. He must be aware that the oil that is being recovered from the North Sea now is often from fields that have already been significantly depleted and that it therefore requires far more investment to produce, meaning that the tax take will be less. In that context, tax stability is vital for the industry.

Although I am the first to acknowledge that the UK Government has not always got that right, the white paper has precious little detail on what the tax structure for the industry will be. It cannot provide any details of how the billions of pounds required for decommissioning will be found, although it does say there will be an oil fund even before there is a balanced budget, which makes no sense whatever to me. Although the Scottish ministers might try to spin to the industry that there will be no change in terms of tax, the evidence for that claim is simply not in the white paper. Although the SNP wants the north-east to foot the bill for separation through our oil and gas industry, ministers are failing to provide the investment in infrastructure that our area needs and are actively withdrawing services from Aberdeen—from shutting our prison to reducing local police and fire services.

I agree with much of the cabinet secretary's analysis of the economic policies of the UK Government, but the referendum is not about one Government, it is about the future of Scotland for generations to come. It was wrong of the UK ministers to cut too deep and too fast, as that approach stalled growth and led to a long period of stagnation in the economy. However, although we

have made common cause with the Scottish ministers on the idea of building our way to recovery and investing in recovery, their position on the issue is just not credible, given their disproportionate cuts to the housing budget and their singular lack of success in driving forward projects through their NPD programme.

There is a fundamental incoherence about the SNP's economic plans for a separate Scotland, which promise higher public spending in a range of areas and a corporation tax cut that would cost hundreds of millions of pounds. It is entirely wrong of the UK Government to pretend that we can cut our way back to prosperity but, equally, it is entirely wrong for the Scottish Government to pretend that we can invest more in public services while cutting taxes for business. That does not add up.

The fact of the matter is that, whatever the colour of the Government at Westminster is, the Scottish Government wants to retain all the key structures of the UK-wide economy—the Bank of England, the pound and financial regulation—even if it means that we have less influence on those key institutions than we had before. That would be the case whatever the political complexion of the Government that was in office in Westminster. We need those institutions because, even in these tough times, the advantages of being part of the bigger, more diverse economy of the UK are clear, and if those advantages are clear to the SNP's own ministers, I am sure that they will be clear to the people of Scotland as well.

16:04

Stuart McMillan (West Scotland) (SNP): Iain Gray's comments took me back to the old adage that we are too wee, too poor and too stupid. I am more optimistic about Scotland's future through independence, as all the evidence demonstrates that Scotland is a wealthy nation. Indeed, the Organisation for Economic Co-operation and Development estimates that Scotland could be the eighth wealthiest nation in the world.

Scotland's wealth is also built on solid financial foundations, a diverse economy and substantial economic potential in the new industries, such as biotechnology and renewables, as well as current key sectors such as food and drink, tourism and gas and oil.

Scotland's economy includes £21.4 billion in construction, an industry that employs 170,000 people; £11.6 billion in tourism, which supports 292,000 jobs; and £39 billion turnover a year in manufacturing with a value added of £12.7 billion and 127,000 people employed.

Scotland also has world-leading expertise in life science, world-class universities—five are in the

world's top 200—a multibillion-pound creative sector, vast energy resources, including oil, gas, tidal and wave, and fishing and agricultural resources. We have also performed strongly as a location for inward investment and have a strong financial services industry.

Scotland's relative labour market performance has also strengthened. Scotland's employment rate has been higher and its unemployment rate lower than in the UK as a whole for most of the recent period. Over each of the past 32 years, Scotland has contributed more tax per head of population than the UK as a whole. In 2011-12, Scotland provided 9.9 per cent of UK taxes and received only 9.3 per cent of total UK spending. That means that Scotland would have been £4.4 billion better off as an independent country last year alone.

Our public finances have consistently been healthier than those elsewhere in the UK, giving us a strong platform on which to build economic success and maintain strong services. All that shows that Scotland can easily afford not only to be an independent country but to flourish with independence.

With independence, we could do so many things. We could build a new taxation system that stimulates the economy, builds social cohesion and sustains Scotland's public services. We could develop a new tax system to boost our economy as well as the key industries, such as our renewables industry where Scotland has 25 per cent of Europe's offshore wind and tidal energy potential and 10 per cent of Europe's wave power potential. We could also focus on the Scottish Government's aim of reindustrialising Scotland. That could see economic, industrial and taxation policies combine to boost our manufacturing sector, pushing it towards the level of manufacturing that there is in Germany, where manufacturing makes up around 21 per cent of GDP in comparison with 12 per cent here. With such a move, we would not only strengthen our industrial base and provide a more balanced economy but generate thousands of jobs.

We could also use the benefits of the taxation system to provide a better social security system—one without a bedroom tax and one that does not aim to be tougher than the Tories, which seems to be the Labour Party's aim as stated by Rachel Reeves MP, the shadow Secretary of State for Work and Pensions.

With independence, we can send a clear signal that Scotland is one of the most competitive and attractive economies in Europe, with tax rates designed to boost economic activity and support the fast-growing industries that already have a comparative advantage. Corporation tax rates remain an important tool for securing competitive

advantage and for offsetting competitive advantages enjoyed by other parts of the UK, notably London.

A debate took place in the chamber only yesterday on Scotland's future. In the debate, we heard a confused position coming from the Labour benches. A party of so-called principles that once emanated from socialist ideals voting against free school meals highlighted to me everything that is wrong with the Labour Party. To add to its woe, the Labour front bench was on television last night questioning, as did Patricia Ferguson today, the small business bonus scheme that has been a lifeline to many small businesses up and down the country and, as a consequence, our economy. Thank goodness there is growing support in the Labour Party for the Labour for independence banner among people who know that there is a better way for their party and for Scotland.

Although the economy is improving, there are ever-increasing numbers of people going to ever-increasing numbers of food banks, as I have mentioned. Many of those people are the working poor; they are not just the unemployed. In response to Willie Rennie's comments, I do not understand how that can be a positive. Scotland does not need to be like that. We are a wealthy country and, with power over all financial matters, we can work to alleviate the necessity for food banks.

I urge everyone in the chamber to vote for the motion in John Swinney's name.

16:09

Ken Macintosh (Eastwood) (Lab): I was reading about optimism bias over the new year. That is the tendency to expect events and decisions to turn out better than they actually do, from predicting long successful political careers to losing weight in January—a tendency that many of us are prone to, despite the lack of any hard evidence to support such positive expectations. It is a very human characteristic to live in hope and I am sure that, for example, after four years of doom and gloom, many of us will have greeted signs of improvement in the economy with hope, if not optimism.

Optimism bias is a phenomenon that policy makers are specifically warned to be careful to avoid or, at least, to allow for in their forecasts and plans for the future, so it was no surprise that, at the time of the autumn statement, economic commentators at least tried to strike a cautious note, with the Office for Budget Responsibility warning that the upturn in the economy was

“cyclical ... rather than indicating stronger underlying growth potential”

and, furthermore, pointing out that it had been fuelled by low levels of saving rather than by higher levels of income. Even yesterday's news of an increase in car sales suggested that much of it had been funded by personal protection insurance mis-selling compensation payments, which struck me as ironic, to say the least.

If I have welcomed even modest signs of economic recovery with optimism, the chancellor has grabbed hold of them with something akin to desperation. In fact, as well as trumpeting the success of the UK economy, he now claims that the recent figures prove that austerity works. Given that we have spent four years lagging behind every other developed country, I entirely share the cabinet secretary's view that if the economy is recovering, that is happening despite the actions of the chancellor and not because of them, but what really worries me—in fact, what strikes me as depressing if not downright dangerous—is the plans that Mr Osborne has outlined for the years ahead, as his vision of further cuts to our public services will be damaging not only to our economy but to our society.

Figures that the OBR released at the time of the autumn statement suggest that the chancellor is en route to cutting back our public services to a level that has not been seen since the second world war—a time before the welfare state was developed. Government spending on public services currently stands at around 21 per cent of GDP but, over the next four to five years, the chancellor plans to reduce that to around 16 per cent of GDP, which not even Mrs Thatcher attempted.

Given that borrowing and therefore debt repayments continue to rise under the chancellor and that he is committed to increasing pensions by at least the rate of inflation, that will put an incredible squeeze on the rest of the public service. In fact, leaving aside our schools and hospitals, we face a vision of a society in which the state will struggle to provide our social services, our roads and our libraries, and in which market forces will be relied on instead to meet our needs. Now, that is what I call optimism bias. Frankly, I for one do not trust market forces to deliver on the public services that many of us rely on. After the collapse of the banks, I barely trust market forces to deliver on the economy.

I do not believe that the state has to run everything or is even the best at running everything, but it is certainly part of the picture. I go further: if we want to learn the lessons of the past four years and build a more sustainable economy, we need to find better ways of building accountability, scrutiny and transparency into our economic decision making, too. Economic

decisions are not politically neutral, so it is vital that they reflect the values that we hold dear.

The German economy has been seen as a model of resilience and the cabinet secretary will be aware of the recent McMittelstand conference, which looked at the lessons that we could learn from Germany, which include the need to focus on sustainable, long-term business planning; on locally rooted and owned medium-sized companies; and—most important—on an ethical and values-based approach to employment and conducting business.

During the recession, those companies in Germany coped well and, as a result of schemes such as Kurzarbeit, workers were able to stay in their posts and retain the collective workforce experience while being compensated for reduced hours to fit in with the demands of the company. We should be looking to develop different forms of ownership and to encourage co-operatives, employee ownership, partnerships and so on. Those may seem like radical departures from the way we do things now but, with support from the Scottish Government, such models could be developed in Scotland, too.

What is the job of the Scottish Government in that task? Quite simply, it is to do what it can using the powers that it already has. We are already spending too much time talking about what might or might not happen following a vote in nine months' time. We know that just some of the problems that people and businesses face in our economy include skill shortages, lack of investment, blacklisting and zero-hours contracts, which are all issues that the Scottish Government can do something about now.

I am relieved that the Scottish Government has decided to act on the scandal of zero-hours contracts and to use the Procurement Reform (Scotland) Bill—

The Deputy Presiding Officer: You must finish, please.

Ken Macintosh: However, ministers still seem to think that it is acceptable for billions of pounds to go to large private hubcos that will be entirely exempt from such new measures.

The former chief rabbi, Jonathan Sacks, said, "Optimism is a passive virtue, hope an active one", so, although I remain wary of the chancellor's optimism bias, I have not lost my hope.

The Deputy Presiding Officer: I am afraid that members cannot go over their time. If they do, other members will lose time at the end of the debate.

16:15

Maureen Watt (Aberdeen South and North Kincardine) (SNP): Following on as it does from the important and exciting announcements on childcare and free school meals, the cabinet secretary's further announcement on this issue today is welcome. The importance of these announcements should not be underestimated as part of the Government's aspiration to fundamentally transform the world of work in Scotland and enhance the part that women can play in that better future for the country.

In Scotland as part of the UK, women's participation in the labour market lags behind other EU countries. For example, Sweden has the highest rate of female participation in the workforce in the EU and Finland and Denmark, too, are above the EU average. In Denmark, 79 per cent of mothers with children under six work, while in the UK the figure is 59 per cent. I also note that a 1 per cent increase in Scotland's economic activity rate is the equivalent of an extra 30,000 people in the labour market.

Such policies have a clear impact on gender equality. For example, the top four countries in the World Economic Forum gender gap index are Iceland, Finland, Norway and Sweden, and Denmark, too, is in the top 10. Moreover, our Nordic neighbours are leading the way in standards of care for the elderly, and those countries also have the highest satisfaction rates.

As we can see, our ambitions for an independent Scotland require transformational policies that no Westminster Government has ever contemplated. Indeed, a Scottish Government analysis shows that many women in Scotland are already and will be worse off as a result of Westminster changes to the benefits system. According to an Institute for Fiscal Studies analysis, single female households will lose out most from welfare reforms from 2010 to 2015.

Our opponents say that focusing on childcare is a cynical ploy to woo the female vote for independence, and even today many of them, particularly those on the Labour benches, do not understand the pivotal nature of childcare provision in growing the economy and reducing gender inequality. However, although we have seen that expanding childcare will in itself increase job opportunities, and despite the fact that Professor Ailsa McKay has written that

"Every woman in Scotland should welcome the commitment to a 'transformative expansion' in childcare",

women who are in employment or who want to return to work face other barriers. The women's employment summit, which was held in September in partnership with the Scottish Government and the Scottish Trades Union

Congress, discussed such barriers and, as a result, a number of strands of work are progressing. For example, the Government is funding the women into work project, which tracks the progress of and outcomes for women on employment programmes; the careerWISE Scotland project, which builds on the Royal Society of Edinburgh's "Tapping all our Talents" report, is working to step up action to encourage young women and girls to consider careers in science and engineering; and the cross-directorate occupational segregation working group, which aims to tackle occupational segregation, has also been re-established.

While those proposals are progressing, the industry sectors are picking up on this issue. As I think Nanette Milne mentioned at question time earlier this afternoon, Aberdeen Journals through *The Press and Journal* energy supplement and the energy voice website and women in the oil and gas industry are beginning to challenge male chauvinism and domination in that industry. In the renewables sector, the women in renewable energy Scotland forum, or WiRES, has recently been launched with the aim of increasing women's participation and progression in that industry through networking, mentoring and information sharing. Finally, I welcome the University of Aberdeen's intention to celebrate this year's international women's day by hosting a women's world event and inviting high-profile women, led by Anne Glover, to inspire other women.

As usual, Iain Gray moans but conveniently fails to mention that employment law, equal pay, the minimum wage and so on still reside with Westminster. We know the dynamic direction of travel with independence; we know the no action that comes from Westminster; and I support the motion.

16:19

Margaret McDougall (West Scotland) (Lab): I welcome the optimistic predictions that are based on indicators that are outlined in the state of the economy Government report, but note the underlying theme of the fragile nature of the current state of the economy and its recovery that runs through the document. A more optimistic picture is presented, but we must not be complacent because, as the report states, there is

"growing recovery in the UK, US, and more recently in the Euro Area".

It states:

"sustaining the recovery in Scotland into the medium term will require an improvement in underlying competitiveness, linked to a sustained pick up in productivity and real wages."

If those aspects fail to pick up, we could easily find the recovery stagnating.

Page 28 of the report states:

“there is still a significant number of people in employment who would like to work more hours.”

I have spoken before in the chamber about the scourge of underemployment and zero-hours contracts, and I still believe that we must tackle that to get our economy back on track. Zero-hours contracts offer insecurity and unpredictability. That often means that the individual is underemployed for a significant period of time, and there is, of course, all the income uncertainty, the turmoil of benefit claims and the arranging of childcare associated with zero-hours contracts, which cause much misery for those who have no option but to accept such work. According to the Office for National Statistics, in 2012 250,000 people across the UK were working under a zero-hours contract. That is the highest number that there has ever been.

The Economy, Energy and Tourism Committee's underemployment inquiry showed that people want to work more hours, but the opportunities to do so do not exist, and they are classed as being in full-time employment. As of September 2012, there were 264,000 underemployed workers in Scotland, or 10.7 per cent of Scotland's 2.48 million workforce.

As I have previously stated in the chamber, the Scottish Council for Development and Industry has described underemployment as

“a long-term challenge for the economy of Scotland.”

It is clear that we need to meet those challenges head on if we are to sustain our recovery.

The Procurement Reform (Scotland) Bill gives us the opportunity to tackle underemployment and zero-hours contracts in public-funded contracts. In September 2013, Ed Miliband pledged to ban the exploitative use of zero-hours contracts when Labour returns to government. Will the SNP match that pledge, using the Procurement Reform (Scotland) Bill to lead the way and lay the groundwork for a better and fairer Scottish economy?

On real wage increases, we should support the living wage. I find it disappointing that that is not mentioned anywhere in the Government's Procurement Reform (Scotland) Bill.

John Mason (Glasgow Shettleston) (SNP): Does the member agree that, if we could push up the statutory minimum wage, that would be even better than the living wage? I think that Alison Johnstone made that point, as well.

Margaret McDougall: We need to have the living wage across the board.

It is all well and good telling us that things will be better under independence, but why should the public believe that, when the Government does not use the powers that it has to protect workers and grow the Scottish economy now?

In uncertain financial times, we need a Government that is committed to looking for ways to grow the economy, not a campaign vehicle. The independence referendum adds another layer of uncertainty. According to the *Financial Times* 2014 survey, many respondents believed that independence would hurt the Scottish economy and the rest of the UK, and that the current uncertainty about what will happen will undermine confidence in the Scottish and UK economies.

We do not need uncertainty. People are crying out for action now, not in 12 months or even later.

Linda Fabiani: Will the member give way?

Margaret McDougall: I am in my last minute; I am sorry.

Independence is a distraction, not a solution to our economic future. The Government should be using the powers that it currently has to improve the quality of life for all Scots. Therefore, can we get a firm commitment today that the Procurement Reform (Scotland) Bill will be used to tackle underemployment and zero-hours contracts, and to introduce the living wage in public service contracts?

16:24

Mike MacKenzie (Highlands and Islands) (SNP): Perhaps one of the most inspired things that this Scottish Government has done has been to set up the Council of Economic Advisers. No one can doubt the credentials of the council's members, who include two Nobel prize-winning economists. We can be confident therefore that the Scottish Government has access to high-quality economic wisdom that is both objective and robust. That is why we can be certain that the economic sections of the white paper are carefully crafted; and that is why we can be certain that we have an economic plan in which the Scottish people can be confident. That is also why we can be certain that we have an economic plan that is credible to business and the business community in the eyes of the wider world that is watching Scotland with interest.

However, it is instructive to look at Scotland's economic performance over the longer term. Between 1997 and 2007 we saw average growth of 2.3 per cent compared with 2.8 per cent across the UK. Since 2007, we have outperformed the UK economy across almost every economic measure. That tells us something about the economic

competence of this SNP Government in comparison with its predecessors.

We must consider, too, the background against which that has been achieved, as we have faced the twin challenges of the worst recession in living memory and the economic illiteracy of the Tory Government in Westminster. Any Government can seem to be successful in the boom phase of the economic cycle, as Gordon Brown demonstrated, but it is an inescapable fact, which George Osborne is finding out, that any Government will struggle to reduce its deficit unless the economy grows. By his own promises of deficit reduction, George Osborne has failed and that is why he is now signalling his intention to move into a further phase of austerity plus.

Willie Rennie: Will the member give way?

Mike MacKenzie: I am sorry, but I am short of time.

Against that backdrop, the underlying strengths of the Scottish economy can be seen clearly: oil and gas with 24 billion barrels of recoverable oil and around £13 billion of investment this year; renewable energy with 25 per cent of Europe's wind and tidal energy resource and 10 per cent of its wave resource; a very significant opportunity opening up with Europe's most significant carbon capture and storage opportunity in the North Sea; 300 years of coal supplies just as we are poised on a breakthrough in clean coal technology; record exports in food and drink; and a fast-growing life sciences sector. I could go on, but what that amply demonstrates is that we are building a diverse and therefore resilient economy—yet another lesson that the UK Government could learn from Scotland.

Instead, however, the Tory Government is relying on pumped-up property prices to ensure its re-election, with the Nationwide survey suggesting that London property price inflation over the past year has approached 15 per cent. That is a continuation of the uncertain and unsustainable economics that we have seen from the UK Government over many years.

With independence, we could do much more. There is, for example, a cast-iron case for reducing air passenger duty. The increase in VAT alone would pay for that. A similar and robust case can be made for reducing VAT on building repairs, which would pay for itself in increases from other areas of taxation. That is the opportunity that devolution denies us: the opportunity of wisely using fiscal policy to produce both economic benefits and higher returns on taxes; the opportunity to tackle poverty and improve the business climate; and the opportunity to establish that virtuous spiral in which fiscal rewards arise

from sound economics and success builds on success.

Scotland's economy is recovering well from recession. With the full powers of independence, we can look forward to a prosperous future.

16:29

Murdo Fraser (Mid Scotland and Fife) (Con): I think that we can all agree with the first few words of the Government's motion, which are about

"positive signs of recovery in the Scottish economy".

Indeed, as both Gavin Brown and Willie Rennie said, all the economic indicators are now positive and are much better than many people predicted. This debate is a welcome opportunity to scrutinise the SNP's judgment on economic issues. That has never been more important, as Mr Swinney and his colleagues are seeking the power to run the economy not just of a devolved country but of an independent one.

If we look at the evidence, the reality is that the SNP got it wrong when it came to predicting what would happen in the economy. For years, it told us that George Osborne's approach would ensure that there was no economic recovery. In speech after speech, the First Minister, Mr Swinney and their colleagues called on George Osborne to change tack and end his obsession with austerity. Time and again, they told us that plan A had failed and that it was time to go for growth. Thank goodness George Osborne did not listen and instead stuck to his guns, as we are now seeing economic growth as a result.

At least some of Mr Osborne's critics have had the good grace to accept that they made a mistake. Writing in the *Independent on Sunday* this weekend, Professor David Blanchflower—a man who is often quoted in the chamber by those on the SNP and Labour benches with a love of Keynesian economics—stated:

"I was wrong, I hadn't expected the economy to grow as much as it did last year or for the welcome drop in unemployment."

We should remember that this is the man who predicted a triple-dip recession and that unemployment would reach 6 million. Professor Blanchflower got it wrong on all those counts.

John Mason: Will the member give way?

Murdo Fraser: At least he has had the good grace to accept that he got it wrong. It would be good to hear that from others. Perhaps Mr Mason will oblige us.

John Mason: I was just wondering whether it is not true that Mr Osborne also got it wrong, because he has had to borrow considerably more money than he planned to borrow.

Murdo Fraser: Maybe Mr Mason missed the eurozone crisis being much deeper than people expected, but my point is absolutely clear. All the predictions of doom and gloom and all the predictions from the SNP of a decade of stagnation have not come true. The SNP should have the grace to accept that.

Let us look elsewhere. Let us look at socialist France, which for years was held up as an alternative to the austerity approach being followed in Britain, Germany and elsewhere. At the start of this year, just two weeks ago, François Hollande, the French President, said that he is now committed to reducing public spending, reducing the deficit and reducing taxation. The critics of austerity have found their cheerleaders, such as Professor Blanchflower and President Hollande, silenced, and they too should have the grace to accept that they got it wrong.

The Government's motion refers to inequality. A mantra is regularly repeated in the chamber by SNP members who state as a fact that the UK is the fourth most unequal country in the developed world. That is a convenient claim for those who want to be entirely negative about the United Kingdom as part of the unremittingly negative yes campaign for separation, but it is not supported by the facts.

There are different measures of inequality. One measure is inequality of incomes.

Kevin Stewart: Will the member give way?

Murdo Fraser: No. I need to make some progress.

According to figures drawn up by the United Nations, the World Bank, the Central Intelligence Agency and the OECD, in terms of income equality, the UK is ranked 43rd out of 156 countries in the world. In terms of the 34 countries of the OECD, we are ranked 28th, which, according to my arithmetic, does not make us the fourth most unequal.

However, income inequality is only one part of the story. Perhaps more important is the distribution of wealth in society, and here the data tell us something quite different. The "Global Wealth Databook 2013", which was produced last October by Credit Suisse, puts the UK at 14th out of 34 OECD countries in terms of equality of wealth, which is comfortably in the upper half. Crucially, we are more equal in terms of wealth than France, Germany and Switzerland, and indeed the supposed Scandinavian paradises of Norway, Sweden and Denmark. Those who want an independent country so we can be more like Scandinavia should be careful what they wish for.

Trends are important here, too. Research by both the Office for National Statistics and the

Institute for Fiscal Studies states that, over the past decade, inequality of income in the UK has been reducing. An ONS report that was published in July 2013 states that inequality of income in the UK is at its lowest level since 1986. The IFS takes a slightly different approach and states that inequality is back where it was in 2005-06. However, whatever study we use, the consistent message is that inequality is reducing. *[Interruption.]* SNP members do not like those facts; I can tell that from the murmur that we hear. However, as George Adam said in the debate yesterday, they take the view that facts are unimportant in a debate such as this. I think that we should rely on facts, not assertions. They do not like it.

The Deputy Presiding Officer (John Scott): You must close, please.

Murdo Fraser: They got their call on the economy wrong. Why should we trust them to run an independent country?

The Deputy Presiding Officer: I call Colin Beattie, to be followed by John Mason. I am sorry but we are tight for time: you have five minutes.

16:35

Colin Beattie (Midlothian North and Musselburgh) (SNP): The Scottish economy is one of the most fundamental issues that underpins and drives the need for independence, especially when taken in the context of the performance of the UK economy as a whole. The Scottish recovery, which is strongly influenced and guided by the Scottish Government, has its roots in long-term, sustained growth, unlike the rather shaky and uncertain economic management that Westminster has applied in recent years.

This week, the Chancellor of the Exchequer has stated that the UK requires £25 billion of further cuts. Needless to say, he is yet again targeting the most vulnerable in society through shifting the burden of cuts on to the welfare state: half the cuts are expected to come from the welfare bill. Surely that will result in more socially unacceptable measures, such as the deeply unpopular bedroom tax, which, as we know, will be eliminated under an SNP Government in an independent Scotland.

Early December saw the Institute for Fiscal Studies pick apart the chancellor's budget. The reluctance to implement scheduled increases in fuel duties, combined with factors such as the creation of marriage allowances in the tax system, will add an extra £7 billion of spending in the period from 2015 to 2016. Members will note that that date is after the general election.

Cuts in public service spending are expected to accelerate from 2.3 per cent a year in 2016 to 3.7

per cent a year from then until 2019. Meanwhile, the IFS warns that £750 million of free school meals in England and Wales will be unfunded from 2015. Perhaps Mr Osborne expects not to be chancellor at that point and is leaving that as a problem for the next UK Government to solve. In contrast, the Scottish Government will be introducing properly budgeted and funded free school meals for Scottish schoolchildren in primaries 1 to 3.

The recent increased growth forecast, the IFS states, is merely anticipated growth arriving sooner than expected. In effect, the growth is already forward discounted. That coincides with the British Chambers of Commerce's report that growth will be hampered in 2014 if the UK Government does not encourage corporate lending. Present artificial blockages on lending to small and medium-sized businesses are restricting essential investment in the likes of new plant and machinery.

Gavin Brown: Does Colin Beattie agree that it is important to always listen to what the IFS has to say?

Colin Beattie: The points that I am raising from what the IFS has to say are interesting, because it is very critical of what the UK Government is doing.

I would like to focus on the key successes in the Scottish economy in recent times, which must be considered in the context of Scotland providing 9.9 per cent of UK taxes but receiving only 9.3 per cent of public spending in return. As recently as yesterday, the latest Bank of Scotland business monitor reported a surge in business activity that continued from the summer through the autumn. Thirty-seven per cent of businesses reported rising turnover, while volumes of repeat business continued strongly over the period. To quote Donald MacRae, the Bank of Scotland's chief economist, the recovery was

"accompanied by high expectations for the next six months".

When the facts are examined we can see that our economy is fundamentally healthy and strong in its diversity. Our construction industry employs 170,000 people and provides more than £21 billion to the economy, and our tourism industry employs almost 300,000 people and provides more than £11 billion to the economy.

Between 2011 and 2012 we generated £1,700 more tax per person than the UK as a whole, and that has been the case for the past 32 years. We know that Scotland's deficit is lower than the UK's, as it stands at 5.4 per cent compared with 8.5 per cent of GDP. Furthermore, our public spending stands at 42.7 per cent of GDP compared with the UK's 45.5 per cent.

That shows that our public finances are in better order than those in the UK as a whole. An independent Scotland would have the opportunity to start oil exploration off the coast of south-west Scotland, a move that the Ministry of Defence blocked because it would interfere with operations of the Trident nuclear weapons submarine fleet at Faslane. Surely it is more prudent—indeed essential—to boost local economies ahead of dumping in Scotland outmoded nuclear weapons that Scotland neither wants nor needs.

That is all in the context of a deeply imbalanced and unequal UK economy, presided over by Westminster politicians who do not care to dwell on the real issues and instead continue to implement and maintain austerity measures that do nothing but increase inequality and hardship.

Only by taking Scotland's economy and future back into our hands can we realise this country's potential. The alternative is stagnation and further fracturing of our society.

16:40

John Mason (Glasgow Shettleston) (SNP): We can start on a positive note. There are encouraging signs in the economy. The recent Bank of Scotland economic update highlighted that GDP had risen for four consecutive quarters and that employment had risen 11,000 in the quarter ending October 2013, with data suggesting that recovery continued into November 2013. It showed that Scotland is in a relatively strong position internationally, with GDP per head eighth highest out of 34 in the OECD. In comparison with the UK, Scotland has been stronger for the past 30 years. The reality is that we have been and are subsidising the rest of the UK.

Other areas are not so positive. I start with population. One of the failures of the UK has been the uneven population growth between England and Scotland since 1707. Not surprisingly, that lopsided population growth is reflected in a lopsided growth of our respective economies.

It is a lot easier to achieve better public services and growth in businesses if our population is growing. Scotland has lost a lot of its population over the centuries, for example through emigration and unjustified war. As a result, we can be considered an underpopulated country. In fact, it is only recently that the population has stabilised.

Of course, immigration needs to be managed, but if we are serious about growing business, the tax base and public services, we really need more people. When I was younger, Scotland had well over 0.1 per cent of the world's population; we are now well under 0.1 per cent. We cannot afford to keep slipping at that rate.

Another aspect has been the tightening of student visas, with the loss of the post-study work visa. I very much welcome the fact that that could be reintroduced if we controlled immigration.

Among other things, the motion recognises that “Scotland’s long-term potential will continue to be hampered by the large gap between rich and poor”.

That was explained very well by Alison Johnstone. It is noticeable that, in the amendments, only the Greens left that bit in their proposed amended motion. The other three parties propose to take that bit out of the motion and, as far as I can see, not replace it with anything similar.

It is true not only for Scotland but for the UK, the EU and the world as a whole that the gap between rich and poor damages the economy. As Murdo Fraser has accepted, the UK economy is one of the most unequal in the developed world as far as income is concerned. We rank 28th out of 34 OECD countries, which I reckon makes us seventh worst.

Some feel that closing the gap between rich and poor is a luxury that we cannot afford at the moment.

Murdo Fraser: Does Mr Mason accept the evidence from the ONS and the IFS that, over the past decade, inequalities of income have been reducing throughout the UK?

John Mason: While I accept that I, too, am using comparative figures, I have a problem with that, which is what I see on the ground. I can go into a restaurant in Glasgow that is packed out with people who have money and are spending a lot of money on nice meals, but I can also go out of my constituency office and see people who are really struggling to live. That is the reality; that is the gap that I am seeing. Although we can make comparisons, there is a gap that I find unacceptable.

Some people may feel that closing that gap is just on the wish list and that we may get round to it eventually if the economy grows a bit more, but I do not believe that that is the case.

Jenny Marra (North East Scotland) (Lab): Would the member accept that, since coming to power, the SNP has taken £1 billion out of local authority poverty projects by removing ring fencing and taking money from the fairer Scotland fund and other such funds?

John Mason: What I do know is that, first, when I was in the Convention of Scottish Local Authorities all the parties wanted to stop ring fencing; and, secondly, all that we can really do in this Parliament, with the budget that we have, is move money around. If there is £1 billion less in one place, it will be in the health service or

somewhere else—that money has not vanished. If Labour wants to take £1 billion out of the health service, it is up to Labour to put that option forward.

By contrast, as we see in other countries where a few people have all the money in the economy, rich people spend that money differently from the way it is spent if the money is spread around more evenly. If money is spread more evenly, it will boost all of the economy.

The risk that Labour says in its amendment that it wants to share with the rest of the UK is, presumably, the risk that we will have a Tory Government 50 per cent of the time. I find that unacceptable.

16:45

Hanzala Malik (Glasgow) (Lab): First, I want to congratulate Glasgow City Council on being awarded a city deal. That is a UK Government initiative that allows cities to earn back money that is invested by councils through income tax, corporation tax, VAT and the pay-as-you-earn system, which is more than the Scottish Government is doing to stimulate the economies of our cities. In the absence of such action on its part, the Scottish Government should support cities such as Glasgow, which are doing a lot to improve the job situation and revitalise our industry, which will help to improve our economy.

Although employment numbers are up, they are nowhere near pre-recession figures. I am keen to know what steps the Government is taking to protect people from zero-hours contracts, and I would welcome the cabinet secretary outlining the steps that he has taken and the improvements that he can demonstrate that he has achieved.

The Government suggests that independence will greatly enhance our economy. However, its own white paper suggests otherwise, as the suggestion that we would keep the pound and the Bank of England as the central bank clearly suggests that Scotland’s economy is better placed in the UK. Please, let us not kid ourselves; more importantly, let us not try to kid the people of Scotland. We need to be clear and not mark time. Keeping Scotland on hold is not in anybody’s interests, and I assure members that it is no solution.

We need to be realistic. We have enjoyed more than 300 years of economic unity. It will not be easy to unpick all of the complex links in our economy, and it will not be cost-free or trouble-free.

I have looked through the white paper and seen a wish list, which concerns me. Many of the items on that list have not been agreed or substantiated.

There is no evidence to support them, and I do not want to follow the piper down a cliff. I do not want a fragile economy; I want a strong economy. I am sure that the people of Scotland agree, so I say "No, thank you" on that point.

I will list some of the issues that concern me, to which there clearly are no answers—the cabinet secretary may correct me if I am wrong.

I understand that the SNP wants to keep the pound, but it has no agreement to do so. It wants the Bank of England to be the lender of last resort, but there is no agreement in that regard. On monetary policy, page 404 of the white paper says that regulation will be discharged by the Bank of England, not by Scotland. The SNP wants HM Revenue and Customs to continue to operate across the Scotland and the rest of the UK for a transitional period after independence, but there is no agreement in that regard.

I am not aware of any agreement for there to be a joint or co-ordinated financial compensation scheme after independence. Is there an agreement with regard to motor service agencies, including the Driver and Vehicle Licensing Agency? I am not aware of one. Where are the services going to come from? I do not know of any agreement on the electricity and gas market, including renewables.

The Minister for Local Government and Planning (Derek Mackay): Will Hanzala Malik give way?

Hanzala Malik: Yes.

The Deputy Presiding Officer: No, he will not, because he is in his last minute.

You have 30 seconds to go, Mr Malik.

Hanzala Malik: Thank you very much.

What about telecommunications? The list is endless. It goes on and on, and it really worries me.

I saw that we will not be able to do anything about the lottery system. What does that mean? Does it mean that the SNP will not be able to run a menodge? Surely to God it is not suggesting that.

What about passports? The other thing that concerns me is the share of public sector debt. How much will that be? Where will it come from? Who will pay it?

The Deputy Presiding Officer: I am sorry to have to stop you, but you must close, please.

Hanzala Malik: I ask the SNP, if it will be so kind, to explain to me how it will provide all those services without agreements in place.

The Deputy Presiding Officer: I call Kevin Stewart, who has three and a half minutes.

16:50

Kevin Stewart (Aberdeen Central) (SNP): I acknowledge the contribution that Aberdeen and the north-east make to the Scottish economy. It is estimated that, last year, oil and gas production contributed around £22 billion to Scottish GDP, but it seems that some members think that oil and gas are a problem and a millstone round our neck.

Decisions taken by Westminster Governments have been a millstone around the neck of the oil and gas industry. There have been 16 substantive changes to the tax regime in a decade, which has stopped development in some areas and caused underperformance in the North Sea basin. That is one of the reasons why we should have control over all of those elements of policy.

Gavin Brown: Will Kevin Stewart give way?

Kevin Stewart: No, I have three and a half minutes.

Let us turn to some of the things that were said yesterday and today about small business. Some 92,000 businesses in Scotland are benefiting from the small business bonus and providing jobs for many people throughout the country. However, the Labour Party has attacked the small business bonus over the past couple of days. This afternoon, on "Politics Scotland", when Stewart Maxwell asked:

"would you cut the small business bonus?"

Patricia Ferguson replied:

"We would certainly consider that".

Although she did not mention the small business bonus per se, last night on "Scotland Tonight" Kezia Dugdale suggested removing funding from support for small business but, today, Iain Gray denied that that was in the Labour Party's plans.

Those interventions by two front benchers rather call into question the standing and authority of the Labour finance spokesperson and Labour leader. They need to tell the public exactly what their plans are when it comes to small businesses.

The Labour Party has form on the matter because, from 2001 to 2007, business rates in Scotland under the Labour Party were higher than they were in the rest of the UK, costing small businesses some £900 million over the period. Small businesses could have used that £900 million to invest in their businesses and expand them.

Let us not let the Tories off the hook. Between 1979 and 1995, business rates were higher in Scotland than they were south of the border.

Those are the reasons why we need all of the levers of power in the Scottish Parliament to

ensure that our economy goes from strength to strength.

The Deputy Presiding Officer: I call Patrick Harvie, who has up to six minutes—less would be more, please.

16:54

Patrick Harvie (Glasgow) (Green): It is often my way to scatter a generous mix of praise and criticism on all sides of the chamber, so here goes. Mr Swinney was right to be a wee bit tentative in acknowledging signs of economic progress. I think that he referred to stable, if not uniform, progress. However, he immediately started to define progress in terms of GDP growth only. In discussing employment, he focused on overall numbers and not on the nature of employment or issues such as low pay. In talking about the economy's strength, he saw it purely in output terms.

The problems that Greens see with that economic mindset, which relates to what I call the outgoing economic model, cannot all be fairly laid solely at Mr Swinney's door. We find little to disagree with in most of his motion and I suspect that he is interested in and at least sympathetic to some of our arguments. However, he continues to define economic success in the terms that are laid down by the economic model that has failed us. Like those in most other political parties, he seems to think that recovery means getting back to business as usual. We have much in common, but we part company as soon as the debate becomes a sterile contest about which Government can more convincingly claim the credit for the most recent GDP figures.

As for the Labour Party's contribution, Mr Gray recognised aspects of the employment picture that need to be acknowledged, such as underemployment, low pay, zero-hours contracts and insecure conditions, with people facing rising living costs at the same time. He made the case, with which I agree, that a devolved Government's hands are not fully tied on those matters. I agree with his example of public contracts, and I will support amendments to the Procurement Reform (Scotland) Bill in that regard.

I also agree that, instead of a simplistic and untargted small business bonus, we could design a business rates scheme that genuinely incentivises ethical practices in business, investment in quality new jobs and local, sustainable and resilient economies. The same case could be made in relation to corporate welfare payments—the Government grants that are too often paid to the likes of Amazon instead of indigenous small businesses, as my colleague Alison Johnstone noted.

We have common ground with Mr Gray on many of those issues, but the rest of his remarks were limited to a simplistic attack on independence. He is perfectly entitled to make that case, and I have no doubt that he does so with sincerity, but I hoped for some unpacking of the comments in his amendment about new powers to achieve some of the things that we want to achieve. I hoped that we would hear more about that after yesterday's debate. I am not open to the jam tomorrow argument, but many people want to know. It is clear that Malcolm Chisholm wants to know; in yesterday's debate, he talked about the economic advantages from more fiscal devolution, even if it just means all income tax staying in Scotland. It is clear that there is an appetite for more, even in the Labour Party, but we heard nothing of that today.

The Tory and Lib Dem speeches focused on the shallow argument about whether the UK or Scottish Government can claim the credit for the least impressive recovery from a recession in living memory. Those parties would like Mr Osborne to be hailed for that great achievement. All the while, he plans to raid billions more from the pockets of society's poorest people. The agenda of the UK Government is clear—to it, austerity is not a necessary evil but the new normal, which involves an ever-smaller public sector and an ever-more denuded welfare state. Those who believe in that agenda should be honest about it and those who claim to oppose it should give up the ministerial cars and join those who seek to bring down that Government as soon as possible.

What was missing from the other parties' contributions is provided by the Green amendment and was articulated by Alison Johnstone. It is a new, sustainable and democratically accountable economic model, in which we challenge the myopic obsession with GDP at any cost; invest in public services, which we all depend on; and protect small businesses and local economies from the domination of vast multinationals, whether they are in banking, retail, energy or any other sector.

Willie Rennie asked me to accept that a whole new level of uncertainty comes with independence. Few people in the chamber might be open to persuasion on either side of the debate, but I make the case that independence creates a whole new level of possibility—not the guarantee of the more radical agenda that I am suggesting, but merely the possibility. I contrast that with a whole new level of certainty in a status quo that it is time to reject. That is what the opposition to the independence movement represents.

17:00

Willie Rennie: I thought that Richard Baker hit the nail on the head as regards the argument that independence would bring more freedom and, as Patrick Harvie would claim, more possibility, but that everything would also stay the same—that we would keep the pound, the single market and the common travel area. Apparently, independence would retain all the things that are good about the UK. I thought that Richard Baker made a good speech.

I also thought that the exchange between John Mason and Murdo Fraser on inequality was thoughtful and engaging. Murdo Fraser set out how the claims on being the fourth most unequal country in the modern world were disputed and brought in the welfare arguments. Then we heard about John Mason's practical experience on the ground in Glasgow.

I think that some of the figures and analysis are wrong but I am dissatisfied with the levels of inequality in the United Kingdom and in Scotland. I want the position to change. That is why—

Kevin Stewart: Will the member give way?

Willie Rennie: Not just now. The member could turn down the volume a wee bit—I would still be able to hear him.

That is why we are so passionate and why we talk so often about the tax thresholds. It is appalling that people who are on the minimum wage pay income tax. Those people deserve every chance that they can get to move on in their lives. They have made the effort to take a job that is not particularly rewarding or well paid, so why are we taxing them? Instead, we should take them out of the tax system altogether.

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): Will the member give way?

Willie Rennie: Not just now.

That is why we are proposing to take the tax threshold up to £12,500—that is why we want to make that change. That is also why I am particularly disappointed in the white paper, which promised so much. It says that we will increase the tax thresholds just by inflation. It does not propose matching what the Lib Dems would like to do across the United Kingdom or recognise the transformational effect that raising those tax thresholds can have on incentivising people into work.

As I said, I thought that that was a useful exchange but, in some ways, it missed the point, which is that we should be prioritising the action that we need to take to reduce inequalities.

I am always fascinated by the nationalist claim that independence will mean that we will be free from the fiscal controls that are imposed by George Osborne, Iain Duncan Smith and the so-called Conservative Government. *[Interruption.]* We are in it—believe me, we are in it. We feel it. *[Laughter.]* If we look at SNP policy on independence, we can see that it proposes to wed Scotland to, not remove it from, such a Government. On welfare, for instance, the repeated claim is that £2.5 billion or so—depending on which figures we use—has been taken out of the Scottish economy because of welfare cuts by Westminster. However, the proposals on welfare in the white paper are only to scrap the bedroom tax, the personal independence payment and universal credit. There is no mention of restoring the £2.5 billion—not one mention of restoring the full so-called cut. By my calculation, the SNP has agreed to reverse only 2 per cent of that £2.5 billion cut, leaving 98 per cent of Iain Duncan Smith's budget cuts in place. If I am wrong, the SNP should tell us otherwise; it should tell us how it will pay for restoring that cut. I have not heard it tell us that.

There is a reason for that issue not being mentioned. The fiscal commission working group report sets out in detail, in the context of the oil fund, the need for an independent Scotland to control spending and follow the same “downward trajectory” as the UK on the control of spending.

Mark McDonald: Will the member give way?

Willie Rennie: No.

Therefore, the SNP would match the UK timetable on the reduction in spending. In order to keep the pound, it is also proposing to have a monetary union with the rest of the United Kingdom. It is proposing a fiscal pact. Such a pact would put in the hands of the UK Treasury—in the hands of the George Osbornes of the future—control over Scottish spending.

There are two proposals: one for a fiscal body, which has been set out in detail, and one for a fiscal pact. It is claimed that there will somehow be a massive increase in spending to undo all the evils of the UK Government, but that is just not the case.

Mike MacKenzie: Will the member take an intervention?

Willie Rennie: Not just now.

It is clear that the claims in the wish list that is set out in detail in the white paper are not based on reality.

Patrick Harvie spoke about the need for more powers. We are passionate about having more powers for Scotland—we have a long tradition of committing to that. Alongside many others, we

fought for the Parliament, and we want to go further, because we can get the best of both worlds.

Many of the things that the nationalists would like to achieve through having more powers closer to home can be achieved through home rule in a federal United Kingdom. We can choose to do things on the domestic agenda in different ways while sharing with the rest of the UK the risks and rewards—

Linda Fabiani *rose*—

Stewart Maxwell (West Scotland) (SNP): Will the member give way?

Willie Rennie: No—I am sorry.

The Deputy Presiding Officer: The member should draw to a close.

Willie Rennie: We can get the benefits and the best of both worlds. That is what we should strive for, and that is why I agree with Patrick Harvie that we should set out more of the detail. We have already done so, and we encourage people to do more in that regard so that we can get a sensible constitutional settlement for the whole United Kingdom.

17:06

Gavin Brown: There have been some interesting contributions to the debate. As it is the new year, we have a new SNP approach to the Institute for Fiscal Studies. Last year's demons, who could not be taken seriously because they failed to predict the collapse of the Berlin wall, should now be taken extremely seriously and quoted verbatim by back bencher after back bencher, of whom Colin Beattie was the finest example. I look forward to hearing the SNP quoting the IFS's analysis in the coming months, all the way to the referendum in September.

The First Minister himself made an interesting contribution on the need for workforce preparation for nursery staff as a result of the extra hours that the Scottish Government is providing. He said that it is very important that we do not implement such things too quickly, and that we have to get the workforce preparation right. Given that the promise on childcare was made in 2007 in the manifesto document on an SNP Government's first steps, and that it will not happen until later this year, nobody would accuse the Government of doing things too quickly.

I agree that Kevin Stewart's speech was too short at three and a half minutes. He stated that we could just have an oil fund like Norway and all would be fine. He has clearly missed the latest SNP memo, which says that it will no longer have

an oil fund; it will have two oil funds, as one is simply not enough.

Kevin Stewart: Will the member give way?

Gavin Brown: I will give way in a moment when I have finished my point.

With regard to the Norwegian oil fund, Norway's onshore tax revenues cover almost all its spending, so the money that it makes from oil is—not in its entirety, but almost—a surplus. It is therefore able to put that money into the oil fund.

Scotland's position is entirely different. We would be relying on the revenues from oil to fund public spending, and we would still have a deficit in most years.

I said that I would give way to Kevin Stewart, and I am happy to do so.

Kevin Stewart: Thank you. I think that Gavin Brown will find, from looking at the *Official Report*, that I made that point in questioning Richard Baker rather than in my speech.

On spending our oil wealth on vital public services, would it not be better to spend it on such services rather than on illegal wars and Trident nuclear weapons?

Gavin Brown: I do not know where the oil fund will go if we are to spend it on everything else, but never mind. I am happy to correct the record: Kevin Stewart made that rather absurd point not in his speech, but in an intervention on Richard Baker. I am glad that we have cleared that up.

Let me come back to some of the most important points. The fundamental point that my party and other parties have made in the debate is that the Scottish Government has the power now to do many of the things that it could and should be doing. We face economic challenges now, but we have headwinds coming in the short and medium term, and we have some leverage that we can use. The Scottish Government is so concerned with the referendum and independence that its eye is not on the ball and we are not doing many of the things that we could and should be doing.

The report by the office of the chief economic adviser was excellent. It made a lot of points, and a lot of the news was positive, as we must all acknowledge. However, it raised issues of concern, on which the Scottish Government needs to focus now. What is the Scottish Government's response to export market fragility? We have not heard its response yet, although surveys during most of the second half of last year highlighted the danger. The Bank of Scotland business monitor report, which a number of members quoted, said that export activity has been showing a negative trend over the past three months, after a nearly flat

performance in the previous three months. Why is that? Maybe it is just a blip, but if it is not, Government ought to be doing something about it.

What about the forecasts? When I mentioned the ITEM club's forecast, I heard the cabinet secretary shout, "What about Fraser of Allander?" For the record, Fraser of Allander said that there would be growth of 1.3 per cent in 2013 and 1.8 per cent this year; it predicted an increase. However, an equally respected commentator says that the rate will go from 1.9 to 1.7 per cent. Who knows who is right? The point is that if a respected commentator is saying that growth will go from 1.9 to 1.7 per cent, and the same commentator's projection is that growth in the UK will go from 1.4 to 2.4 per cent, questions must be asked by the Government, and we require a deeper analysis and consideration of whether the Government in Scotland can do something with its levers to try to counteract the effect and ensure that there is an increase in growth.

The state of the economy report made other points. For example, it considered the United States of America interest rate rises that are expected at the end of the tapering off of stimulus activity. What impact will that have on Scottish businesses, given that the USA is our single most important international export partner? What about conditions across the eurozone if growth does not happen there? What will be the impact on the Scottish economy?

We have levers, and there are issues on which the Scottish Government should be focusing. We call on the Government to focus on those issues.

17:12

Jenny Marra (North East Scotland) (Lab): "No child should be left behind." That is what the First Minister said when he introduced his youth guarantee—a job or place in education or training for every 16 to 19-year-old in Scotland. That was an offer to Scotland's youngsters, who, in times of recession, have watched their opportunities evaporate before they have had a chance to take them.

Pope John Paul II told us that there is dignity in work. For our young people there is also dignity in the prospect of work. In times of recession, the knowledge that there are no jobs to go to is distressing, debilitating and destructive. When Johann Lamont came to the Parliament in April last year to question the First Minister on his youth guarantee, she recounted her days as a teacher under Thatcher, when the aspirations and hopes of the young people whom she taught were extinguished by a Government that did not deliver the jobs that the students worked hard to achieve.

Johann Lamont went on to question the First Minister about the 17,000 16 to 19-year-olds in Scotland who had vanished from the Skills Development Scotland system, which is the vehicle for the delivery of the SNP's offer of a job, training or education for every 16 to 19-year-old in the country. She asked about the 17,000 school leavers whose hopes and aspirations for a career had been guaranteed by the First Minister and the SNP.

Ten months have passed since the youth guarantee was announced—10 months in which the Government could take action and make good on its offer to those 17,000 young people. We are talking about Scotland's economy, and those youngsters are the hope and future of our economy. However, although over the past 10 months the Government has passed the Scottish Independence Referendum (Franchise) Act 2013 and the Scottish Independence Referendum Act 2013, and has devoted days, weeks and months of civil service time to papers and the preparation of its white paper on an independent Scotland, it has managed to find only 2,000 of the 17,000 youngsters that it has lost from the system.

The Minister for Youth Employment (Angela Constance): I think that it is appropriate that I make a point of clarification. Those are not missing youngsters. Skills Development Scotland has increased its endeavours to contact young people who are in need of opportunities, and those are young people whose whereabouts we do not know, despite our efforts. That is one reason why we promoted the Post-16 Education (Scotland) Bill—which the Labour Party failed to support—which is about improving data collection and creating a statutory responsibility to ensure that every agency is signed up to sharing information about providing the best opportunities for all our young people. Why did Labour fail to support the Post-16 Education (Scotland) Bill?

Jenny Marra: The minister knows very well why we did not support the Post-16 Education (Scotland) Bill—it was a dog's breakfast of a bill that did not go nearly far enough towards the radical measures that are needed to widen access. She knows very well why we did not support the bill, as we made the case several times. If she is saying that that bill would have found those 15,000 people that her agency, Skills Development Scotland, has failed to find, that is an interesting proposition.

Figures that were released following a freedom of information request in mid-December show that there are still 15,000 school leavers whom the Government cannot find, although that is her agency's responsibility. Those are 15,000 young people who have not been given the opportunity of a job, training or education that they were

promised by the First Minister. At the current rate of progress, it will take six years for the Scottish Government to find those young people, meaning that they may never benefit from that promise of a job or training place.

We debate Scotland's economy and hear the SNP promise a better future for our young people under independence. Let us take an honest look at our progress. What of the future for our young people under the SNP's economic vision? The white paper states that the Scottish Government "may" extend its youth guarantee for those aged up to 24. Of course, it is an uncosted policy with no detail of how the money will be raised. Our young people, many of whom will vote for the first time in September, have a real choice to make: they can either put their faith in the SNP or choose to vote for the United Kingdom.

Derek Mackay: Given the rate at which the Labour Party has abandoned its policies yesterday and today, it will have none left by the end of the week, never mind by the next election.

My question is about tax competition advantage. Did Mr Findlay not blow the gaff yesterday when he said that our corporation tax policy was fine as long as it was a British tax policy and applied across the British Isles? Does that not show that Scotland's economy can be stronger only with independence?

Jenny Marra: I do not accept that point at all. Mr Mackay knows well that we think that corporation tax is better charged by the UK on the strength of the whole UK economy. That point is perfectly clear and what Mr Findlay said was perfectly clear as well.

Six months after the referendum, young people in Scotland will have the opportunity to vote for a real youth guarantee as outlined by Ed Miliband, which will see every young person up to the age of 24 who has been out of work for a year guaranteed a job for six months courtesy of a tax on bankers' bonuses.

Angela Constance: Will the member take an intervention?

Jenny Marra: I will in a minute.

That is a real commitment. It is fully costed and fully funded, and it is ready to be delivered in 2015, six months after the referendum. *[Interruption.]*

The Deputy Presiding Officer: Can we have a bit of respect, please?

Jenny Marra: I hope that, in her intervention, the minister is able to match that guarantee for people aged up to 24 with a tax on bankers' bonuses in an independent Scotland. I invite her to do so.

Angela Constance: My question to Ms Marra is this: why wait until a young person has been unemployed for a year? That is way too long. Why will she not join the Scottish Government in calling on the UK Government to implement the European youth guarantee now, like every other European country bar the Czech Republic? With the powers of Jobcentre Plus and welfare we could intervene within four months. Other European countries are implementing the European youth guarantee. Why are the Labour Party and the UK Government not supporting it now?

The Deputy Presiding Officer: That is enough of an intervention. Miss Marra, you have 30 seconds.

Jenny Marra: The minister makes the point: she could go a lot further with the powers that she has now. I am asking her—*[Interruption.]* This is silly, is it? I do not think that this is silly. It certainly is not silly for the young people to whom we are offering a youth guarantee that is costed, fully funded and ready to be delivered by Ed Miliband. *[Interruption.]*

The Deputy Presiding Officer: You must draw to a close, please.

Jenny Marra: Yes, it will be delivered by Westminster, but the approach is much more radical than what the minister proposes and more radical than what is proposed in the Scottish Government's white paper.

The Deputy Presiding Officer: Thank you very much—that is perfect.

17:20

John Swinney: This has been a very interesting and useful debate. The most stunning revelation was the fact that Ken Macintosh spent his Christmas holidays reading a book about optimism bias. I was very surprised by that because I have always had him among the cheeriest on the Labour benches. I never thought that he had any need for that—perhaps he was reading the book because of a need to temper his optimism. Nonetheless, he brings a ray of sunshine when he makes a contribution from the Labour benches.

Mr Macintosh went on to make a substantial point about the lessons that we can learn in Scotland from the conduct of the German economy and particularly from the McMittelstand conference that took place in Scotland. He also talked about the importance of encouraging diversity of ownership and employment structures in the economy. I make it very clear to the Parliament that that is an area of close interest to the Government. We will shortly be in a position to

say more to the Parliament about some of our interest in that matter.

At the heart of the issues raised by Mr Macintosh are important points about enhancing the economic approaches in Scotland that can be strongly influenced by a long-term strategic direction to support a stronger approach to economic development and growth. That fits comfortably with the agenda that the Government has pursued since 2007.

Neil Findlay (Lothian) (Lab): What is the corporation tax rate in Germany?

John Swinney: If Mr Findlay wants to ask me a whole variety of questions having just bounced into the debate—not with the optimism bias of Mr Macintosh but the usual cheerfulness that he brings into debates—he can do so, but had he been here all afternoon he would have heard Mr Macintosh's thoughtful contribution on German industrial structures.

Maureen Watt also made an important contribution on some of the practical steps that the Government and other organisations are taking to tackle gender segregation in the economy. The Government is keen to make as much progress as possible on those points but, as Maureen Watt made clear, many of the issues of responsibility are reserved to the United Kingdom Government. This Administration would willingly assume those responsibilities to tackle some of the questions to improve Scotland's economic performance.

Linda Fabiani's contribution dealt artfully with Jenny Marra's suggestion that, if people voted no in the referendum in September, they would be able to vote in the spring of 2015 for a Labour Government to change everything and make everything fine. The unfortunate difficulty with that analysis is that Linda Fabiani raised the comments made by Rachel Reeves, a Labour MP who wants to be tougher on welfare and benefits than even the harsh approach of the Conservative and Liberal Democrat Government to which we are becoming accustomed. There is no prospect, even if a Labour Government were elected in the spring of 2015, of a different direction from the hard, unsympathetic, prolonged austerity agenda of the current Conservative and Liberal Democrat Government because of the decisions and commitments that the Labour Party has made to sign up to that approach.

Alison Johnstone and Patrick Harvie raised substantive points. The Government cannot support Alison Johnstone's amendment, not because of anything that is in it, but because of what it would remove from the text of the Government's motion as published in the *Business Bulletin*. I know that Patrick Harvie made the point that I focused on GDP, but I say to him and Alison

Johnstone that the approach that the Government has taken on the national performance framework has been designed to allow it to pursue a broad range of indicators on economic, social and wellbeing considerations in our economy, to ensure that we adequately consider all the different factors that need to be looked at in delivering greater prosperity and opportunity for the people of our country.

I thought that Mr Rennie's speech was the start of a trend and that, after the speech that he made yesterday, he was going to become wholly supportive of the Government—I hope that that is the case. However, he changed tack a bit to talk about the uncertainties of independence. I delicately point out to him that his party is in a coalition Government with the Conservatives, who wish to put to the people of the UK the issue of whether the UK should remain part of the European Union. If Mr Rennie is worried about uncertainty, that is the issue that is causing uncertainty in the business and economic community of Scotland. If he needs any evidence to substantiate that, I suggest that he look at the Ernst & Young UK attractiveness survey for 2013, which concludes that—contrary to the chancellor's speculation that somehow the independence debate would harm inward investment—Scotland had delivered a “sparkling performance” years after the chancellor said that we would face difficulties as a result of the referendum debate. If anything, the reverse is the case. It would serve Mr Rennie well to have a good look at that survey.

Willie Rennie: I happen to agree with John Swinney on the referendum on membership of the EU. That is why we are firmly in favour of staying in the EU. I hope that he will join me and others who are in favour of the EU so that we can stay in that structure and can continue to grow within it.

John Swinney: My position on the matter is very clear: I want Scotland to be a continuing independent member of the EU. That is my basic position.

There was a fascinating exchange between Murdo Fraser and John Mason on income inequality, and I thought that John Mason's response—from the perspective of a constituency member who serves an area of high deprivation—to Murdo Fraser's point brought to life the contrast that we are all seeing between the wealth that is held in some parts of our society and the acute difficulties that members of the public face in our communities.

This is an area in which we must be extremely careful. The Government statistics on measures of income inequality are driven by the work of the UN human development report. In his paper, “Inequality in Scotland: trends, drivers, and implications for the independence debate”,

Professor David Bell of the University of Stirling is highly sceptical about the measures of wealth inequality that Mr Fraser tried to peddle. Professor Bell said that income inequality

“has a clear impact on the ability of individuals to consume goods and services.”

Indeed, the very survey that Mr Fraser cited said:

“The study of global household wealth is at an embryonic stage ... Much work remains to be done to refine the estimates of wealth level by country”,

so Mr Fraser needs to be careful about citing such reports.

In relation to the general tenor of the argument that has been deployed in the debate by Iain Gray, Richard Baker and Margaret McDougall on whether this Government is using the powers that it has at its disposal to deliver economic recovery, I make it clear to the Parliament that we are using every lever at our disposal to deliver economic growth and economic opportunity in Scotland. However, we are crystal clear that there is more that we could do if we had a wider range of financial powers.

If we grew our four largest tax receipts in Scotland by 1 per cent and reduced welfare spending by 1 per cent by getting people into work, it would benefit the public finances by £350 million. Under the Scotland Act 2012, however, only £45 million of that resource would come here to Scotland. If we take steps to boost the Scottish economy, we should be able to retain the proceeds of that wealth and invest it in tackling the very income inequality that Mr Mason talked about and in the issue that should be the challenge and purpose for us all: creating a better future for our society in Scotland.

The Presiding Officer (Tricia Marwick): Thank you. That concludes the debate on Scotland's economy.

Business Motions

17:30

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-08716, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Tuesday 14 January 2014

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate: Veterans

followed by Rural Affairs, Climate Change and Environment Committee Debate: Scottish Government's Consultation on its Climate Change Adaptation Programme

followed by Legislative Consent Motion: Anti-social Behaviour, Crime and Policing Bill – UK Legislation

followed by Legislative Consent Motion: Care Bill – UK Legislation

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 15 January 2014

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Finance, Employment and Sustainable Growth

followed by Scottish Labour Party Business

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 16 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 Stage 3 Proceedings: Regulatory Reform (Scotland) Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 21 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 22 January 2014

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Justice and the Law Officers;
Rural Affairs and the Environment

followed by Scottish Government Business

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 23 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—[*Joe FitzPatrick.*]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S4M-08718, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a stage 2 timetable for the Bankruptcy and Debt Advice (Scotland) Bill.

Motion moved,

That the Parliament agrees that consideration of the Bankruptcy and Debt Advice (Scotland) Bill at stage 2 be completed by 31 January 2014.—[*Joe FitzPatrick.*]

Motion agreed to.

Parliamentary Bureau Motion

17:31

The Presiding Officer (Tricia Marwick): The next item of business is consideration of Parliamentary Bureau motion S4M-08719, in the name of Joe FitzPatrick, on the designation of a lead committee.

Motion moved,

That the Parliament agrees that the Local Government and Regeneration Committee be designated as the lead committee in consideration of the Disabled Persons' Parking Badges (Scotland) Bill at stage 1.—[*Joe FitzPatrick.*]

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

Decision Time

17:31

The Presiding Officer (Tricia Marwick): There are six questions to be put as a result of today's business. In relation to today's debate, I remind members that if any of the amendments is agreed to, the subsequent amendments will fall.

The first question is, that amendment S4M-08714.3, in the name of Iain Gray, which seeks to amend motion S4M-08714, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 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, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 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)
 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, John (Ayr) (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)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 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, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Finnie, John (Highlands and Islands) (Ind)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 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)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 49, Against 65, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The second question is, that amendment S4M-08714.4, in the name of Gavin Brown, which seeks to amend motion S4M-08714, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

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

Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

Hume, Jim (South Scotland) (LD)
 McArthur, Liam (Orkney Islands) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)

The Presiding Officer: The result of the division is: For 14, Against 95, Abstentions 5.

Amendment disagreed to.

The Presiding Officer: The third question is, that amendment S4M-08714.1, in the name of Willie Rennie, which seeks to amend motion S4M-08714, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McArthur, Liam (Orkney Islands) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Liz (Mid Scotland and Fife) (Con)

Against

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

Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Michael (Uddingston and Bellshill) (Lab)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pearson, Graeme (South Scotland) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 19, Against 95, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-08714.2, in the name of Alison Johnstone, which seeks to amend motion S4M-08714, in the name of John Swinney, on Scotland's economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Finnie, John (Highlands and Islands) (Ind)
Harvie, Patrick (Glasgow) (Green)
Johnstone, Alison (Lothian) (Green)
Urquhart, Jean (Highlands and Islands) (Ind)

Against

Adam, George (Paisley) (SNP)
Adamson, Clare (Central Scotland) (SNP)
Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
Baillie, Jackie (Dumbarton) (Lab)
Baker, Richard (North East Scotland) (Lab)
Beamish, Claudia (South Scotland) (Lab)
Beattie, Colin (Midlothian North and Musselburgh) (SNP)
Biagi, Marco (Edinburgh Central) (SNP)
Bibby, Neil (West Scotland) (Lab)
Boyack, Sarah (Lothian) (Lab)
Brown, Gavin (Lothian) (Con)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Buchanan, Cameron (Lothian) (Con)
Burgess, Margaret (Cunninghame South) (SNP)
Campbell, Aileen (Clydesdale) (SNP)
Campbell, Roderick (North East Fife) (SNP)
Carlaw, Jackson (West Scotland) (Con)
Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Constance, Angela (Almond Valley) (SNP)
Crawford, Bruce (Stirling) (SNP)
Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
Davidson, Ruth (Glasgow) (Con)
Dey, Graeme (Angus South) (SNP)
Don, Nigel (Angus North and Mearns) (SNP)
Doris, Bob (Glasgow) (SNP)
Dugdale, Kezia (Lothian) (Lab)
Eadie, Jim (Edinburgh Southern) (SNP)
Ewing, Fergus (Inverness and Nairn) (SNP)
Fabiani, Linda (East Kilbride) (SNP)
Fee, Mary (West Scotland) (Lab)
Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
Fergusson, Alex (Galloway and West Dumfries) (Con)
Findlay, Neil (Lothian) (Lab)
FitzPatrick, Joe (Dundee City West) (SNP)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gibson, Kenneth (Cunninghame North) (SNP)
Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
Goldie, Annabel (West Scotland) (Con)
Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (East Lothian) (Lab)
Griffin, Mark (Central Scotland) (Lab)
Henry, Hugh (Renfrewshire South) (Lab)
Hume, Jim (South Scotland) (LD)
Hyslop, Fiona (Linlithgow) (SNP)
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
Johnstone, Alex (North East Scotland) (Con)
Keir, Colin (Edinburgh Western) (SNP)
Kidd, Bill (Glasgow Anniesland) (SNP)
Lamont, Johann (Glasgow Pollok) (Lab)
Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
Lochhead, Richard (Moray) (SNP)
Lyle, Richard (Central Scotland) (SNP)
MacAskill, Kenny (Edinburgh Eastern) (SNP)
MacDonald, Angus (Falkirk East) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Macdonald, Lewis (North East Scotland) (Lab)
Macintosh, Ken (Eastwood) (Lab)

Mackay, Derek (Renfrewshire North and West) (SNP)
MacKenzie, Mike (Highlands and Islands) (SNP)
Malik, Hanzala (Glasgow) (Lab)
Marra, Jenny (North East Scotland) (Lab)
Martin, Paul (Glasgow Provan) (Lab)
Mason, John (Glasgow Shettleston) (SNP)
Matheson, Michael (Falkirk West) (SNP)
Maxwell, Stewart (West Scotland) (SNP)
McAlpine, Joan (South Scotland) (SNP)
McArthur, Liam (Orkney Islands) (LD)
McCulloch, Margaret (Central Scotland) (Lab)
McDonald, Mark (Aberdeen Donside) (SNP)
McDougall, Margaret (West Scotland) (Lab)
McInnes, Alison (North East Scotland) (LD)
McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
McLeod, Aileen (South Scotland) (SNP)
McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
McMahon, Michael (Uddingston and Bellshill) (Lab)
McMahon, Siobhan (Central Scotland) (Lab)
McMillan, Stuart (West Scotland) (SNP)
McTaggart, Anne (Glasgow) (Lab)
Milne, Nanette (North East Scotland) (Con)
Mitchell, Margaret (Central Scotland) (Con)
Murray, Elaine (Dumfriesshire) (Lab)
Neil, Alex (Airdrie and Shotts) (SNP)
Paterson, Gil (Clydebank and Milngavie) (SNP)
Pearson, Graeme (South Scotland) (Lab)
Pentland, John (Motherwell and Wishaw) (Lab)
Rennie, Willie (Mid Scotland and Fife) (LD)
Robertson, Dennis (Aberdeenshire West) (SNP)
Robison, Shona (Dundee City East) (SNP)
Russell, Michael (Argyll and Bute) (SNP)
Salmond, Alex (Aberdeenshire East) (SNP)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, John (Ayr) (Con)
Scott, Tavish (Shetland Islands) (LD)
Smith, Drew (Glasgow) (Lab)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Liz (Mid Scotland and Fife) (Con)
Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
Stewart, David (Highlands and Islands) (Lab)
Stewart, Kevin (Aberdeen Central) (SNP)
Sturgeon, Nicola (Glasgow Southside) (SNP)
Swinney, John (Perthshire North) (SNP)
Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
Wheelhouse, Paul (South Scotland) (SNP)
White, Sandra (Glasgow Kelvin) (SNP)
Wilson, John (Central Scotland) (SNP)
Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 4, Against 110, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-08714, in the name of John Swinney, on Scotland's economy, 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)
Beattie, Colin (Midlothian North and Musselburgh) (SNP)

Biagi, Marco (Edinburgh Central) (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, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 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)
 Robison, Shona (Dundee City East) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 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, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)

Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 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)
 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, John (Ayr) (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)

Abstentions

Finnie, John (Highlands and Islands) (Ind)

The Presiding Officer: The result of the division is: For 60, Against 51, Abstentions 1.

Motion agreed to,

That the Parliament welcomes the positive signs of recovery in the Scottish economy over the past year; agrees that this recovery has been delayed by the UK Government's economic mismanagement and cuts to capital spending; recognises that Scotland's long-term potential will continue to be hampered by the large gap between rich and poor, the increasing concentration of economic activity in London and south east England and growing imbalances in the structure of the UK economy, which have been created by successive UK administrations, and agrees that, as set out in *Scotland's Future: Your Guide to an Independent Scotland*, the powers of independence will enable future Scottish administrations to build a more resilient and fairer economy by combining powers over employment policy, migration, industrial policy and taxation to secure stronger levels of economic growth and job creation and create a virtuous circle where the full benefits of increased economic growth and participation are available to be reinvested for the benefit of all the people of Scotland.

The Presiding Officer: The next question is, that motion S4M-08719, in the name of Joe

FitzPatrick, on the designation of a lead committee, be agreed to.

Motion agreed to,

That the Parliament agrees that the Local Government and Regeneration Committee be designated as the lead committee in consideration of the Disabled Persons' Parking Badges (Scotland) Bill at stage 1.

Community Optometry

The Deputy Presiding Officer (Elaine Smith):

The final item of business is a members' business debate on motion S4M-08602, in the name of Fiona McLeod, on recognising the value of community optometry. The debate will be concluded without any question being put.

Motion debated,

That the Parliament recognises the value of community optometry and the work of Optometry Scotland; notes that, as a result of an ageing population, the number of people in Scotland, including in Strathkelvin and Bearsden, with sight loss is projected to double in the next 20 years; welcomes what it considers the tremendous strides made in recent years with the development of the Scottish Vision Strategy with its emphasis on prevention, and considers that there is now an opportunity to make Scotland a world leader in integrated eye care.

17:39

Fiona McLeod (Strathkelvin and Bearsden) (SNP): I thank members across the parties for supporting my motion so that we could debate it in Parliament, and I welcome to the gallery members of Optometry Scotland and some local opticians in my constituency. I am pretty sure that I can spot that Peter Ivins from Bearsden is here, and can I see Neil Drain from Kirkintilloch? I thank those gentlemen very much for coming.

It was partly a visit to my local optician that made me want to have this debate today. I met representatives of Optometry Scotland at the Scottish National Party conference in October and learned about the amazing amount of extra work that I did not know opticians do. As many of you will know, I used to work in the health service, but I was surprised by what I learned, because I still thought that an optician was someone who dispensed glasses and that was it.

I learned from the Optometry Scotland stall at the conference what is going on, and then I visited both Peter Ivins and Neil Drain in my constituency to find out just how much opticians are moving into eye healthcare, rather than just giving us the pair of glasses that we need in order to read. What I found was inspiring. I learned about optometrists becoming independent prescribers. I have found it quite difficult to get figures, but I understand that from 10 to 25 per cent of optometrists in Scotland are now trained and registered as independent prescribers via Glasgow Caledonian University. Of course, that means that our optometrists are not just dispensing glasses and diagnosing ill health in our eyes but are able to treat the ill health in our local communities.

It was interesting to hear about the teach-and-treat clinic at Stobhill hospital, where local opticians can work with a consultant

ophthalmologist to learn the skills that they need to provide treatment in the community. I also found out about the Scottish Government funding for digital fundus cameras, for example, for every practice in Scotland. Another thing that really caught my eye when I was out meeting the optometrists was the Scottish care information gateway electronic referrals. I understand that the electronic patient referral programme was launched in 2010 as part of the integration of eye care services and that it has funding of £6.6 million for 10 years from the Scottish Government.

I know from my years in the health service of the benefits of electronic referral. It means that our independent prescribing optometrists can treat us locally but, when they diagnose something that goes beyond that treatment, they can appropriately refer us on to secondary care. Of course, the biggest benefit in that for any patient is the reduced time from diagnosis to referral to treatment.

It is a great step forward that our optometrists are now an essential part of primary healthcare in our communities. I understand that 20 per cent of out-patient appointments in hospitals are for eye problems. If optometrists are doing a lot more diagnosis and treatment and referring to hospitals only when appropriate, that 20 per cent figure will come down. I have read that, since we introduced the programme in 2010, there has been a 6 per cent increase in referrals to out-patient appointments for eye care in the national health service in Scotland but that the figure in England is 20 per cent. We are therefore seeing the benefits of appropriate referral and treatment being done as locally as possible.

Many members will ask what my interest is in the matter. I am obviously enthusiastic about it. Why am I so enthusiastic? It is great when I find out something new and find out that, yet again, Scotland is world leading in a healthcare area. However, for me, it is part of the preventative agenda whereby those of us with eye problems are being helped in our local communities to prevent them from getting worse. It is about community care and the best patient journey that we can have. It is incredibly important now because one in 30 of us in Scotland suffers from significant sight loss. Because of our ageing population—you will all know that I take a great interest in that issue because of my constituency interests in Strathkelvin and Bearsden—significant sight loss will double in 20 years. The optometrists' treatment work is part of the preventative agenda that looks to the future by saying to patients, "How well can we care for you? How can we care for you where you want to be cared for?"

Treatment for preventable sight loss in older people is not just about sight loss, because other health problems come with visual impairment. For example, an elderly person with visual impairment is more likely to have falls and end up being hospitalised. Interestingly, they are also more likely to have poor nutrition, because if someone has a visual impairment and they cannot see their food, they do not enjoy it, so they do not eat it, and that has knock-on effects. We should also remember the loss of independence that visual impairment brings, especially for older people, and the social isolation that that can bring.

It was for all those reasons that I wanted to bring this debate to the chamber. I have been so impressed by what I have seen and, through this debate, I wanted to recognise and promote the work that community optometrists do. Perhaps I can best sum up what I want to say by talking again about when I went to see Neil Drain and Peter Ivins. They talked about all the years that they spent training to be optometrists and said that they are now using all their skills in being healthcare professionals and not just people who sell others their specs.

I thank members for their support for this evening's debate. I look forward to hearing everybody else's contributions. Thank you.

The Deputy Presiding Officer: We move to the open debate. I ask for speeches of four minutes, please.

17:46

Rhoda Grant (Highlands and Islands) (Lab): I congratulate Fiona McLeod on securing this important debate and I pay tribute to Optometry Scotland and the work that it does to ensure that Scotland provides world-class eye care. It is desperately sad that many people in Scotland still lose their sight through preventable illnesses, so this evening's debate is welcome in that it highlights people's need to take their eye health seriously through having regular eye checks and having eye problems treated as a matter of urgency.

The fact that there have been improvements in eye healthcare is a testament to the efforts of Optometry Scotland and other organisations, including the Royal National Institute of Blind People, which have rightly promoted the need for good services in our communities. Opticians in the community now interact with specialists in the acute sector. They are able to send test results and pictures electronically to eye specialists, which cuts costs to the health service and reduces unnecessary appointments for patients. Patients can have their tests done locally at their own optician; should the optician be concerned, they

can transfer information electronically to a specialist for them to look at.

On many occasions, no further treatment will be required, so the patient will not need to attend for more eye tests in the acute sector. The approach also reduces the time that patients spend worrying about the outcome of further tests. It is a win-win for patients and the health service, for which the approach reduces costs. There are times when results flag up issues and patients need further treatment, but the approach saves time, and treatment can commence much more quickly if results are sent electronically. The specialist knows the scale of the problem and what needs to be done before they ever see the patient, so treatment can start immediately. That saving of time could also save someone's sight.

It has been proved that e-health works well in optometry. It saves time and speeds up treatment, it enables better services to be provided to patients and, at the same time, it saves the public purse money. It has huge benefits in my region—the Highlands and Islands—where many people live in remote and rural areas, where it is not easy to access services or to attend multiple appointments that are sometimes huge distances from the patient's home. As people get older, they often have to depend on public transport, but that is often non-existent in such areas.

The advances that have been made have not happened by accident, but are down to the people who work in the sector at every level. However, we need to ensure that the level of service that we are discussing is available to everyone and that everyone takes their eye health seriously and has regular checks. We know that the people who live in our most deprived communities are less likely to look after their eye health. That pattern recurs in all areas of health, and it sometimes feels almost as if we are unable to tackle those inequalities. I ask the Scottish Government to ensure that people in our most-deprived communities have regular eye tests, which means that services must be made available to them locally and accessibly.

Regular eye health checks can also flag up health issues that are not necessarily to do with eyes. One problem that most people know often shows up in eye health tests is diabetes.

I welcome the debate. Although we have made great strides in eye healthcare since Parliament began, we cannot rest on our laurels. There is much more to be done and I look forward to seeing how that can be brought forward.

17:50

Aileen McLeod (South Scotland) (SNP): I, too, congratulate my colleague Fiona McLeod on securing this evening's debate on an important

area of health policy. Improving the eye health of people in Scotland, eliminating avoidable sight loss and improving the inclusion, participation and independence of blind and partially sighted people are ambitious aims that have wider benefits for the public health agenda.

Community optometry plays an essential role in delivering the national health service's 2020 vision by providing diagnosis, prompt referrals and—increasingly—treatment in the community. It is difficult to conceive of a clearer example of effective early intervention than being able to prevent a person's losing their sight—not least given all the dramatic impacts on health and wellbeing, as well as on NHS and social care services, that sight loss can have. Community optometrists and Optometry Scotland are absolutely essential in delivering a service that has grown by 25 per cent since free NHS eye examinations were introduced in 2006. Without them we would not have made the progress that is already being made in improving Scotland's eye health.

That is not to say that there is not more to do. For example, studies suggest lower uptake of free eye examinations among low-income households remains. To an extent, that reflects wider concerns about the persistence of health inequalities, which remain a significant problem for Scotland and should concern us, as my colleague Rhoda Grant highlighted.

We know, for example, that the incidence of type 2 diabetes has a direct relationship with deprivation; Audit Scotland's 2012 report on health inequalities found that the incidence of type 2 diabetes increases significantly with deprivation. In 2008, the incidence of type 2 diabetes was around 2.5 per cent for the least-deprived areas, but was more than 4 per cent in the most-deprived areas. With diabetes comes the risk of diabetic retinopathy, which can have severe consequences for patients' sight. Increasing the uptake of the universal eye examination, particularly among low-income households, is an important measure in helping to address at least the symptoms of health inequalities.

The situation also emphasises, in my view, the importance of taking a universal approach to providing health services, which is a crucial underpinning to the ambition to be the

"world leader in integrated eye care"

that Fiona McLeod's motion refers to. As elected members, we could all assist in making sure that our constituents know that they are entitled to a free sight check, the benefits of taking up that entitlement and the kind of fantastic eye care services that are being delivered in our high street opticians.

Also, the flexible easy access to services that community optometrists provide, coupled with the direct electronic referral system to improve the patient route from primary to secondary care, will deliver lasting improvements and benefits by detecting conditions early when people are examined, and by making prompt and appropriate referrals.

As Fiona McLeod mentioned, local optometrists who have completed the necessary Optometry Scotland training are now able to issue prescriptions to treat eye conditions. The streamlining and improving of eye care services are clearly set to continue. In my view those are very welcome developments, especially in some of the more rural and remote parts of the region that I represent—South Scotland—in Dumfries and Galloway and the Borders.

We have high ambitions to eliminate avoidable sight loss—which is a bold statement, but one that is absolutely right. Community optometrists have an absolutely vital role to play in delivering that objective so I am very pleased that tonight's debate has offered an opportunity to highlight their vital contribution and the ongoing innovative work to integrate eye care nationally with other NHS services and optometry professionals across Scotland, which I hope will have a positive impact on levels of sight loss and, ultimately, will improve the eye health of all the people in Scotland as locally as possible.

17:54

Nanette Milne (North East Scotland) (Con): I, too, congratulate Fiona McLeod on bringing the debate before us to highlight the sometimes unsung heroes of the health profession—community optometrists.

As Fiona McLeod said, most people do not realise that when they visit an optician for a sight test they are in fact being examined by an optometrist who has undergone advanced professional training and is qualified to recognise and diagnose eye problems within the community and recommend the appropriate treatment or, if the patient's condition requires it, refer on to a specialist hospital-based ophthalmologist. The prescribed treatment may simply be the required strength of lens to correct their vision, either within spectacles or as contact lenses.

However, optometrists also check eye health by measuring intraocular pressure to pick up on glaucoma, which can soon cause blindness if it goes untreated, and by carrying out examination of the retina, which can disclose complications of high blood pressure and diabetes and, again, the possibility of glaucoma. All those conditions can lead to impaired vision, or to macular

degeneration, which is a common cause of blindness in elderly people. Macular degeneration may or may not be treatable, depending on its type, but it can be treated only if it is diagnosed early in its development. As the first port of call for eye problems, optometrists are therefore at the front line of that area of medical care. We are all well advised to attend regular eye checks so that problems can be picked up early and treated before our vision is permanently impaired.

I, too, pay tribute to the work of Optometry Scotland, which provides an invaluable service in promoting the work of optometrists north of the border and expressing the views and concerns of its members. "Lobbying" is often seen as a dirty word these days, but I have to say that Optometry Scotland is very successful at engaging with MSPs, the Scottish Government and other key stakeholders. On its aims and ambitions, it is commendable that at its heart is the raising of awareness of the importance of regular eye examinations, and encouragement of optometrists to train continually to reach the highest standards of their profession. Considering that Optometry Scotland was set up less than a decade ago, its achievements have been very impressive.

I have no doubt, for example, that Optometry Scotland played a significant role in the introduction of legislation, under the Scottish Government's health and social care integration directorate, that permits independent prescribing rights to optometrists. That initiative means that, following rigorous training, optometrists can prescribe licensed eye-related medicines to patients under the NHS without the patient's having to visit their general practitioner or an ophthalmologist.

Although concerns have been raised with me by hospital specialists in Grampian, following closure of the eye emergency clinic in Aberdeen, that optometrists do not have sufficient training to deal appropriately with a number of problems that present for emergency care, the new system generally appears to work well and will create efficiency savings in the NHS, which I am sure all members will welcome.

The motion refers to the Scottish vision strategy, which is an offshoot of the UK vision strategy. That strategy complements vision 2020, which is the global initiative to eradicate avoidable blindness by 2020. The refreshed Scottish vision strategy aims to maintain good eye health and ensure that people who suffer sight loss receive the appropriate services. That builds on other recent advances in Scotland. Although I was not convinced of how practical it would be to introduce free eye tests for all when they were legislated for nearly a decade ago, I have to admit that my concerns were misplaced. Before anyone else

takes the credit, I add that those free eye tests were introduced in 2006 by the previous Administration.

Fiona McLeod's motion refers to the worrying statistic that in the next 20 years, the number of people in Scotland with sight loss could double, which will mostly be the result of an ageing population and the increasing incidence of long-term conditions, including diabetes. I would be interested to hear the minister's thoughts on that in his summing up.

I end by, once again, thanking Fiona McLeod for leading the debate, and by paying tribute to Optometry Scotland for its efforts to promote and develop community optometry throughout Scotland.

17:58

Stuart McMillan (West Scotland) (SNP): I am pleased to have the chance to speak in the debate. I, too, congratulate my colleague Fiona McLeod on securing it. I encourage her to go along to the next meeting of the cross-party group on visual impairment, of which I am convener. The important topic of community optometry has been discussed many times by the group, both while I have been convener and, previously, when I was an ordinary member. It is only right that we should give credit where it is due. That is certainly the case with those providing such a valuable service to local communities.

According to the latest figures, more than 180,000 people throughout Scotland have significant sight loss. That equates to about one in 30 people. As the motion states, that is set to increase, mainly due to the ageing population in Scotland. However, more than 50 per cent of sight loss can be avoided, and many older people are needlessly living with sight loss. Almost two thirds of sight loss in older people is caused by refractive error and cataract.

Eye health checks provide quick and convenient access to an expert, allowing for rapid diagnosis and timely intervention for treatment and management of any condition. As with other conditions, most eye disorders respond better when detected early, resulting in shorter recovery time, less patient distress and a reduction in the overall care costs. Early diagnosis and intervention, and the provision of information to people and their carers at the point of diagnosis, is critical. That is why regular eye checks and the work of community optometrists are important.

I believe that the service is also highly valued by the public. Community optometry plays a key role in primary care. Eye health checks reduce the burden on secondary care, retain people with minor problems in the community and improve the

quality of referrals. The service has led to a 4.5 per cent reduction in referrals across Scotland, compared with an increase in England of approximately 23 per cent over the same period.

It is also worth highlighting in this debate the role of the Scottish vision strategy, which we have heard about from one or two previous speakers. It sets out a blueprint for improvements in eye care services in Scotland, giving direction to the work in this sector. Key strategy outcomes include: awareness and understanding of sight loss; early intervention, timely treatment and access to early and appropriate services and support; and the full participation in society of those with sight loss.

The Scottish vision strategy continues to enjoy the endorsement of a wide alliance of statutory, health and social care bodies, voluntary organisations, eye health professionals and individuals. *[Interruption.]*

The Deputy Presiding Officer: I ask members to check whether they have any mobile devices next to the broadcasting equipment, because our sound system is experiencing a degree of interference.

Stuart McMillan: I am sorry, Presiding Officer.

The issue of electronic referral has come up more than once in the discussions of the cross-party group. People have come to the cross-party group to talk about how electronic referral has saved their sight. It is a huge step forward in eye healthcare in Scotland.

It is true that free eye tests were introduced in 2006. I absolutely congratulate the previous Labour and Liberal Democrat Executive on implementing that universal policy, and I congratulate the current Scottish Government on maintaining it. It has been a huge boost to eye healthcare in Scotland.

The value of community optometry can be seen in the enhanced role that it provides in communities across Scotland, providing much-needed early intervention and detection of eye disorders. I am happy to support the motion and to recognise the value of community optometry and the work of Optometry Scotland.

18:03

Dennis Robertson (Aberdeenshire West) (SNP): I thank my colleague, Fiona McLeod, for bringing this debate to the chamber.

I have a long-established relationship with Optometry Scotland and, prior to that, with the Scottish Committee of Optometrists and the Scottish Contact Lens Society. I mention that because, many years ago, when I was with the Guide Dogs for the Blind Association, I used to

speak at its conferences and spoke to colleagues in Northern Ireland when we held joint conferences. The idea that we discussed was that it was important to go beyond the eye and to understand that, behind the eye, there is a person—a person who has feelings and who is, quite often, anxious about and dismayed by what is happening with their sight.

I was also fortunate to have been invited to present lectures at Glasgow Caledonian University to optometry students in their final year. Again, I took the opportunity to emphasise the fact of the person behind the eye. I want optometrists to realise that, when they are explaining a condition to a patient, they must do so in terms that are understandable to the patient.

When we are talking about a cataract and, perhaps, its removal, that is fine. However, in the past, people often used to believe that, when they had their operation, they would get their sight back. I am not blaming optometrists and perhaps not even ophthalmologists for that, but they failed to tell patients that they would get only their remaining sight back. For example, if a patient had macular degeneration and a cataract, they would still have macular degeneration, so they would not get their full vision back. We need to encourage our optometrists to convey that sort of information to the patients when they see them.

I talked to one or two optometrists who were at the SNP conference. They understand and realise that they can do more as a signposting agency. I go back to the mid-1980s, when I worked with Sudi Patel. Some optometrists might cringe when they hear that name, but he was probably a forerunner of the low vision service in Glasgow. At that time, Glasgow was providing a one-stop shop and bringing the low vision service to the patient group through the social work service. That was a forerunner of the services that we have now. The RNIB has taken that forward through the years and continues to do so.

We continue to see the benefits of eye care health and the new strategy for vision in Scotland, because early intervention saves sight. If somebody has wet macular degeneration, we have only a small window of opportunity to save that person's sight. If it goes undetected, the person will lose their sight. Various other conditions such as glaucoma or retinitis pigmentosa can be detected early, and optometrists can give advice and provide understanding to the patient group.

The fact that community optometrists are now doing much more than they have done in the past means that people do not have to go to their general practitioners. They can go and see their optometrist and not take up valuable time with a GP who, I am sorry to say, might not have the

expertise to diagnose what is wrong with the person's sight in the first place.

Over the years, the partnership working between optometry, ophthalmology and social services has shifted. That partnership was well overdue, but it has been driven by Optometry Scotland. Ophthalmology has now embraced it and realised that the community optometry service does an excellent and valuable job because it sees patients who then no longer have to go to the eye clinics and take up valuable time in hospital.

I congratulate Optometry Scotland on the work that it continues to do and the work that it will probably embrace in the future. My message to it is to remember the patient beyond the eye. The eye is the window to that patient, but the patient needs understanding of their condition, which needs to be explained to them in words that they can understand.

18:08

The Minister for Public Health (Michael Matheson): I congratulate Fiona McLeod on securing time for the debate. I listened with great interest to all the speeches. I will use the debate to recognise on the Scottish Government's behalf the valuable work that high street optometrists do and the role of Optometry Scotland.

The Government has a commitment to community-based eye care services because there is a strong and compelling case for continuing to deliver services in that way for some of the reasons that members highlighted in their speeches. It can be convenient for people. It provides flexible access to eye care services, with the real prospect that conditions will be identified at an early stage.

Community-based eye care also reduces the burden on hospital care by ensuring that patients with conditions that could be dealt with outside a hospital setting are treated appropriately within the primary care setting. Also, appropriate care can be delivered much more cost effectively in the community than in the hospital environment, without any detrimental impact on the quality of care that an individual patient receives.

A number of members have highlighted the free NHS eye examination. That policy, which the previous Executive introduced, is an exemplar of the benefits of preventative healthcare. That comprehensive examination of eye health affords the best prospect of identifying treatable eye conditions at an early stage in their development, which is important, for the reason that Dennis Robertson outlined.

The examination is provided in our communities—on the high street—by optometrists

and is universally available. Members will be aware that the policy has proved to be extremely popular with the public and that take-up continues to grow. In the year ended 31 March 2013, there were more than 1.9 million examinations, which equates to 36 per cent of Scotland's population. That demonstrates that the people of Scotland are taking on board the message about the importance of maintaining good eye health and making good use of the services that are in place. That is to be welcomed.

It is important to say something about the financial commitment to community-based eye care services. In the last financial year, 2012-13, NHS Scotland spent £70.8 million on the provision of free NHS eye exams. I am sure that members will recognise that that represents a significant financial commitment, particularly when it is contrasted with the expenditure of just over £20 million in 2005-06 on the universal examination's predecessor, the NHS eye test.

That is just part of the Scottish Government's commitment to eye care. In addition, through NHS Education for Scotland, the Government provides £1 million per annum for optical education and training to support the free NHS eye examination. We made funding available to optical practices to purchase digital cameras and other associated equipment to facilitate examinations and take photographs of the eyes in order to monitor a patient's condition. That builds on further improvements in the overall service.

I am sure that members all recognise that prevention is a key part of our eye healthcare policy. We know that the universal free NHS eye examination has delivered benefits to the people of Scotland. One study estimated that between 2,000 and 5,500 patients have received treatment for preventable sight loss that they would not otherwise have received.

We can begin to see the substantial benefits when we consider that the RNIB estimates that sight loss has an associated cost of more than £17,500 per person per year. Of course, the personal cost of blindness is impossible to determine. A partial or full loss of sight results in a loss of confidence and can result in a loss of income and in dependence on others.

Members will be aware of the significant impact that the change in Scotland's demography is having on our healthcare system. As we grow older, increased funding for care costs needs to be provided, and the prevalence of conditions such as diabetes and glaucoma increases with age.

The age profile of Scotland's population is set to change dramatically in a comparatively short time. I will give members some figures to illustrate that. The proportion of the population that is aged under

15 is to fall from 32 to 16 per cent, while the proportion that is aged 65 and over is to increase from 5 to 17 per cent. That trend is set to continue and our health services, including our eye care services, will need to meet that challenge.

However, I believe that we have a very strong base to work from. I acknowledge the important role that has been played by Optometry Scotland in helping to bring in, and successfully deliver, the free eye examination. That would simply not have been possible without strong partnership working.

To extend that theme of partnership working, it is fair to say that, as a result of the work done by Optometry Scotland, NHS boards, RNIB Scotland, the Scottish Eyecare Group, and NHS National Services Scotland, we are now generally acknowledged as the world leader in the provision of eye healthcare services.

However, we want to build on that good progress. For example, we are well advanced in implementing the electronic referral system between optometrists and hospital eye healthcare services that patients can benefit from—several members have referred to that system. Those are real benefits that I believe will continue to allow us to build on the progress that we have made and to ensure that we speed up the process for patients being referred into the appropriate system as and when they require further care.

As a Government, we recognise the value of community optometry in the success of eye care services in Scotland, and the particular role of Optometry Scotland in bringing that about. Of course, we need to remain vigilant to the challenges of an ageing population but, equally, we need to acknowledge the strengths of the current service and the fact that we are well placed to build on those achievements in the years to come.

Meeting closed at 18:16.

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