The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 9 October 2013

Session 4

Wednesday 9 October 2013

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Scottish Parliament

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

Portfolio Question Time

Finance, Employment and Sustainable Growth

Non-profit-distributing Model Spending

1. Elaine Murray (Dumfriesshire) (Lab): To ask the Scottish Government for what reason its planned investment in 2014-15 using the non-profit-distributing model has decreased by £164 million since September 2012. (S4O-02472)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): In the short term, NPD investment is lower than was originally forecast. As I set out in the budget statement, that is for two reasons: first, some NPD projects are being concluded at a lower cost; and, secondly, some projects are taking longer to be prepared and planned.

Elaine Murray: According to the Scottish Parliament financial scrutiny unit briefing on the 2014-15 draft budget, planned NPD investment this financial year is 45 per cent less than was estimated in September last year and the projected spend for next year is down by 17 per cent. How accurate are the current figures for planned NPD investment? Will they, too, be reduced by September next year?

John Swinney: The Government has committed itself to a programme of NPD investment covering a range of projects, some of which will be material to Dr Murray's constituency—the Dumfries and Galloway acute services redevelopment project among others. The purpose of the programme is to deal with the reductions in capital expenditure that the Scottish Government has experienced as a consequence of the budget priorities of the United Kingdom Government.

The Scottish Government's programme is designed to ensure that we deliver value for money, which is why some of the projects are coming in at a lower estimate than we expected, which is to be welcomed by Parliament. Also, some of the projects are taking longer to procure for two reasons. First, NPD investment is not, by its nature, as swift to deliver as capital expenditure in its traditional form, which is part of our argument why capital expenditure should not have been reduced. Secondly, the projects are complex and involve a range of different factors being planned and procured at the same time. Ensuring that we get projects off on the right footing is the correct approach to take if we are to maximise value for money for the public purse.

Gavin Brown (Lothian) (Con): This year's planned NPD investment sees a drop from £338 million to £185 million. What percentage of that drop can be attributed to savings?

John Swinney: Some of it will be down to the reductions in the costs that projects are being procured for, and some of it is down to the factors that I explained to Dr Murray a moment ago, which include the time that it is taking to ensure that the projects go ahead. The key point is that all the projects that the Government has committed to undertaking will be undertaken as part of the NPD programme. The Government will ensure that the resources that support the delivery of those projects are in place as part of the programme, which we have acknowledged to Parliament will take some time for us to deliver.

Small Business Bonus Scheme

2. Mary Fee (West Scotland) (Lab): To ask the Scottish Government how its small business bonus scheme has helped businesses in West Scotland. (S4O-02473)

The Minister for Local Government and Planning (Derek Mackay): More than 89,000 business properties in Scotland are benefiting from the small business bonus scheme. That means that two out of five business premises in Scotland are paying zero or reduced business rates under the SBBS. Many thousands of the businesses that are benefiting are located in West Scotland.

Offering savings of up to £4,620 in the current financial year, the scheme provides vital support and help to small businesses throughout the country in the current economic climate. In the next few weeks, the Minister for Energy, Enterprise and Tourism, Fergus Ewing, will write to every business to ensure that no one in Scotland misses out who may be eligible for the small business bonus scheme but is not claiming.

Mary Fee: Does the minister agree that Renfrewshire Council's retail improvement scheme has been successful as a creative and innovative scheme that is designed to support small businesses and shops and to improve the appearance of our high streets? Will the Scottish Government roll out the scheme throughout Scotland as part of the town centre review?

Derek Mackay: I agree with Mary Fee that such initiatives are well worth while. If I remember correctly, I started the scheme when I was the leader of Renfrewshire Council and we gave the

successor administration a range of good ideas about how we can support town centres. That is why I am particularly looking forward to the Government's response to the external advisory group on town centres.

I return to the small business bonus. I am sure that Mary Fee will welcome the fact that more than 2,500 businesses in Renfrewshire benefited from the small business bonus, to a value of more than £4 million in rates relief—of course, all opposed by the Labour Party.

Black and Ethnic Minorities (Underemployment)

3. Hanzala Malik (Glasgow) (Lab): To ask the Scottish Government what programmes it has to reduce underemployment among black and ethnic minority people and support them into employment. (S4O-02474)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is taking a range of steps to address underemployment for all those affected in Scotland, through both our work to promote stronger economic growth and the reform of post-16 education and training, to ensure that our skills provision meets the demands of current and future labour markets.

In addition, specific equality programme funding between 2008 and 2015 will provide £5.756 million across 24 organisations that work to improve employment and employability of black and minority ethnic communities across Scotland.

Hanzala Malik: Although the ethnicity and employment information from the 2011 census has not come out, analysis based on the 2001 census showed that unemployment rates were higher for all visible minority groups. The figures for some particular groups were double those for the indigenous community. If the 2011 census analysis shows that the pattern persists, will the cabinet secretary commit to positive action on employment for Scotland's growing ethnic minority population?

John Swinney: The objective of ensuring that there are opportunities for all citizens in Scotland to fulfil their economic potential lies at the very heart of the Government's agenda. Therefore, it is fundamentally important to the Government that we provide the necessary support to minority ethnic communities.

In my original answer I highlighted the specific equality programme funding that is available. I say to Mr Malik that the Government will continue to monitor any new information that emerges, particularly information that emerges out of the analysis of the 2011 census. As part of our commitment to ensure that there are opportunities for all our citizens to flourish, we will take whatever steps we can to support the journey into employability of people from ethnic minorities and to support them in those efforts.

The Deputy Presiding Officer (John Scott): Question 4 has not been lodged by Graeme Pearson and an explanation has been provided.

Wind Farm Developments (Jobs)

5. Alex Johnstone (North East Scotland) (Con): To ask the Scottish Government how many jobs will be directly created as a result of offshore wind farm developments. (S4O-02476)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): The size of the offshore renewables market and its associated employment at present rests on the ambition of the United Kingdom Government to develop the market through the current electricity market reform. The Scottish Government continues to make the case for ambitious reforms to support the sector, and it looks forward to a positive conclusion to the UK Government's current consultation.

Alex Johnstone: When the Scottish Conservatives asked a similar question regarding onshore wind, the First Minister initially stated that 18,000 were employed in the industry. He subsequently downgraded that to 11,000. Further work by the Scottish Conservatives indicated that the true number at the time was 2,235. At this time, when the Government is trying to promote offshore wind as a potential large-scale employer, would the minister like to take the opportunity to downplay the ambitious claims that appear to have peppered previous contributions to the debate?

Fergus Ewing: I always try to be realistic.

Just yesterday, I attended an event in Largs, at which Arriva announced its support of 16 young people to do a pre-apprenticeship wind technician training course at Fife College. Just last week I met Repsol; I also met SSE, which has 800 people employed in Scotland who are dependent on wind farms. In recent times I have met EDF Energy, EDPR and Scottish Power. All those companies—and many more—are supportive of onshore and offshore wind.

I find it a bit difficult to understand the Conservative policy, since some members—such as Alex Johnstone and Murdo Fraser beside him—seem to be opposed to wind farms, some are in favour of them and, indeed, some have one of their own.

Oil and Gas Installation Decommissioning (Economic Opportunities)

6. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government what economic opportunities will arise from the decommissioning of oil and gas installations. (S4O-02477)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Decommissioning presents enormous opportunities. Estimates vary, but it is likely that decommissioning will be worth more than £30 billion by 2040, and that opportunity must be grasped by the Scottish supply chain. Moreover, that figure does not include the future international opportunities that Scotland's enterprise agencies are considering.

Maureen Watt: Does the minister agree that the expertise that Scotland will gain in decommissioning will be similar to the country's expertise in operating subsea? That will give Scottish companies a competitive advantage in gaining future international contracts in that area, and help to grow further our supply chain companies and our exports.

Fergus Ewing: Yes, I do. Maureen Watt is very knowledgeable about the industry, and she knows that our subsea sector is pre-eminent in the world, which should also be the case with decommissioning.

I should add that we do not wish for the premature cessation of production: we want fields to continue to produce for as long as they can and to maximise their production. We want to get the maximum benefit that we can. However, it is plain that some installations need to be decommissioned, and that is quite simply an enormous opportunity for Scotland. There are concerns that, because of investments in vessels such as the Pieter Schelte and other investments by Norway, the United Kingdom Government may not be ready to grasp the thistle—as it were—and ensure that we do not lose those advantages.

I attended a conference recently in St Andrews that was hosted by Decom North Sea, and it was plain that there is huge interest in the area at present. The Scottish Government will honour our decommissioning responsibilities fully in the event of a yes vote in the referendum, and that will provide us with the most stable environment to ensure that Scotland has the competitive advantage in decommissioning, as it will in the oil and gas industry as a whole.

Towns (Improvement)

7. Nigel Don (Angus North and Mearns) (SNP): To ask the Scottish Government what economic measures the Cabinet Secretary for Finance, Employment and Sustainable Growth can introduce to help improve towns. (S4O-02478)

The Minister for Local Government and Planning (Derek Mackay): Last week I launched the town centre housing fund, which is aimed at bringing town centre properties back into use for affordable housing. We developed that fund in response to the early ideas that emerged from the national review of town centres; we are currently considering the review group's final report and recommendations, which we received in July. Our response will be published later this year, and will set out further measures that the Scottish Government will take to support and improve our town centres.

Nigel Don: What can our local communities do to access that fund ahead of subsequent reports? What help does the Government think the fund will be able to provide for the economies of our towns?

Derek Mackay: The town centre housing fund is a £2 million demonstration project, which will do what it says on the tin: it will demonstrate what can be achieved by repopulating—and potentially converting the status of—empty properties.

We are inviting housing associations, local authorities and private developers to consider bidding for project funding. The fund is one of the early projects that has emerged from the town centre strategy, and I am sure that it will send a positive message throughout Scotland about our intentions to support our town centres. This particular project is good because of its ambitions to repopulate town centres, its footfall strategy and its approach to tackling blight in our town centres.

Incidentally, our target of 30,000 affordable homes is very much on track.

Murdo Fraser (Mid Scotland and Fife) (Con): I am sure that the minister will have seen the comments from the Federation of Small Businesses suggesting that the closure of public counters in police stations will be bad for local economies. Does he agree that small towns such as Blairgowrie, in John Swinney's constituency, will be adversely affected if those closures go ahead?

Derek Mackay: Those issues must be considered in the round. As part of the town centre response, we will look closely at public sector properties and the role that they play in town centres. One of the external advisory group's recommendations is for a town centre presumption in planning and in relation to public sector assets. The Government is actively considering that, and it will be reported on once we release the Government's strategy on town centres.

Footfall in town centres is of great importance, and will be a key consideration in any action that the Government takes.

Aberdeen City Council (Economic Development)

8. Kevin Stewart (Aberdeen Central) (SNP): To ask the Scottish Government what recent discussions it has had with Aberdeen City Council regarding economic development. (S4O-02479)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is in regular discussion with Aberdeen City Council regarding economic development. I met the leader and chief executive of the council in July and the Deputy First Minister met them again in August. On-going engagement takes place through the activities of the Scottish cities alliance, which recognises the role that cities play as drivers of economic growth and aims to increase investment and jobs in our cities and their surrounding regions. Both the Deputy First Minister and the leader of Aberdeen City Council attended the alliance's recent leadership group meeting in September.

Kevin Stewart: When the leader of Aberdeen City Council appeared in front of the Local Government and Regeneration Committee today, he talked about Aberdeen's vibrant economy and about various funding streams, but he made no mention of tax increment financing, which would of course lead to greater economic growth. Has there been any application from Aberdeen City Council for TIF funding since its decision to abandon the city garden project scheme?

John Swinney: The last application from the city council for a TIF project was in August 2012. Since last August, there has been nothing that would constitute an application in the terms that Mr Stewart asked about. The Government made clear that our willingness to take forward the TIF proposition was conditional on agreement emerging to take forward the Union Terrace gardens project, which was supported by the population in Aberdeen. It is a matter of regret that the project has not been able to proceed, despite the public support that was expressed for it.

Lewis Macdonald (North East Scotland) (Lab): As the cabinet secretary will recall, there was great disappointment in Aberdeen that the promised sum of several millions of pounds in business rates incentivisation did not materialise for the latest financial year. Can he offer any better hope that Aberdeen will benefit directly from its great success in increasing its level of business rates generation and, indeed, the level of economic activity in the city over the past 12 months?

John Swinney: As Mr Macdonald should know if he was following the sequence of parliamentary questions that were asked on this subject, Mr Mackay dealt with that issue just the other week in response to parliamentary questions. In that answer, Mr Mackay essentially made two points, which I will reiterate today.

First, the business rates incentivisation scheme is designed to ensure that authorities that have exceeded targets that are set in a way that was not influenced by exceptional circumstances around the revaluation process or the appeals process—which has been the case in relation to the business rates incentivisation targets that we put in place—will be able to share in the proceeds of those achievements. We have discussed with local government the fact that the revaluation process and the appeals process have essentially delayed some applications into the business rates scheme, and that would essentially have distorted some of the outcomes of the business rates incentivisation scheme assessment.

Mr Mackay's second point was that when, in response to some of the points that had been made, we analysed the valuation base in Aberdeen, we saw that the valuation base had in fact fallen. Therefore, the point on which Mr Macdonald has founded his argument—that the valuation benefit to Aberdeen should somehow accrue into the business rates incentivisation scheme—is not actually borne out by the facts of the circumstances. I hope that that helps Mr Macdonald in answering the issue that he has raised.

Local government has said that it does not want to conclude the discussions that we have embarked on about the business rates incentivisation scheme until there is an audit of the 2012-13 data, which will not be completed until the spring of 2014. If local authorities want to proceed expeditiously on the matter, I suggest that they reconsider the decision that they have taken in that respect.

Lanarkshire Business Gateway Contract

9. John Wilson (Central Scotland) (SNP): To ask the Scottish Government how it monitors the business gateway contract in Lanarkshire. (S4O-02480)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Responsibility for the management, performance and monitoring of the delivery of the business gateway services across Lanarkshire rests with North Lanarkshire Council. North Lanarkshire Council works in partnership with South Lanarkshire Council to ensure that the service is addressing the needs of both local authority areas. The Scottish Government is a member of the business gateway management

group, which receives reports on the performance of the service across Scotland.

John Wilson: As the minister is aware, although the *Official Journal of the European Union* tender process was gone through to deliver the Lanarkshire business gateway contract, only one tender submission was received and the contract was awarded to Lanarkshire Enterprise Services Ltd. Has that tendering situation been repeated in other business gateway areas? Will we closely monitor the delivery of business gateway services in Lanarkshire to ensure the maximum impact of the £6.8 million contract?

Fergus Ewing: I can look into the specific point that the member makes and report back to him but, plainly, it is the responsibility of local government to determine how best to deliver business gateway services, and rightly so. Sometimes, there are few tender responses or even only a single one. I suggest that that is not in any way unique. Lanarkshire Enterprise Services was the successful tenderer and it was also successful in winning bids for the service in Ayrshire and Renfrewshire. It is an enterprise trust—a private sector not-for-profit organisation—whose chief executive is Ronnie Smith, with whom I have had many dealings. He has always evinced strong leadership and support for business. I hope and have confidence that that will be the case in respect of his new duties in serving Lanarkshire.

Fife Economy (Support)

10. Claire Baker (Mid Scotland and Fife) (Lab): To ask the Scottish Government how it supports Fife's economy. (S4O-02481)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is committed to supporting sustainable economic growth across Scotland, including in Fife, and we are using all available levers to deliver that growth. We have focused our budget on delivering investment, protecting household incomes and creating jobs. Just last week, I heard direct from businesses attending the Fife economy partnership about their views on what would support growth and how we can support them.

The impact of our strong support is being felt across the economy in Fife, from our investment in major infrastructure projects such as the Queensferry crossing, which is employing 700 people on site, to business support from Scottish Enterprise, which account manages more than 100 companies, and the small business bonus scheme, which benefits more than 5,500 small businesses.

Claire Baker: Fife has a number of major towns and their high streets are a vital part of our economy and communities. The UK Government is consulting on planning rules to encourage a change of use from retail to residential. To follow on from Nigel Don's question, I welcome the fund that was announced earlier this week. Will the Scottish Government take steps to overcome the identified barriers, such as the restrictions on the selling of long leaseholds over shops and the 20-year limit on residential leaseholds?

John Swinney: The Government will certainly examine that material carefully. As Claire Baker will recall, in the budget last year I set out the provisions that would be put in place, which Mr Mackay has now announced, to enable the utilisation of existing properties in town centres that no longer have a retail function or that are no longer of appeal to the retail market to be transformed into accommodation that could be used to repopulate town centres. The Government has already taken steps to encourage that process. We will see the fruits of the work that Mr Mackay has announced and consider exactly what further steps we need to take. However, as I discussed last week with the Fife economy partnership in our consideration of the role of town centres, we believe in the importance of providing more reasons to increase footfall in town centres and of encouraging greater activity in them.

Bill Kidd (Glasgow Anniesland) (SNP): As a regular visitor to Dunfermline, I ask the cabinet secretary how the Forth replacement crossing is benefiting Fife.

John Swinney: As I said in my answer to Claire Baker, the Queensferry crossing currently employs more than 700 people and 365 Scottish firms are benefiting as a consequence of the contractual activity that is under way. The project is about 40 per cent complete and more than 75 per cent of the contractor procurement has been completed.

Of course, Mr Kidd will be aware that the Government announced that we are able to deliver the Queensferry crossing on a lower budget than we had anticipated as a consequence of the effective contract management that the Government has put in place in planning for the project.

The Deputy Presiding Officer: I call Annabelle Ewing, whose question should refer to Fife, please.

Annabelle Ewing (Mid Scotland and Fife) (SNP): What collective savings have small and medium-sized enterprises in Fife made as a result of this Scottish National Party Government's business rates package?

John Swinney: On an annual basis, the business rates relief package over which the Government presides saves businesses in Scotland about £570 million in reduced business

rates. In Fife, more than 5,500 business properties currently benefit from the small business bonus scheme and have saved almost £36 million in business rates taxation since the Government introduced the scheme. By putting in place a business rates relief package totalling £570 million per annum, the Government does a significant amount to assist businesses in the kingdom of Fife. We deliver the most competitive proposition on business rates in any part of the United Kingdom, which is a point that the Parliament should welcome.

Economic Development Programmes (Discussions with United Kingdom Government)

11. Drew Smith (Glasgow) (Lab): To ask the Scottish Government what discussions it has with the UK Government regarding economic development programmes. (S4O-02482)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Scottish Government ministers and officials are in regular contact with their counterparts in the United Kingdom Government about a range of issues affecting economic development. Those include the proposed small business strategy being developed by the Department for Business, Innovation and Skills, the start-up loans scheme and its extension to Scotland and European structural programmes as examples of current areas of discussion.

Drew Smith: The cabinet secretary will be aware of the call that is being made by Glasgow City Council for a greater role for local authorities in economic development and the proposal that both the UK and Scottish Governments should work together with the council and other local authorities in the region to develop a city deal for Glasgow similar to those agreed for comparable cities in England. Does the cabinet secretary support such an approach, which recognises the importance of city regions as major drivers of the Scottish and United Kingdom economies?

John Swinney: Much of that ground has been covered by two things. The first is the work that the Scottish Government has taken forward over a number of years on the Scottish cities alliance, which was designed to recognise the significance of cities and their role in the wider economy and to encourage and facilitate their development.

The second is the significant flexibility that has been provided to local authorities by this Government's decision to reduce very significantly the ring fencing of local authority activity. When I became the finance minister, ring fencing of local authority funding stood at £2.7 billion. It now stands at £0.2 billion. Very significant flexibility has been awarded to local authorities to enable them to take steps forward.

I remind Mr Smith that in the previous session of Parliament the Government agreed with local authorities that they would be primarily responsible for local economic development. Under the existing arrangements, there is absolutely nothing to stop cities such as Glasgow contributing to the work on economic development and to fulfilling their ambitions within the flexible framework that the Scottish Government has created.

South Lanarkshire Council (Economic Development Discussions)

12. Linda Fabiani (East Kilbride) (SNP): To ask the Scottish Government when it last met South Lanarkshire Council to discuss economic development. (S4O-02483)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Ministers and officials regularly meet local authorities across Scotland to discuss a range of issues including supporting economic growth.

Linda Fabiani: Does the cabinet secretary agree that it is vital that South Lanarkshire Council prioritise economic development in East Kilbride so that the town's position as Lanarkshire's most successful business location is maintained? Will he assure me, therefore, that the Scottish Government's support for the work of the East Kilbride task force is on-going?

John Swinney: I certainly acknowledge the issues that Linda Fabiani raises. She has put those points to ministers on a number of occasions. The task force that South Lanarkshire Council established is crucial in taking forward this area of work. The Scottish Government's interests in this respect are represented by the participation of a senior director of business infrastructure from Scottish Enterprise on the East Kilbride task force.

Of course, we welcome the focus of the task force, which has been on supporting employability programmes, on ensuring that training activities can be undertaken, on the improvement to town centre facilities and on a variety of other projects that I am sure will assist in strengthening the position of East Kilbride as the main retail centre within Lanarkshire. The Government will continue to engage with the project through the channel that I set out in my answer.

"Stabilisation and Savings Funds for Scotland"

13. Bill Kidd (Glasgow Anniesland) (SNP): To ask the Scottish Government what its position is on the findings of the second report of the fiscal commission working group. (S4O-02484)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government is grateful for the work that has been undertaken by the experts on the working group in developing its proposals for a stabilisation fund and a long-term savings fund.

As the working group highlighted, of the world's top 20 oil producers, only the United Kingdom and Iraq do not operate some form of recognised sovereign wealth fund. With more than half the wholesale value of North Sea oil and gas still to be extracted, there is an overwhelming case for the Government of an independent Scotland to establish the two funds in question.

The working group's report sets out a framework that will help to maximise the economic opportunity that Scotland's oil and gas wealth presents. Its proposals would ensure that that wealth provides a lasting benefit for future generations and put to rest any fears about oil price fluctuations impacting on future Scottish budgets.

Bill Kidd: I thank the cabinet secretary for his very full response. Has any thought been given as to how to ensure that the establishment of a fund to benefit future generations of the Scottish people—along the lines of the one that has been established in Norway—will actually deliver to people in the whole of Scotland?

John Swinney: The working group has set out a detailed model for the operation of a long-term savings fund, which would be in place essentially to ensure that future generations benefited from the oil wealth that is generated in the current environment. The purpose of the savings fund is of course to ensure that there is an opportunity for long-term benefits to be realised by the population of Scotland. It would be for future Administrations to determine how that would be allocated and taken forward.

It is important to realise that if, as the fiscal commission points out, Scotland had had some form of long-term investment fund, we would have had an oil fund that would be valued at in excess of £80 billion to £100 billion. That would have been a significant strengthening of the public finances of an independent Scotland.

Proposed Community Empowerment and Renewal Bill

14. Jayne Baxter (Mid Scotland and Fife) (Lab): To ask the Scottish Government whether it will provide an update on progress on the proposed community empowerment and renewal bill. (S4O-02485)

The Minister for Local Government and Planning (Derek Mackay): The First Minister announced in the programme for government that the community empowerment and renewal bill will form a key part of this year's legislative programme. We intend to publish a consultation on a draft bill in November.

Jayne Baxter: I thank the minister for that answer and for his earlier comments on empty properties in town centres. The minister will be aware of my long-standing interest in the problems that are faced by many local authorities in tackling dilapidated buildings and the negative impact that such neglected properties have on the local community.

Although it is right that the majority of the financial burden of tackling dilapidated property should fall on the owner, in the current financial climate many property owners are failing to raise the necessary finance for repairs. Will the minister take into account the problems that are faced by local authorities in tackling derelict buildings when he brings forward the legislation, and will he do that as soon as possible?

Derek Mackay: Yes, I will. The Government will certainly consider that issue—it would be our intention to take that forward in the consultation on the proposed bill. The member asked about the timescale for the bill—the bill is a year 3 piece of legislation and is in keeping with the parliamentary timetable. I believe that we will not just fulfil but surpass our manifesto commitment. We have great support on the bill: we have the reference group and we are also working in partnership with the Convention of Scottish Local Authorities. This is an empowering Government and I think that it will be an empowering bill. I thank Jayne Baxter for her interest, as well as David Stewart, who also has an interest in the issue.

Family Budgets (Protection)

15. Annabelle Ewing (Mid Scotland and Fife) (SNP): To ask the Scottish Government how its economic policy protects family budgets. (S4O-02486)

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The Scottish Government has taken positive action to help support hard-pressed families and protect family budgets. That action includes measures such as freezing the council tax, maintaining free personal and nursing care, the removal of prescription charges, the provision of free eye examinations, an increase in free nursery provision, the abolition of tuition fees, providing a minimum income for students, providing the education maintenance allowance, and maintaining the concessionary travel scheme for the disabled and for the older members of our society.

The Scottish Government is also helping households on the lowest incomes and is leading by example by ensuring that all public sector staff who are under our direct responsibility receive a living wage, which is above the statutory minimum wage, and by encouraging all other employers to do the same.

Annabelle Ewing: I thank the cabinet secretary for his comprehensive answer. What impact will those excellent Scottish National Party Scottish Government policies have specifically on family budgets in Fife?

Members: Oh dear!

John Swinney: I counsel the Opposition against scoffing about the genuine commitments that have been made to support hard-pressed families at this time. Over the duration of the current parliamentary session, the council tax freeze will mean that band D property households will save £1,200 at a time when costs are rising and individuals are looking to the Scottish Government to provide them with practical support. Again on the council tax freeze, the average Fife Council band D property household should expect to save around £1,450 by the end of 2016-17. That is, of course, in addition to the economic benefit that people in Fife will have experienced as a consequence of this Administration being the one that abolished toll charges on the Forth and Tay bridges.

I understand that one of the great dinosaurs of the Labour Party got rather confused and thought that the Labour Party had abolished tolls on the Forth and Tay bridges, but I am delighted to confirm to Parliament—to help the recollection of one of Labour's great dinosaurs—that it was an SNP Government that abolished tolls on the Forth and Tay road bridges.

Jenny Marra (North East Scotland) (Lab): Every day families in Fife tell my colleagues that they are very keen on Ed Miliband's commitment to an energy price freeze. Will the finance secretary commit to the same 20-month energy price freeze if he gets an independent Scotland?

John Swinney: Jenny Marra should not scoff at the Government's commitments, which have delivered more substantive support to the people of Fife than any possible proposition of the leader of the Labour Party would. We are keen to defend our record, which has delivered for the people of Fife, and the people of Fife know the value of an SNP Government that is on their side.

Neil Findlay (Lothian) (Lab): One of the ways of helping some of the most hard-pressed families in Fife would be to provide adequate support around the bedroom tax. Will the minister now sign up to Jackie Baillie's bill?

John Swinney: The problem with the point that Neil Findlay has just made is that there is no legal basis for us to deliver what he is banging on about. As Shelter Scotland has quite rightly pointed out, under the law the Government is able to deliver up to £20 million of additional support in discretionary housing payments. Where was that law set? That law was set in London by a Tory and Liberal Government that the Labour Party is quite happy to keep there and to allow to impose the bedroom tax. Before Mr Findlay passes the buck down to his pals in London and allows them to carry on legislating to harm the people of Scotland, he should start to realise that the solutions can be delivered in Scotland by the powers of independence.

Local Authority Planning Disputes (Redress)

16. Sandra White (Glasgow Kelvin) (SNP): To ask the Scottish Government what avenues of redress are available to residents and community councils involved in local authority planning disputes. (S4O-02487)

The Minister for Local Government and Planning (Derek Mackay): Residents and community councils have the opportunity to make representations in respect of planning applications. It is for the planning authority to decide how much weight is given to any representation in reaching its decision. When a decision is made and a resident or community council is dissatisfied, they may seek a judicial review of the decision. When there is a concern that procedures might not have been followed correctly, a complaint can be made to the Scottish Public Services Ombudsman.

Sandra White: I do not know whether the minister is aware that I have been contacted by constituents with regard to the demolition of tenement properties in Colebrooke Street in my constituency. Permission to demolish was not granted, but when Glasgow City Council development and regeneration services department was contacted on the issue, it said that it was common practice and that the act of demolition is not its responsibility but that of other departments. Does the minister know whether that is normal practice for local authorities? Any advice that he can give local residents on the issue would be most welcome.

Derek Mackay: As the member will be aware, it would be inappropriate for me to comment on individual circumstances. However, if she cares to give me further details, I will have officials investigate the matter.

Access to New Medicines

14:40

The Deputy Presiding Officer (John Scott): The next item of business is a Health and Sport Committee debate on access to new medicines. I invite Mr McNeil to open the debate on behalf of the Health and Sport committee. You have 14 minutes.

14:40

Duncan McNeil (Greenock and Inverclyde) (Lab): First, I thank the clerks, the Scottish Parliament information centre and all those who contributed written evidence and gave of their time to participate in the committee's public sessions. It is just as important to thank all those people who came forward over the period of the committee's inquiry at a difficult and vulnerable time in their life and spoke out about the failings in terms of the patient experience. I am speaking on behalf of the Juszczak family in my constituency and the family of Anne Fisher, who is sadly deceased, who spoke out at a very difficult time. All those contributions ensured that the Health and Sport Committee approached the whole issue with sensitivity and consensus.

Access to medicines is a big, complex and deeply emotive issue. The committee first looked at the matter in March 2012 when we received a trio of petitions on orphan medicines. Now, as they say, for the science bit: orphan medicines are those used to treat very rare diseases. We have learned a lot in the past 18 months and I hope to share some of it with members in the next 13 minutes.

I want to retrace our steps as a reminder of why we are discussing the issue today. Along with the usual who, what and when, I will set out the main findings of the report that we published in early July, which is the how. I shall also offer some thoughts on yesterday's statement from the cabinet secretary in the where-we-are-headed bit.

My colleagues on the Public Petitions Committee deserve credit for their role in this story. It was with their committee that the petitioners first raised their concerns. The petitioners were Alastair Kent, Allan Muir, Lesley Loeliger and Professor Peter Hillmen, individuals working on behalf of Rare Disease UK, the Association for Glycogen Storage Disease, and PNH Scotland, respectively. I am sure that they would all acknowledge the work on an earlier petition of January 2008 by Tina McGeever, on behalf of the late Mike Gray, which resulted in revision of the guidelines to the end-to-end process, which is the licensing of medicines through to individual patient treatment requests, or IPTRs.

The petitioners argued that the revision had not resulted in improved access to orphan medicines for patients with rare diseases. The committee took evidence last March from the petitioners and then from the Scottish Medicines Consortium, the SMC, and the Association of the British Pharmaceutical Industry, the ABPI. I apologise for all the acronyms—it is like a secret services convention.

We followed up the earlier evidence with evidence from clinicians and patient representative bodies. On 14 November 2012, the cabinet secretary announced the Routledge and Swainson reviews. The committee heard from the authors of the reviews and from the cabinet secretary and the chief pharmaceutical officer on 7 May 2013. On 21 May, we held a further round-table session with interested parties to gauge reaction to the twin reviews. The report of the committee's findings was published on 3 July. The committee found that there is enthusiasm from all quarters to work together to improve the system for accessing new medicines and create a system that enables a wider assessment of their value with more of what might be termed a societal dimension.

Our report welcomes the recommendations from Swainson and Routledge, but we want both the IPTR and the SMC processes to be improved to ensure that we have a more transparent system for accessing new medicines. In short, we want more yeses. Many of the suggestions in the reviews are welcome, including those on meetings being held in public, the standardisation of paperwork, the monitoring of applications and the publication of decisions, but they are about process and would do little to improve access.

One of the difficulties with the IPTR system lies in establishing the exceptionality of the patient's circumstances. We said that the Scottish Government must outline the steps that it will take to improve the system. Decisions on whether to recommend a medicine for use in Scotland depend on the cost of the additional quality-adjusted life years—a system known as QALY. I hope that the official reporters have a glossary, because there are a lot of acronyms in this area. Nobody told us of a better system than QALY for assessing the value of competing treatments. Who knew that an equation could be as brutal as cost divided by the number of weeks for which a life might be extended?

However, the way in which so-called modifiers are applied is crucial in determining the cost effectiveness of medicines. We asked the SMC and the Scottish Government to review how modifiers and thresholds are applied to take better account of orphan and ultra-orphan conditions,

end of life and innovation. After all, our work began with the petitions on orphan and ultra-orphan medicines.

We welcomed the interim £21 million rare conditions medicines fund, but questions remain about the extent to which it can improve access to medicines. The committee said that clear guidance should be published and that decisions about specific cancer medicines should be made on the same basis as decisions on medicines for other conditions. We said that cancer should not be singled out in comparison with other life-shortening conditions. The committee accepted that this was a difficult issue. Nevertheless, we did not believe that a cancer drugs fund was the Scottish answer.

The committee recognised that there were concerns about the impact of innovative medicines not routinely being available in Scotland and we asked the Scottish Government to investigate. Likewise, we said that developments with value-based pricing, or VBP, should be monitored.

I am afraid that I do not have time to tell you about ADTCs, which are area drug and therapeutics committees, about PPRS, which is the pharmaceutical price regulation scheme or about NICE, which is the National Institute for Health and Care Excellence. I could say "NICE but naughty"—speaking of which, I note that it was only yesterday morning when we received a copy of the Scottish Government's response to our report. That is a shame, as we would have liked to have fully considered it and come to a view as a committee.

What I can say is that I appreciate the language and the intention of what is proposed. The Cabinet Secretary for Health and Wellbeing wants to move to a more flexible approach to the evaluation of medicines for end-of-life care and rare conditions and he wants to increase access to new medicines, which is good. The committee and the cabinet secretary are on the same page, but we need to see the detail, which is where the devil lurks, as always.

The Scottish Government says that value-based pricing will not be delivered. It believes that the pricing element of pharmaceutical price regulation is a reserved matter but medicines assessment is devolved, and it will develop a new value-based assessment, or VBA, process for Scotland.

As a first step, the SMC has begun to look at the evaluation of orphan, ultra-orphan and end-of-life medicines. That is to include a review of the wider aspects of value and QALYs to increase access to those medicines. The report states that the SMC is due to report its findings to the cabinet secretary before Christmas. As somebody once said,

"I love deadlines. I like the whooshing sound they make as they fly by".

Let this please be one of those deadlines that we are able to stick to. That is particularly important for those who have been diagnosed with these conditions last week or today, or who will be diagnosed with them tomorrow or next week. Some consideration should be given to how the system operates in the transitional phase, but we need to stick to the deadline.

The IPTR system is being replaced with a new peer approved clinical system—PACS. We are told that guidance will be published shortly and I seek assurances that the old double act of "postcode" and "lottery" are not reunited by PACS.

In all honesty, it is hard to tell whether the committee's recommendations will be matched by the new systems, as we are short of information. I would be grateful if the cabinet secretary could offer some clues about timescales.

We are told that the rare conditions medicines fund will continue until 2016, but it is still unclear whether the £20 million is an annual budget or total funding until 2016. I would be obliged if the cabinet secretary could elaborate.

The Scottish Government agrees that there should be scope for a temporary pause in the appraisal process to permit further dialogue with the manufacturer. That was a recommendation from Routledge and the committee welcomed it. The Scottish Government says that a pause would allow a confidential discussion with the manufacturer about cost through a new or improved patient access scheme. However, no picture has yet emerged of how the scheme will look.

I have another one for the cabinet secretary, who I appreciate is listening patiently—I hope that he is not getting writer's cramp as a result of taking notes.

There is to be £1 million of funding for the SMC's engagement with the public and the pharmaceutical industry, but it is not clear whether more money would be required following the development of VBA.

Scepticism is a good thing, but let us give credit where credit is due. I sense that the direction in which we are heading is the right one. The frustration, for me, is that we have yet to arrive.

I want to say something more about the cost side. It is clear that the Scottish Government considers there to be a devolved element in that regard, and I want to make a couple of observations. In March, the chief executive officer of GlaxoSmithKline described the often-mentioned $1 billion research and development price tag as

"one of the great myths of the industry".

I think that that is significant and interesting. Doctors Without Borders said:

"It is true that innovative new drugs can change the way we treat people and we need more of them. But innovation is of little use if people cannot access new treatments because they are so expensive."

The pricing of medicines is, in many ways, a global issue. The issue is big, complex and deeply emotive—we had better believe it.

I commend the inclusive and listening approach of the person who will speak next in the debate. We have come a long way, policy-wise, in the past 18 months. Things have moved relatively quickly since the committee took evidence, and we welcome announcements. However, things can never move quickly enough for people who are diagnosed with rare conditions and terminal diseases. Three months is a lifetime to such people.

I hope that the cabinet secretary will report back to us on progress by December. Perhaps he can give us that undertaking. The committee believes that we can improve the processes. We can remove some of the bumps in what clinicians call the patient journey, and we can devise a system that is fair, objective, transparent, robust and within our means.

We need to ensure that there is access for all people who have orphan and ultra-orphan and life-threatening diseases. That is what people petitioned the Parliament for. We owe them nothing less and they deserve nothing less.

14:55

The Cabinet Secretary for Health and Wellbeing (Alex Neil): I welcome this important debate on the highly complex and difficult issue of access to new medicines.

As Duncan McNeil pointed out, it is worth remembering that the issue was originally highlighted in the experience of patients through the Public Petitions Committee. Their voice was put directly to the Parliament in the way that it should be. After consideration by the Public Petitions Committee, the matter was passed to the Health and Sport Committee for further detailed consideration. As Duncan McNeil said, its inquiry took evidence and took time to fully explore the position. I thank the Public Petitions Committee and the Health and Sport Committee—in particular, I thank Duncan McNeil for his chairing of that committee's inquiry—for the rigorous and serious manner in which they approached this wide-ranging subject.

Through the Health and Sport Committee's questioning, a number of important aspects were crystallised, not least the desire for the development of a Scottish model of value and the shortcomings of the IPTR process. I commend the committee's consensual and sensitive approach and feel sure that we can continue that approach right across the chamber today and beyond.

The committee heard a wide range of views from the pharmaceutical industry, clinicians, patient charities, patients and their families, some of whom are with us in the gallery. Members will see from our written response to the committee that we have accepted almost all of its recommendations and those of Professor Routledge and Professor Swainson. I thank Professor Routledge and Professor Swainson for their efforts and suggestions, which will, I believe, make the system much more transparent. The committee broadly welcomed their recommendations but recognised that more would have to be done to increase access, as spelled out by Duncan McNeil. I agreed with that assessment.

As time is short, I will focus my response on giving a brief overview of some of the steps that we propose to take.

First, I want to describe the introduction of flexible decision making for medicines that are licensed to treat patients at the end of life and medicines that are licensed to treat very rare conditions. I have directed the Scottish Medicines Consortium, which is the body that approves medicines for use in the national health service in Scotland, to apply a more flexible approach to evaluating medicines for end-of-life care and treating very rare conditions to increase access to them. The SMC will carry out a review by Christmas at the latest and establish new approaches to facilitate improved access to those medicines for patients in Scotland. That will be the first step in a wider process to determine Scotland's requirement to create a value-based approach to new medicines assessment.

The second action is the introduction of a new peer-approved clinical system to replace current individual or group patient treatment requests. New detailed guidance for NHS boards on the new arrangements is being developed and will be issued shortly. The guidance will clarify that the peer-approved clinical system is a single national system—I emphasise that—that will be delivered locally.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): For the sake of people who are involved or are becoming involved in the IPTR process, it would be helpful if it could be given more clarity shortly. Are we talking about months? When will the new system be up and running? I appreciate that it is early days, but it is important to narrow that down.

Alex Neil: My intention is to do this very early—certainly within the next couple of months or so—because it is clear, as Duncan McNeil pointed out, that people could be caught in the transition, which would be very unfair. We are cognisant of that particular situation. However, I should point out that 60-plus per cent of IPTRs are accepted, so we are talking about the 40 per cent of applications that are not accepted.

In brief, the new system will be predicated on clinical opinion. Where all other treatment options have been exhausted, a lead clinician can make the case to clinical peers for a treatment that has either not been recommended for general use by the SMC or not yet been submitted for approval.

The new system will for the first time introduce standardised paperwork as a requirement. Healthcare Improvement Scotland will continue robust auditing of decision making about medicines considered under the new system, and will facilitate the regular sharing of expertise between NHS boards across Scotland to eliminate unwarranted variation.

The new system will be underpinned by a centralised patient support team to advise, support and advocate for patients and families to make it easier to understand and use. I am pleased to confirm the extension of the £20 million per annum rare conditions medicines fund. It was due to conclude in April 2014 but will now run until at least April 2016.

Ken Macintosh (Eastwood) (Lab): Is the minister adding extra funds—£20 million per year for each year to 2016—or is it simply the case that the current £20 million will be used for the fund until 2016?

Alex Neil: I will make available up to £20 million for this fund every year, but to date only £6.5 million of the £20 million that is currently available has been spent. In each fiscal year there will be up to £20 million available.

The Scottish Government believes that the introduction of value-based assessments of new medicines, and the new interim arrangements that I have described for medicines that are to be used to treat very rare diseases, will significantly reduce the use of individual patient treatment requests currently and peer review in the future. In recognition, however, of the fact that medicines within those categories are often not routinely available, extending the rare conditions medicines fund will provide access to medicines to treat very rare diseases for people who make a successful request under the IPTR process or its successor, the peer-review approach.

In talking about improvements to SMC submission arrangements, let me first state that the SMC is a globally respected health technology assessment organisation, which considers and weighs the evidence that it receives very carefully. I pay tribute to the tremendous work of that body. I want to build on that reputation and ensure that the SMC is as transparent as possible about its decision making. I have asked the SMC to transition and to hold its first public meeting by May 2014.

The role of the SMC's patient and public involvement group will be extended and supported to engage proactively with patient representative organisations. Patient representative groups will also be able to attend SMC meetings and to provide evidence, much as they have the ability to do within NICE's process.

This increase in the pace and depth of engagement with patients and the public will significantly contribute to the transition towards a wider assessment of value in relation to new medicines. The SMC will also develop processes and protocols to support the attendance at SMC meetings of a representative from the manufacturers of medicines that are being appraised in order that they may answer any questions that the committee has on the evidence submitted.

In the longer term, the SMC will work with industry partners to establish scoping meetings with manufacturers, prior to a submission for a newly licensed medicine. That will ensure that pharmaceutical companies fully understand the SMC submission process and have the best possible chance to submit high-quality evidence to the SMC first time round. Protocols will be developed to implement a temporary pause in the SMC's appraisal process, which will be instigated where a medicine's cost effectiveness poses a stumbling block to its acceptance. The pause will facilitate a confidential discussion with the manufacturer, through an external negotiator, about improving the medicine's cost effectiveness, through a new or improved patient access scheme. Consideration will also be given to the benefits and challenges of establishing arrangements to carry out external evaluation of medicines where no submission has been instigated by the manufacturer.

The Scottish Government currently supports the retention of NHS board area drug and therapeutics committees as a tool to ensure safe and effective prescribing practices and ownership of the formulary by local clinicians. That will be contingent on NHS board ADTCs being able to demonstrate over the next three years that they are working well and are ensuring optimal clinical outcomes for their patient population. That is an indication of the Government's commitment not only to medicines that improve people's quality of life on a day-to-day basis but to medicines that

sustain life or improve the quality of end-of-life care.

The Government is committed to pursuing continuously improving, high-quality health and care services for the people of Scotland, with a focus on equity and clinical need. I believe that the measures that I have outlined will help us to secure that vision.

15:05

Neil Findlay (Lothian) (Lab): I would very much like to thank the Health and Sport Committee for its report, and I commend its convener, Duncan McNeil, for his excellent speech. The report is a very good one that makes an informed contribution to what is a vital debate that is being watched by many people in the chamber, across Scotland and beyond.

For many of those who have tried to navigate the current system of accessing new treatments, it is at best confusing and at worst downright frustrating and unfair. The former health secretary defended the IPTR system by saying:

"We already have a very fair, rigorous and quick system for appraising NHS drugs in Scotland. The Scottish Medicines Consortium considers whether newly-licensed drugs should be used nationwide and recommends them for use where they are proved to be safe, clinically effective and cost-effective.

Even where a medicine isn't recommended by the SMC for general use, patients in Scotland can still get it on the NHS if their clinician believes it is appropriate and obtains permission from their local health board."

For many patients, that description simply did not reflect the reality on the ground. In case after case, patients with serious conditions such as cancer and multiple sclerosis were denied access to new-generation drugs. As the committee's report states, they were often denied access

"despite them submitting clinical and expert evidence as part of the request."

High-profile cases emerged as my colleagues Jackie Baillie, Graeme Pearson and Johann Lamont, along with other MSPs, represented their constituents in Parliament. The patients who were involved in those cases did not seek the limelight or public exposure—all that they wanted was the chance of an extended life for themselves and their loved ones.

In support of those brave individuals, we had the campaigning work of the people who took petitions through the Parliament's public petitions system. They are the people whom we must commend for getting us to where we are today. It is their petitions and campaigning that have influenced the committee's inquiry and forced the Government's hand. They have done the Parliament and the people of Scotland a great service.

Although the Health and Sport Committee welcomed the previous Swainson and Routledge reviews, it said that they would

"do very little to improve access to new medicines in any meaningful way and that more fundamental changes were needed."

Those changes must, of course, be fair and transparent but, ultimately, they must provide greater access to medicines that have not gone through the system.

There is no simple solution—none of us is suggesting that there is. It is a complex and highly sensitive area in which answers do not come easily. The committee captured those difficulties well when it said:

"decisions need to be made about the value of treatments in relation to their effectiveness, cost and wider societal benefits, but within the context of a public sector under increasing budgetary pressures. When these issues combine with personal circumstances and experiences of individual patients and their loved ones and the impact that decisions can have on their length and quality of life, it is probably not surprising that the answers to the questions posed by this issue are not easily found."

A good example of the failings of the existing system was provided in the evidence of Dr Stephen Harrow from the Beatson west of Scotland cancer centre. He recounted how he had made an individual patient treatment request that was refused not once but three times, despite its being supported by clinical evidence. That was a situation that clinicians, patients and stakeholders found difficult to understand.

There are always ways of doing things better, and the system has to support patients in getting access to the medicines that they need when that request for access is supported by clinical judgment and expertise.

The Health and Sport Committee's report has identified many areas where things could and should be done better, including improving transparency, patient involvement, data collection, sharing expertise and standardising paperwork. However, although such steps are welcome, the report also makes it clear that

"urgent consideration should be given to encouraging greater flexibility in the IPTR process to approve drugs where there is clear, clinical evidence that a particular patient would derive material benefit from such a drug even if existing IPTR criteria had not been met fully."

I am pleased that the Scottish Government has accepted the need to improve access and that, in its words,

"the procedure for accessing drugs in exceptional prescribing circumstances, when all other treatments have been exhausted, should be clearly linked to clinical opinion."

Although the replacement of the IPTR system with a new, peer-approved clinical system is a move in the right direction, the proof of the pudding will be in how that impacts on patients and whether more people are able to access the life-saving or life-extending drugs that they so desperately need.

I ask that, in summing up, the cabinet secretary responds to the following questions. First, how will the new system be implemented and rolled out? How will it be monitored to ensure that guidelines are not ignored? How does the fund fit with the statement of intent on innovation? How will he avoid the new locally run PAC system becoming another postcode lottery? I know that the cabinet secretary has said that he wants a national system, but I point out that it will be run locally. Finally, when will he publish the timescale for implementing the new system?

Sadly, these changes have come too late for many, but I hope that a new supportive system will help save and extend the lives of many other very needy people.

15:12

Jackson Carlaw (West Scotland) (Con): In welcoming today's debate, I, too, thank Professors Swainson and Routledge, the Health and Sport Committee and the cabinet secretary for the focus and energy that has been brought to this issue in the past year.

In a Parliament that has a number of progressive legislative health and care achievements to its collective credit, I make no apology for saying that our inability hitherto to agree an effective route for the access to new medicines for those in need of life support—and particularly, but not exclusively, those suffering from cancer—has, in my opinion, been a stain on the face of devolution.

Scottish Conservatives also make no apology for our repeated determination to have this chamber return to the issue. As we stated when, earlier this year, we lodged a motion on this subject for debate, we have done so in the understanding that the political will to establish a cancer drugs fund does not exist in this place. Mindful of that, we have repeatedly offered to work to find an alternative solution by whatever name that nonetheless allows Scotland to recover its pre-eminent reputation in cancer care.

In our view and indeed in the view of many clinicians, pharmaceutical companies and others, the existence of a cancer drugs fund in England and the lack of one in Scotland was, notwithstanding the fact that some 34,000 patients had benefited from access to pioneering drugs south of the border, an impediment to current clinical experience and practice and, potentially, to future cancer research and development in Scotland.

Christine Grahame: Will the member give way?

Jackson Carlaw: Not just now.

That some 3,500 Scots, some inevitably no longer with us, were unable to access drugs in their home country is a regret that I feel very personally. I also know of several members on all sides of the chamber who, notwithstanding the battery hen-like utterances that we customarily make, understood that the status quo was not an option and, indeed, that the cancer drugs fund in England made the status quo progressively impossible, and I pay tribute to their willingness to reach across the political divide, quietly but determinedly, to make progress. They know who they are and cancer sufferers should be grateful to them.

Without beating about the bush, I thank Alex Neil for having the courage, will and determination to pursue a potential solution of which this Parliament can be proud. In their essential ambition with regard to a significantly higher QALY, a properly resourced SMC with a new ability to negotiate on price, and a dynamic clinical trials register, these proposals set out a package that Scottish Conservatives welcome and which we will work with the cabinet secretary in any way we can to advance and secure.

Party politics aside, this is a good day for Mr Neil and his officials but, much more importantly, it is possibly a breakthrough day for cancer treatment in Scotland. A lifetime of witnessing the hardest progress in the battle against cancer being fought and won is being rewarded today by a rush of technological breakthroughs, and—let us be clear—Scots and Scotland must aspire to offer the very best that is available.

We have an unenviable record of cancer incidence. Although much has been done—and should be applauded—on the early detection of a range of cancers from breast to bowel and all body points north and south, and on the investment in facilities, that national effort must be backed by the latest in life-extending and life-enhancing drug technology. There must be no more of politicians queasily debating whether extra months of life for a young mother or father with skin cancer are worth the price to the public purse. That is what I believe the cabinet secretary aspires to achieve, and I applaud him for it. We have worked constructively with him and will continue to do so.

Yet, to borrow Mr Findlay's cliché, the proof of the proverbial pudding will be in the eating, and the cabinet secretary must ensure that the short time between now and the end of the year is not wasted. In a constructive spirit, I ask him the

following. The Scottish Medicines Consortium has been reluctant to change, and it would be a tragedy if the proposals that subsequently emerged did not improve access. Will the cabinet secretary offer clear direction? We know that many medicines are not available today. Does the cabinet secretary envisage that the new medical individual application process will be used for patients who need such medicines now?

Mark McDonald (Aberdeen Donside) (SNP): Will the member take an intervention?

Christine Grahame: Will the member give way?

Jackson Carlaw: I need to make progress.

Will the current catch-22 situation, whereby a medicine must be within licence but outside an SMC restriction, be resolved? How does the cabinet secretary anticipate that the new systems will catch up with all the medicines that are currently denied to patients in Scotland? A resubmission process could take a considerable time, given that the SMC may have a workload bulge as a result. How will ministers ensure that patients who are suffering as we speak do not miss out on new drugs?

The fact that the new PAC system is to be locally run is welcome but, as others have said, it must not be allowed to recreate a system of inequitable patient access throughout Scotland, as happened before. Can the cabinet secretary assure me that the Scottish Government's new guidance will, therefore, be published and implemented swiftly, with health boards held to account through the strict auditing arrangements that have been promised?

I have deliberately asked technical and searching questions, not to confuse the issue but because I believe that this week's announcement by the cabinet secretary is a genuine and sincere initiative. For success to be achieved, those questions and others need to be considered and answered.

A year ago, I asked the cabinet secretary to set aside any entrenched position that he may have inherited and to use his capacity to reach for, identify and implement practical solutions—to use his talent in that regard and to bring all his energy to bear on cancer. There may yet be much to secure and improve, but in his response to the Health and Sport Committee's report Alex Neil has not been found wanting. Today, let us agree that, although we have not embraced a cancer drugs fund, the Scottish Parliament has embraced the funding of cancer drugs.

15:17

Aileen McLeod (South Scotland) (SNP): As a member of the Health and Sport Committee, I am delighted to speak in this important debate.

I acknowledge the cross-party consensus that underpins the committee's report. There is common ground across all political parties in the belief that access to new medicines is one of the most pressing and sensitive issues confronting the NHS. I therefore hope that the Government will be able to implement the report's recommendations in the same spirit of consensus to create a better and more transparent set of criteria for accessing new medicines that will lead to improved outcomes for Scottish patients, particularly those suffering from rare and very rare medical conditions.

I record my thanks to the many expert witnesses, clinicians, industry representatives, patient groups and charities who gave evidence. In particular, I thank Breakthrough Breast Cancer, Myeloma UK, Marie Curie Cancer Care and Beating Bowel Cancer. I also thank the private individuals who offered the committee both expert scientific evidence and evidence drawn from their experiences. I am pleased that so many of them are in the public gallery to listen to the debate.

I welcome the cabinet secretary's remarks in setting out the Government's response to the committee's report, which tackle head on many of the key issues and recommendations in the report. I hope that my committee colleagues will also welcome his remarks as a significant response to our work.

In the time available, it is not possible for me to cover every aspect of the committee's report, so I will focus my remarks on a few key areas.

The commitment to increased transparency in Scotland's medicines assessment system, which the cabinet secretary mentioned, is particularly welcome, as is the additional £1 million investment to support the SMC to hold its meetings in public from May next year. Greater transparency in the process should help to increase patient confidence that the systems that are used to decide access to medicines are both scientifically sound and fair.

In our report, the committee made various recommendations that seek a greater involvement by patients and patient representatives in the SMC's work, so I very much welcome the improvements that are to be made in supporting patients to engage in the process.

Welcome as these changes are, they will only take us so far. A bigger challenge recognised by the committee was to reform the SMC's decision-making process to ensure a better assessment of medicines' cost-effectiveness and wider societal impact, in particular for end-of-life care and for

treating very rare conditions. The committee called on the Scottish Government and the SMC to review that issue as a matter of priority, and I am delighted therefore that the cabinet secretary has taken on board that recommendation and that the SMC is expected to conclude its review on establishing a more flexible approach to the evaluation of new medicines and ensure that there is a wider assessment of value before Christmas.

Similarly, I am sure that all members of the committee will welcome the proposal to replace the IPTR system with a new peer-approved clinical system that will oversee individual or group requests for medicines not recommended by the SMC, led by local consultants and linked to clinical opinion. I am particularly pleased that the Government has listened to the committee's concerns on the IPTR exceptionality criteria and our calls for the approval of particular drugs where there is clear clinical evidence that a patient would derive material benefit from them.

It is also welcome that the NHS will be able to refer for consideration by the SMC new medicines that have not been submitted by a drugs company, when they are considered clinically important to NHS Scotland.

The committee also considered the issue of clinical research trials and encouraging greater participation by patients in Scotland where appropriate. In that respect, I very much welcome the cabinet secretary's response: for the Government's chief scientist office to look at the creation of a Scottish clinical trial register, which will, I hope, help to raise awareness among patients and clinicians of on-going trials.

The Health and Sport Committee's report is a thorough and far-sighted document. It addresses one of the most complex and sensitive matters that anyone involved in public policy is likely to encounter. However, the very nature of the issue makes it equally important that the Government exercises care and performs the very highest level of due diligence at each stage in the process of constructing the new system—nowhere more so than in the development of a revised value-based assessment, in which there is a clear opportunity to develop a Scottish model of value. That will take time, but, as the cabinet secretary indicated, that does not mean that the Government cannot act in the meantime, as it has done through the changes outlined in its response. I am delighted that the rare conditions medicine fund will be extended to 2016, which provides an interim measure that should alleviate dependence on IPTRs.

I firmly believe that the committee's recommendations, which commanded cross-party consensus, together with the Scottish Government's response plot a course towards a better and more transparent system for access to new medicines that is based on equity and clinical need.

15:23

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I join the petitioners and external organisations in welcoming the announcement that was made yesterday, although, as Beat Bowel Cancer said, the devil is in the detail. Clearly most of that is still to come, but we should certainly pay tribute to those organisations and petitioners for setting the process going. We should also pay tribute to the Parliament's committee system, because it has been seen at its best in the way that it has engaged with this subject.

Clearly, the system for access to new medicines had to change, but we should join the cabinet secretary in paying tribute to the SMC, which over the past 12 years has been a globally respected organisation. I was privileged in the first years of its existence to be Minister for Health and Community Care, so I followed it closely at that time. More recently I have taken an interest, particularly as co-convener of the cross-party group on cancer and the cross-party group on rare diseases. Those two groups of illnesses have been very much to the fore in recent discussions.

Before I concentrate on some of the announcements made by the Government yesterday, I will make some general points. It seems that the elephant in the room is value-based pricing. It is not clear to me how that will interrelate with the SMC—I am not sure whether it is clear to the minister or anybody else—but it would be good to hear about that in the winding-up speech if possible. We are certainly moving towards an era of more personalised medicine, which is good news not only because individual patients will get better targeted drugs, but because it will make many medicines more cost effective.

Everybody knows what the problems were, and I hope that members will forgive me for concentrating only on cancer and rare diseases. Many of the witnesses noted that it was difficult to generate robust and cost-effective data for rare diseases, and the system must be more flexible in that respect. On cancer, the committee was told that the SMC accepted two thirds of non-cancer drugs but only one third of cancer drugs. It is clear that there were particular problems in that area, particularly in relation to end-of-life criteria, and we were told that other health technology organisations have more flexibility in that respect. Those were the key issues that needed to be addressed.

The other big issue that was very much the focus of attention was the individual patient treatment request system. Again, we heard in

committee—and I have begun to hear at the cross-party group—about the particular problems with regard to rare diseases. The referral criteria are extremely difficult to satisfy and I am told that it has been difficult for those organisations that are involved with rare diseases to access the new fund over the past year, because much of it was available through the IPTR process, which—as is well known—was already not working for cancer patients.

I welcome the Government's acceptance that the existing cost-effective thresholds are not appropriate for end-of-life medicines or medicines to treat rare diseases. That was the Government's central recommendation yesterday, and it is a positive response to the committee's recommendation for modification of the quality-adjusted life years in those two circumstances.

The other key announcement yesterday concerned the peer-approved clinical system. The Government said that it wants to link access to those drugs that are to be prescribed in exceptional circumstances with clinical opinion. That met the demands of those involved with rare diseases, cancer and other diseases, and was consistent with the committee's recommendation that we could not have a system that was based only on exceptionality.

That is all very positive, although some concerns have been raised about the idea of a national system that is delivered locally, because in some sense the whole system, since its inception, was supposed to have been a national system that is delivered locally. I remember that, in its first year, I had to intervene to say, "Boards, you have to follow these SMC recommendations", and there have been continuing problems and doubts about whether the boards have always been doing that.

There are two further recommendations that interest me. One is the recommendation that the SMC should engage proactively with patient representative organisations. I wrote to the minister—although I do not know whether he has seen my letter yet—a week or two ago on behalf of a constituent from one of the prostate cancer organisations. The SMC was revisiting a prostate cancer drug, and he said that his organisation and the patient organisations did not know about it but would like to have been involved. The Government's recommendation in that respect should address that particular concern. In addition, Myeloma UK said that it would like the SMC to explain how it takes into account patient groups' submissions, so it is clear that the whole area is important.

I was interested to read at the very end of the Government's response to the committee's report that there is no

"robust evidence to suggest a decline in Phase III commercial clinical trials."

That seems to contradict Professor Gourley's evidence to the committee, in which he stated:

"there is absolutely no doubt that a number of examples of clinical studies cannot be done in Scotland"—[*Official Report*, *Health and Sport Committee*, 21 May 2013; c 3826.]

because of the standard drugs factor. Professor David Cameron said the same, both in his written submission and to the cross-party group on cancer, as well as in other places. There has been a genuine threat to Scotland's great reputation for clinical research because the standard drugs that were the comparators in clinical trials have often not been available to cancer clinicians in Scotland. I hope that yesterday's announcement will deal with that problem too. That will benefit not only patients, who are fundamentally what the system is about, but clinical research and the life sciences industry, which is an important part of the Scottish economy.

15:29

Gil Paterson (Clydebank and Milngavie) (SNP): I will start by thanking the convener of the Health and Sport Committee, Duncan McNeil, who encapsulated the committee's thinking in his opening speech. He certainly represented the views of the committee extremely well, so I thank him for that. I am pleased to speak in the debate as a member of the committee—that is an added bonus.

The committee's inquiry into access to new medicines presented me with the difficulties involved in providing individuals and families with comfort and in satisfying what, on the surface, might seem to be an expectation that every drug and treatment on offer should be made available on demand. During the inquiry, we heard stories from individuals who require a particular drug for themselves, from family members who wanted to extend the life of a loved one and from people who wanted their quality of life to be just that bit better.

Much though I would like or prefer to agree that there should be no barriers to receiving help, no matter the cost or the perceived benefit to the individual, we must look at the broader picture. Unfortunately, as much as I might have empathy for those families and individuals, I am curtailed in my support by the realisation that tough choices need to be made. Even though the Scottish Government has protected the health budget from Westminster cuts, the prospect of being in a position to provide unlimited funds for every new drug, no matter the cost, is sadly not an option simply because of finite resources.

When it comes to choices, I very much support the establishment of the £20 million rare conditions medicines fund, which was welcomed by the committee. The fund helps to improve access to orphan and ultra-orphan drugs—medicines for illnesses that affect fewer than 1 in 2,000 people—including those that deal with different categories of cancer. We recommended that approach rather than a specific fund for cancer. Indeed, in our deliberations we found little support for the establishment of a separate and exclusive cancer drugs fund in Scotland.

Although cancer can be, and is, a devastating illness, singling out cancer from all other devastating conditions makes me uneasy. I suppose that my experience gathering evidence for my member's bill on palliative care in the previous parliamentary session has coloured my views. I found that cancer sufferers have a 90 per cent chance of receiving high-quality palliative care, whereas those with other life-threatening conditions have a 90 per cent chance of not receiving the same quality of care. That is a situation that I thought was just wrong, so I am very much in favour of a fund or scheme that is of equal status and effect across illnesses, rather than a preferential or exclusive fund for one category of illness. Our service should never be partial.

Choices also need to be made on where resources should be deployed. If we were to fund all available treatments and drugs, no matter their effectiveness or cost, the ability to provide early treatment that may lead to a cure could be diminished. My choice is to provide both early treatment and treatment later on in an illness. It should be recognised that that sentiment is at the heart of the Scottish Medicines Consortium, which has been world renowned for a considerable time and commands global support.

The Scottish Government is striving to ensure that Scotland's drug approval system both becomes even more transparent and increases access to medicines for end-of-life care and treatment of very rare conditions. The Scottish Government has therefore directed the SMC to apply different and more flexible approaches in the evaluation of medicines in that category. The SMC will have to conclude by the end of this year a review on how to establish that more flexible approach. Also, to replace individual patient treatment requests, a new peer-approval system will be introduced to allow clinicians to prescribe medicines that are not accepted for routine use by the SMC. That process will be led by local consultants. Further, NHS Scotland will be able to refer to the SMC for consideration new medicines that have not yet been submitted by a pharmaceutical company, where those are considered clinically important to the NHS in Scotland, a system that was recommended by the Routledge review.

I believe that the additional measures on the SMC will do two things. First, they will enhance a system that is already highly regarded and build on its undoubted success. Secondly, and perhaps more important, they will give comfort to the families and individuals whom I mentioned at the start of my speech. Of course, the changes will increase transparency in the approval process, particularly for patients, as the meetings of the SMC will be held in public and patients will be invited to attend peer review decision-making meetings. I welcome the additional investment of £1 million to ensure that the work of the SMC becomes more transparent.

I am pleased to have been part of the committee's inquiry and to have had the opportunity to make recommendations to the Scottish Government on how to move forward. It is pleasing that, although our system is envied the world over, the Parliament and our Government are big enough not to rest on their laurels and brave enough to inquire into our delivery system for new medicines with a view to making it even better. I believe that we have achieved our goals, but at the same time we must always strive for improvement.

The Deputy Presiding Officer (Elaine Smith): I ask members to ensure that their mobile devices are switched off, unless they are being used to deliver a speech, in which case they should be on silent.

15:37

Ken Macintosh (Eastwood) (Lab): I will begin with a tale of two constituents who live less than two miles apart in Newton Mearns and who both suffer from the very rare blood disease paroxysmal nocturnal haemoglobinuria, or PNH, as some members might know it. One of those constituents, Mr Bill Devine, was denied access to the one drug that could have helped. He contacted me in October 2010, weak and unable to leave his house other than for blood transfusions. I wrote to the local health board, but the only route to access the drug was through the individual patient treatment request, or IPTR, system. His case was "not proven". Mr Devine died in April 2011.

The other constituent will be known to some colleagues from her evidence to parliamentary committees. Mrs Lesley Loeliger was granted access to the same drug that was denied to Mr Devine and it has transformed her life. She is raising her young family and is an active member of the local community. The drug has even allowed her the energy to campaign on behalf of

others—she has petitioned the Parliament to fight for access and fairness for all patients.

That same story is being played out across Scotland and across different health conditions and drug treatments. Too many families are being denied treatments that their clinicians recommend for them. Their feelings of dismay and frustration are compounded by the knowledge that others are accessing those very drugs.

No one in this Parliament has a monopoly on compassion, and I certainly do not wish to portray either the current health secretary or his predecessor as cold or heartless but, for several years, we have been told repeatedly that Scotland has a robust system in place and that we would not go down the route of a drugs fund for one particular condition, as has been pursued in England. The cabinet secretary, in his response to the work of the Parliament's Health and Sport Committee, now acknowledges that our system does not work and, of course, he has introduced a Scottish rare conditions fund. I simply seek reassurance that the system that the Scottish Government intends to put in place to approve medicines will be effective and that all patients in Scotland will have equitable access to the care that they need.

At the heart of the issue is how we measure effectiveness. In a cash-limited world, how do we balance clinical effectiveness with cost effectiveness? How do we measure the quality of life?

I am encouraged that the SMC is to be asked to broaden its approach to take into account issues such as the burden of illness and the wider societal impact. For the often very young patients who struggle with skin cancer, such an approach holds out the hope that the first new treatments in more than three decades will be available to them.

I am pleased that the SMC is looking at the benefits of a different evaluation of end-of-life treatments. I am sure that none of us underestimates the difficult task that faces the SMC in trying to improve on the quality-adjusted life year system and set new approval thresholds. A number of recommendations have been made to improve the transparency of the process. That will help, even if it does not make a substantive difference to the number of approvals.

Let us make no mistake; as the Health and Sport Committee said in its report,

"The challenge is not only to improve transparency and consistency within the IPTR process but to ensure that the SMC process in the first instance better assesses the cost effectiveness of medicines."

For drugs that the SMC has not approved but which could benefit some patients in some cases—as with the two examples that I highlighted—the IPTR system should have offered at least some hope. However, as we all now know, not only was the test of exceptionality—that every case had to be virtually unique—too severe for most patients to pass but it was interpreted differently in different parts of the country.

I hope that the new clinically led system will mark an improvement by moving away from decisions that are taken solely on the ground of cost. I understand that the exceptionality test is to be replaced by the criterion that all other treatments have been exhausted, which gives me hope.

The drug treatment for PNH is expensive but, for the few who need it, it works. It is life transforming and does not demand an open-ended cheque from the health service, because PNH affects only up to two people in every million of the population.

Where are we at the moment? Members might be interested to know that, following the Health and Sport Committee meeting at which the cabinet secretary said that patients would be turned down only if it was believed that a drug would not work and no one would be refused solely on the ground of cost, three patients who were trying to access treatment for PNH had their applications approved—two applications were approved on appeal and the other decision was reversed after the treatment had initially been refused in the week before the cabinet secretary gave evidence.

We are here primarily because of patient protest, but also partly because of decisions that have been taken in Europe. As far back as June 2009, the European Council published a recommendation on rare diseases that recommended a national plan for rare diseases. We know from experience that, if we manage rare conditions only locally, there is a lack of specialist knowledge, long delays are created with on-going bureaucratic and complex referrals, and health boards sometimes refuse to share risks and costs, which leads to a postcode lottery.

Scotland is one of the last countries to comply with the European recommendation on rare diseases, which insisted on compliance by the end of 2013 at the latest. Given that directive, I am still a little concerned by the guidance that the new peer-approval system is to be locally run.

I ask the cabinet secretary to clarify the Scottish Government's approach to the rare diseases drugs fund. For several years, the Government has opposed the cancer drugs fund, which I believe that it still opposes. However, we now have the rare diseases drugs fund. I have constituents who have children with cystic fibrosis and I am incredibly pleased and relieved that they have access to the drug Kalydeco to treat that

terrible condition. However, none of the other health cases that I have dealt with has qualified for the fund. Eculizumab, which is used to treat PNH, does not qualify, and neither does ipilimumab, which is used to treat skin cancer.

As the cabinet secretary clarified, the rare conditions fund has been extended, but only a third of the money has been spent so far. Given that, will the fund's criteria be extended to cover more conditions until the new SMC criteria and the new peer-approval clinical system are in place?

In the end, the test will be whether more patients receive treatment that is currently denied them and whether they do so equitably. Mrs Loeliger told me last night that a new PNH patient was seen at Monklands hospital last week and that she does not know whether they will require eculizumab. She said:

"I want a proper system in place so I do not have to fight for each patient individually. Please do not think I minded fighting for the patients that got their drug, it just should not come down to someone shouting loudly."

15:45

Mark McDonald (Aberdeen Donside) (SNP): I pay tribute to the petitioners who came to the Public Petitions Committee to raise their concerns in Parliament. I have played quite a unique role in the process, as I was a member of that committee when the petitions were lodged. I then became a member of the Health and Sport Committee when it was undertaking its inquiry into the issue, so I have been involved from the beginning in the parliamentary process, although I missed the writing of the report due to being engaged in a by-election up in Aberdeen. The point is that the process has demonstrated a concern being brought to Parliament and being given the serious treatment that it requires.

I want to consider the issues around rare diseases and orphan conditions, following on from Ken Macintosh's points. I admit that I was familiar with the issues prior to the petitions being lodged, but I would not previously have professed to know as much as I have since learned about rare diseases and orphan conditions.

In the Routledge report, the recommendation was made that the SMC

"should develop a policy specifically relating to ultra-orphan medicines to guide the process of consideration of all available evidence".

That is one of the difficulties that has been faced in relation to ultra-orphan medicines. The fact is that there is a very small patient cohort not necessarily just in Scotland, or just the United Kingdom, but sometimes pan-Europe; we are talking about a very small number of people. It can therefore be difficult to ensure that there are robust trial data for medicines. Also—and most crucially, in terms of some of the points that have been raised—there is an issue around affordability, within QALY, of the medicines that are available for ultra-orphan conditions. That is why I welcome Professor Routledge's further recommendation about having a temporary pause in the appraisal process. The Scottish Government has accepted that recommendation and it is one that the Health and Sport Committee welcomed in its report, saying that

"such a pause could also create an opportunity for discussion on, for example, whether there was scope to develop a reimbursement rate which could into account various factors such as supplying post licensing data or assessed benefit of medicines post approval."

To me, the moves around the threshold of QALY and around the pause in the process create what could be described as a double-lock opportunity, in that those moves allow for much wider consideration of medicines that previously would simply not have been considered. Also, they allow for further discussion of medicines that are still not captured by that process, in order to allow them to be so captured. That is encouraging.

I am sure that members will be aware of the AllTrials campaign: it has been running for a significant time and has a number of high-profile supporters. It seeks to ensure that trial data that are made available at the point at which drugs are submitted for approval are as transparent and robust as possible. I believe that, as well as there being a role for the SMC, and a role for the decision-making process, there is a role for the pharmaceutical industry.

Eric Low, the chief executive of Myeloma UK, has said that he is

"very encouraged that the SMC will be given additional resources and a revised remit so that they can further build on and evolve their already excellent appraisal processes."

However, he goes on to say that

"it is critically important that while improvements to access to medicines are made we also ensure that we are getting genuine value for money, and that the pharmaceutical industry improves the type and quality of information it provides to get their medicines funded on the NHS. I strongly believe that the SMC are best placed to help make this happen."

There is an issue about pharmaceutical companies fulfilling their role not just on transparency but on affordability, because we cannot escape the fact that we live in a world of finite resource within the health service. It is therefore imperative that the drugs companies show willing to come to the table and negotiate on prices. That point was reflected in a lot of the evidence that the committee received during its deliberations.

The SMC investment is very welcome. We need to make the SMC process not just more transparent, but more publicly accessible. It is one thing to publish the findings of the SMC, but to the individual on the street—indeed, even to the MSP—a lot of decisions are published that are very difficult to translate. Making that information more publicly accessible and explaining it to the public would be helpful. All too often we read stories about drugs that have not been approved, but we do not always see or understand the reasons that lie behind the decisions, so making that information more accessible would be beneficial.

I am not sure whether the cabinet secretary has been made aware of it, but the MS Society has raised a number of questions. My colleague, George Adam, who has a strong link to the MS Society, asked me to bring them to the debate, to which I agreed. I will forward the briefing to the cabinet secretary so that he can reply more fully. The questions are about the timescale for introducing value-based assessment. The crux of the MS Society's concern is the Scottish Government's plan to involve stakeholders in developing the reforms. I suspect that the crux of the concerns of many other organisations would be how stakeholder organisations will feed into the reform process and feel fully involved. A point that has been raised repeatedly is that we should, as well as making the process more transparent and open, ensure that organisations and individuals who have a concern or an interest can feed in their views and have them taken into account. Perhaps the cabinet secretary will take a moment in his closing remarks to reflect on that.

15:51

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): As other members have done, I welcome the reforms that have been announced and, in particular, I welcome the tone of the debate. Members have mentioned the £20 million for the rare conditions medicines fund, and how the SMC is to be more transparent and flexible in its approach by holding its meetings in public, and so on.

However, I want to focus particularly on the demise of the IPTR process, and the introduction of the peer approved clinical system. It is incumbent on the cabinet secretary to give deadlines or timescales for that, because time is of the essence for people who are listening to the debate.

I welcome the more flexible approach to the critical test for authorising drugs that are not readily available on the NHS. Ken Macintosh and other members mentioned the postcode lottery of IPTR, and the critical test moves away from that. The process causes difficulties for people, but there will be advocacy in the new system. The test of exceptional circumstances, which is almost impossible to meet, is moving to what I believe—and hope—will be a person-centred approach that will be of more benefit to applications for drugs that fall outwith what is usually available.

The debate shows Parliament at its thoughtful, compassionate and responsible best, but we have not shed our critical faculties—we need to ensure that what the Government has announced actually happens. We owe it to all the people outside here.

I have to say to Duncan McNeil that the Health and Sport Committee's report is excellent. I am glad that I came into the debate because I have read it from cover to cover. It is sound and it tackles some hard issues. The area is a sensitive one and the committee did not shy away from it. More important is that the report was unanimously agreed.

The Public Petitions Committee here started out being more of a meet and greet, but it now has substance and gets things done. It got the Borders railway agreed, and it has brought this announcement. It really has arrived; other Parliaments should look to what it achieves for the people by bypassing the politicians and making them pay attention.

I am not looking for promotion, but the cabinet secretary is a man who gets things done. He has got into the job and is achieving things, but we still have to find out whether he will get a good report card.

Most of all, I congratulate the constituents who have turned up at all our surgeries who have been looking for IPTRs and have had to struggle against the system. I will talk about one of my constituents—Ian Morrison. He will not mind my mentioning him, because he has been mentioned in Parliament before. He tried everything on his own. Like others, he trawled the internet and websites, and went on a very steep learning curve. He went to politicians from across the political spectrum. I do not blame him—who would not do that? He had to find out for himself how to deal with the situation. His application was at first rejected, but it was successfully reviewed. Having been diagnosed with bowel cancer two years previously, he eventually accessed cetuximab. Where is he today? His wife is in the gallery and he is in the shop, minding it. Ian Morrison had to go about it the hard way, including going to websites, finding out about voluntary organisations, going to every politician he could think of and so on. He is now directing other people who are in the same situation to politicians and others who might help. Of course, it should not be like that, and we all know that.

I thought that it was a case of "Well done, Ian Morrison", and that was it. However, on Friday, a man of 40-odd walked into my surgery with his wife, with a three-month-old baby in a carrier and a toddler at home. I thought that it was just another ordinary meeting and asked what was happening, but we had a wee bit of chat and I heard that he had been diagnosed with bowel cancer on 1 August this year and his life had been turned around. From having an ordinary life in which he built houses, he now scans the internet and websites, and is going to everybody, including me, to try to find out what he can have from the system.

What struck me was that his surgeon and consultant did not tell him anything about IPTRs. He is now fighting the system to try to get second opinions and to see what is available to him. That is what would happen to any of us, but it should not be like that. I therefore very much welcome the change in culture that the new system will bring, so that people who suddenly have such news landing on them out of the blue will find something in place that is helpful, accessible, fair, just and open. We know that it will not mean that everybody will get everything they want, but at least that will be the case for the right reasons and the position will be the same across Scotland.

What I want to hear from the cabinet secretary in his closing speech is what will happen to people like my constituent between now and when the new system is in place, because every week and every month counts for such people, as the cabinet secretary and I both know. In the transition period, we need to know whether the new system's culture and way of looking at applications will be applied to IPTRs. Will we find it being individual-centred? Will we find the test being material benefit, not exceptional circumstances? If that starts from the minute we walk out of here, this Parliament will have achieved something.

15:57

Nanette Milne (North East Scotland) (Con): We live in a time when, increasingly, new drugs are coming on stream that can not only prolong the lives of patients with metastatic cancer and other terminal conditions, but can enhance their quality of life so that they can enjoy precious additional time with their nearest and dearest. However, those new drugs tend to be expensive and might not be approved for use by the NHS because the appraisal process does not find them to be cost-effective. Patients who might benefit from them either have to pay for them themselves or appeal to their health board to consider their case for treatment.

I first became aware of the difficulties that are encountered by such patients in 2008, when the late Mike Gray, who was a victim of advanced bowel cancer, brought his experiences of what was then the exceptional circumstances prescribing procedure to the notice of the Public Petitions Committee because he wanted to spare future patients from what he had gone through in his efforts to be prescribed cetuximab by NHS Grampian. Sadly, Mike Gray died while his petition was still being considered, but his widow, Tina McGeever, continued his work, which resulted in new Scottish Government guidelines and the introduction of the IPTR process.

The new system still relied, of course, on proving exceptionality from the general population of sufferers of a disease or condition. So, further petitions were brought to Parliament by representatives of patients with rare and orphan diseases who were still unable to access appropriate treatment. Moreover, the IPTR, as we have heard, was not resulting in easier access to new medicines for terminal cancer patients; hence the Health and Sport Committee's inquiry. All the committee's members, including me, felt strongly that a better way had to be found for patients to access medicines that are clinically justified, even if they are not recommended for NHS use because they have not been assessed by the Scottish Medicines Consortium as being cost effective.

Until a better value-based system can be devised, my party—in particular, my colleague Jackson Carlaw—continues to campaign for a cancer drugs fund in Scotland to replicate what was set up in England three years ago. Although some patients are now benefiting from the rare diseases fund that the cabinet secretary initiated, it is a matter of regret to us that more than 3,000 cancer patients in Scotland have already missed out on accessing the drugs that would have been available to them had such a fund been in place here.

Concerns have been raised with us by clinical academics that there is a real risk that we will lose our place at the cutting edge of research because new-generation drugs are assessed against current state-of-the-art products—the knock-on effect for Scottish patients being that they may not receive still newer drugs that are being trialled against those that are not currently recommended to the NHS in Scotland, and the effect for clinical research being a significant negative impact. I hope that the creation of a dynamic Scottish clinical trials register will allow Scotland's involvement in such research to be accurately monitored in the future, because it is crucial not only to patients but to our economy, which is heavily dependent on our good reputation in life sciences.

However, we are now moving on, and the Government's response to the Health and Sport Committee's recommendations gives us hope that cancer patients in Scotland will soon have access to new drugs, when they are justified on clinical grounds, via what I hope will be a robust and sustainable procedure for both the appraisal of new drugs and their prescription to NHS patients, based on expert clinical judgment.

It became clear to the committee that two main issues had to be tackled—the appraisal process by the SMC, and the need to reform the IPTR process. The Routledge and Swainson reviews were therefore welcome. As others have said this afternoon, the SMC has gained international respect for its work over the past 12 years in evaluating relative to other available drugs the clinical and cost effectiveness of all new licensed medicines that the pharma industry presents to it, and then deciding whether they should be recommended for use in the NHS in Scotland.

When the SMC considers a drug's cost effectiveness, its yardstick is the cost per quality-adjusted life year, or QALY, but when that is relatively high it may use modifiers to allow flexibility in its decision making. Although that generally works well, the committee considered that existing assessments are not always appropriate for medicines for use at the end of life or to treat rare diseases. The Government's determination to take action on that by instructing the SMC to review its procedures to allow greater flexibility in evaluation of such drugs is good news, and I have no doubt that the SMC will welcome the opportunity to do that. There is a degree of urgency about it, of course, and I am pleased that we will hear the SMC's proposals by the end of the year.

The committee also agreed with the Routledge review that the system of SMC appraisal could be more transparent and publicly available, and I also welcome the allocation of £1 million a year to support the SMC in achieving that.

The proposed replacement of the increasingly discredited IPTR system with a peer-approved clinical system has been widely welcomed by the groups who gave evidence to the committee, because it should enable patients to access such drugs when they are recommended on clinical grounds by experts, who will be called on to give their judgment. However, I would like an assurance from the cabinet secretary that he anticipates that increasing numbers of patients will at last be able to access new medicines, and that he will ensure that the funding of NHS boards in Scotland will not be a barrier to achieving that.

There is a limit to what I can comment on in six minutes, but the Scottish Government has responded positively to most of the recommendations in the Health and Sport Committee's report. Scottish Conservatives appreciated the opportunities to contribute to the Routledge and Swainson reviews and to present our views to the cabinet secretary, and we welcome his consensual approach to such an important and sensitive issue.

We still have to learn more of the all-important detail, but I think that, at last, we are seeing progress on widening access to new medicines as a result of painstaking work by both the committee and the Scottish Government. However, I ask the cabinet secretary, at the end of the debate, to commit to reporting on progress to the Health and Sport Committee within six months of the new systems being set up.

16:03

Richard Lyle (Central Scotland) (SNP): As a member of the Health and Sport Committee, I too am happy to take part in this debate, which is on a matter of great importance to the people of Scotland. I note the petitions that were lodged with the Public Petitions Committee, in response to which the Health and Sport Committee made it a priority to explore the issue. As my colleagues have done, I record my thanks to the convener, Duncan McNeil; to the witnesses who came to give evidence, including the cancer groups; and to the committee's staff, who helped to move the inquiry along.

The committee's ambition, which I am sure is shared by all parties in the chamber, is to improve access in the NHS in Scotland to newly licensed medicines that provide the best outcomes for patients and enable them to lead as healthy a life as possible. I am pleased that the Scottish Government's proposals for change have been made with that ambition in mind, and developed with reference to the Health and Sport Committee's recommendations, in consultation with stakeholders.

I am also pleased that the £20 million fund to cover the cost of medicines for patients who have very rare conditions has been introduced, as a result of interim recommendations from Professor Charles Swainson and Professor Routledge. It was initially intended that the fund would run until April 2014, but it has been extended to 2016.

As the cabinet secretary said, an extra £20 million each year will help to improve access to orphan drugs, for illnesses that affect fewer than one in 2,000 people, which have not been recommended for routine use by the Scottish Medicines Consortium. I am pleased that by 5 May, 71 patients in Scotland had benefited from the new funding, of whom 24 were between the ages of six and 16.

The SMC is an effective and comprehensive organisation, given its timeliness in providing advice to NHS boards in Scotland on the status of newly-licensed medicines. It is my hope that when the committee's recommendations are implemented, the SMC will become more transparent and will increase access to medicines for end-of-life care and very rare conditions.

I am pleased that the health secretary has directed the SMC to apply a more flexible approach in the evaluation of medicines for end-of-life care, and to complete its review on the matter by the end of the year. I hope that the SMC will consider how it can implement a more flexible approach in the new year. The aim is to ensure that the process happens as quickly as possible, while maintaining attention to detail.

Quick implementation of the recommendations will help to make the medical approval process more transparent for patients, because the SMC will meet in public. Patients will be invited to attend peer-approval decision-making meetings, and a further £1 million will be invested to help to increase the transparency of the SMC's work.

It is right that we continually examine all aspects of our health service; there is always room for improvement. However, the SMC should be commended. It is respected globally and has the fastest and most efficient medicines review process in the UK. During a meeting of the Health and Sport Committee in December, broad support was expressed for the SMC, which of course does very difficult work. Great support was expressed in relation to the SMC's timescale for producing guidance on new drugs. On average, assessments are completed in 7.4 months, compared with an average of 21.4 months for NICE in England. SMC achieves that without sacrificing rigour in its methods.

Many members have mentioned cases in their areas, and I, too, have been asked to highlight a case. Earlier this week I was contacted by a constituent; I have her permission to name her. Ms Geraldine Ward needs the drug Fampyra, which helps MS sufferers to walk. The drug is not currently prescribed by Lanarkshire NHS Board. I hope that when the new arrangements come into effect, they will help Ms Ward to get the medicine that she requires to improve her quality of life. I intend to pursue that brave lady's case to a resolution with NHS Lanarkshire. As Christine Grahame said, we must help our constituents where possible.

I commend the cabinet secretary, Alex Neil, for his commitment to the NHS in Scotland and for his quick action with regard to the committee's inquiry.

16:09

David Stewart (Highlands and Islands) (Lab): I congratulate Duncan McNeil and the Health and Sport Committee on their excellent report and I commend the Routledge and Swainson reviews, which made a helpful contribution to the debate.

I will focus on patient access to medicines for orphan diseases. The issue was highlighted in the three petitions that served as a springboard for the Health and Sport Committee's report.

As members have said, as convener of the Public Petitions Committee, with my colleagues I took evidence from a variety of groups, such as Rare Disease UK. I associate myself with Nanette Milne's comments on the great work on drugs that Tina McGeever from Moray did, and thank Christine Grahame for her very kind remarks about the Public Petitions Committee's work.

Orphan medicines are, of course, for the treatment of life-threatening conditions that affect no more than five in 10,000 people. Ultra-orphan medication is licensed for the treatment of diseases with a prevalence of less than one in 50,000.

During evidence to my committee, Alastair Kent of Rare Disease UK said:

"People with rare diseases do not choose to have a rare disease. There is no kudos attached to having something that is difficult to diagnose, expensive to treat and about which little might be known."—[*Official Report, Public Petitions Committee*, 4 October 2011; c 154.]

As others have done, Mr Kent praised the European Union's orphan medicinal products policy, which has led to therapies being produced for diseases that have been untreatable and have led to consistent and chronic ill health.

Market access to new drugs is one dimension, of course, but direct access for individual patients is another. I welcome the Scottish Government's £20 million a year rare conditions medicines fund, which should provide access for patients who suffer from orphan and ultra-orphan conditions to medicines that are not approved by the Scottish Medicines Consortium. Initially, the fund was to last to 2013, but I think that the cabinet secretary said that it will last until 2016. Will he say in his winding-up speech whether he is confident that value-based pricing will be in place when the fund comes to an end? Will he also say what the timescale is for the peer-approved clinical system to take over from the individual patient treatment request scheme?

Many treatments for orphan conditions make a tiny physical difference to the patient but a massive change to their quality of life. I will give one example, which Mr Kent gave my committee. He described the story of a young woman who has an inborn error of metabolism. By having enzyme

replacement therapy, her lung function went up by 4 per cent. Members may think that that is not a lot, and they would be right to think that. It is enough for a short intake of breath for a healthy person—or perhaps a longer intake of breath for someone who is giving a speech. However, it meant that she could come off artificial respiration for most of the day, which was a huge improvement to her quality of life. Members can imagine the frustration of families when they see a new therapy that they cannot access, even when their own clinicians have recommended it.

We have heard that health economics play a huge role in the debate, and we have heard a lot about the SMC. Just the other morning, I heard it described on the radio as a group of hard-headed economists and statisticians who have the QALY assessment tool, which we have heard a lot about, as their second language. However, many of the treatments for rare diseases come above the £30,000 per QALY limit because they are novel therapies at the cutting edge of innovative research and development.

Bob Doris (Glasgow) (SNP): I have a point of information, which Mr Stewart was perhaps going to address. I am sure that he is about to highlight that there are difficulties with the thresholds and modifiers that are applied, but the £30,000 threshold is not an automatic cut-off. Medicines are approved at a far higher threshold than that—although perhaps not enough; I accept that point.

The Deputy Presiding Officer: I can reimburse David Stewart's time.

David Stewart: The member is quite right about modifiers and in the point that he made, which I was going to touch on.

NICE looked at extending the QALY system to ultra-orphan conditions, but ruled that out because it would require such a high level of assumptions that it would leave no confidence in the outcome of the process.

I was struck to find that there are more than 6,000 rare diseases, which affect one in 17 people. That is around 300,000 people in Scotland. Stephen Nutt, who gave evidence on rare diseases to the Health and Sport Committee in March 2012, said:

"we do not think that patients in Scotland currently have fair access to treatment."—*[Official Report, Health and Sport Committee*, 27 March 2012; c 2025.]

The key point that he stressed was that patients sought equity, not preferential access to treatment.

Ken Macintosh spoke about the PNH Alliance, which represents those who suffer from an ultra-rare bone marrow disease, which is another orphan condition. The key drug, which Ken Macintosh talked about, is Eculizumab, which can change life expectancy to normal from a median survival rate of 10 years. Last year, Lesley Loeliger from PNH Scotland told the Health and Sport Committee:

"In my health board area, five patients have been recommended for Eculizumab. Of the five, I have been granted funding but the other four have not been so fortunate. One gentleman was refused funding several times. When I spoke to him, he told me that all he wanted was a life. Sadly, he died the next day."—[*Official Report, Health and Sport Committee*, 27 March 2012; c 2026.]

I draw members' attention to sub-orphan diseases, such as underactive thyroid, which affects 15 in every 1,000 women in the UK. My committee is considering a petition on that condition, for which there is one recommended medicine—in relation to other options, either they are not licensed or there is not enough research to establish their long-term safety.

I ask the cabinet secretary to address the concern that, as we heard from Malcolm Chisholm, Scotland is in danger of losing its position at the forefront of clinical research. In particular, Scotland has gone down the league table for the provision of large-scale phase 3 commercial trials. The cabinet secretary knows well that those trials are crucial for the scientific community and for patients who participate in trials.

The debate has given us a useful reminder of the often-forgotten sufferers of orphan diseases, who feel that they are the Cinderellas of the health service. I welcome the Scottish Government's initiative in setting up the new rare conditions medicines fund. However, careful evaluation is needed over the three years of the fund's life to ensure that it works for those who suffer the most.

The Deputy Presiding Officer: Before I call Willie Coffey, I remind members that after his speech we will move to the closing speeches. I expect all members who participated in the debate to return to the chamber for the closing speeches.

16:16

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): In more than 20 years as an elected member trying to help local people with a variety of issues, I think that I can say that this issue has proved to be the most challenging, frustrating and heartbreaking of all.

When Janice and Alan Glasswell first came to see me at my surgery in Darvel, I had no idea of the battles that they faced. Janice faced a battle with cancer, but the family faced another battle—one with the system, to try to get treatment that they hoped would help. It was a battle to get basic information, to get explanations, to meet the people at the centre of the case and ultimately to

understand the reasons why the system rejected her application for the drug Cetuximab.

Even after Janice sadly died, and despite my best efforts, I could not understand why a person who, opinion suggested, might benefit from the drug was still refused it. None of us could understand the criteria that applied in the IPTR process. Nobody explained it, and the appeal did nothing to alter the outcome. There was clear clinical opinion in favour of giving Janice the treatment, but that was not enough. I still do not know why, and I suspect that to this day Alan Glasswell does not know either.

Many of the issues that made matters worse were not even clinical issues. They were about communication, getting simple explanations, being allowed to meet people and feeling that the system was trying to help rather than hinder. The family became medical research experts, looking for comparable cases to help their argument—and they found them. However, they should not have had to do any of that—so much of the family's remaining precious time together was taken up with that activity.

I am grateful to the cabinet secretary for personally meeting Mr and Mrs Glasswell during her illness. I am grateful that he listened to their story and took the action that I and many people hope will go a long way towards making sure that families do not have to face such circumstances again at a time when they are at their weakest and when they need most help.

The IPTR process is to go and will be replaced by a new system that will be clinically driven, will consider those medicines not yet approved by the SMC and will put the patients at the heart of the process, involving them in matters that affect their health. The decision on whether to grant a medicine will now be taken by clinicians who agree that benefit can derive from it, rather than people having to prove exceptionality, as happens at present. The Glasswell family found that perhaps the most torturous part of the experience was knowing that one clinician thought that the drug could help—only for them to be demoralised by refusal on the basis of something called "exceptionality".

One crucial element of any new system is this thing called "timeliness"—the need to conduct reviews and to come to decisions as quickly as possible.

As I understand it, the SMC's review, which is to be completed by Christmas, will look at cost-effectiveness and at what kind of cost thresholds, or QALYs, should be in place. Such a value-based pricing policy appears to have been dropped by the UK, to which overall powers in this area were reserved.

As the Health and Sport Committee recommends, whatever we do with the QALYs, we must ensure that we do not simply apply the same criteria and end up with the same outcome, which disregards clinical benefit. The committee's report and the witness evidence covered that issue, and I am pleased that the Scottish Government is to introduce a range of measures to make all the necessary improvements. Members have mentioned that the extension of the £20 million rare conditions medicines fund to 2016 will help many people who are suffering from cancer and other diseases for which medicines have not yet been approved. The cabinet secretary has acted positively to address those difficult situations.

It is important that any new system that we introduce is transparent and allows people to be held to account for the decisions that are made. An apparent lack of accountability was one of the main difficulties reported to me. Therefore, I hope that the additional £1 million that is being made available to assist with transparency will in some way involve HIS in its wider audit role, as well as helping to keep patients in the loop.

As we know, healthcare does not come cheap. It costs nearly £12 billion, which means that about a third of the entire Scottish Government budget is aimed at supporting our national health service. It is a service that we are proud of and one that we are determined to maintain and improve.

Ultimately, although a new system for providing access to new medicines will lead to yeses, sadly, it will still lead to some noes. The crucial element that has been missing until now is confidence—families such as the Glasswells had lost confidence in the previous system and they had to fight on another front, which they should not have had to do. We now have the chance to restore that confidence.

I think that we owe a debt of gratitude to the cabinet secretary, Alex Neil, not only for listening with sympathy and understanding to the plight of many families, but for acting when he was asked to do so. I think that he deserves our full support to make the new process one that we can all be proud of.

The Deputy Presiding Officer: We come to the closing speeches.

16:22

Jackson Carlaw: I begin by congratulating Duncan McNeil on the way in which he spoke to the motion and—as others have done—on the way in which he has convened the Health and Sport Committee and managed the evidence-hearing process. He said that the official reporters might get a bit lost with all the acronyms; he said that they would be bedazzled, bewitched and

bewildered by them. I am not sure that, at one point, Duncan McNeil did not drop in "AC/DC" among all the acronyms that he deployed.

That illustrates the fact that this is a complicated subject. It is also a very serious subject. As numerous members have said, there is a lot of detail, but I do not think that we need to be po-faced. I hope that I am not being unnaturally celebratory about the whole thing, but I approach the debate on the report and everything that has happened not as a cock-eyed optimist, but as a cold-eyed optimist. A lot of detail needs to be developed and established, but I think—I hope—that today is a landmark day. We must ask whether the many questions that members across the chamber have raised have been posed out of a suspicion that an end result may not arise from everything that has been announced today, or because we believe that there is a determination to arrive at an end result. It is the latter that I think that we can have confidence in.

When I was having a coffee, an aide texted me to say, "You've been far too kind to the cabinet secretary—yuck!" That sentiment has been ladled on by other members. The door into the chamber is wide, but I hope that the cabinet secretary can still fit through it at the end of the debate.

I think that Mr Findlay is going to remind me of that fact.

Neil Findlay: I think that one of the lessons that we can take from today is that when people at the grass roots tell us that there is a problem with a system or policy, we are duty-bound to listen and correct it.

Jackson Carlaw: I very much agree. Indeed, as Neil Findlay, Malcolm Chisholm, Christine Grahame and several other members have pointed out, the whole process began with petitioners raising the issue for us. From that, we got a far better understanding of the reality of what was happening and, as politicians, we had to confront that truth. Mr McDonald said that he was unique in being a member of the Health and Sport Committee and the Public Petitions Committee but I can assure him that Nanette Milne was bristling with impatience at that point, having also been a member of both when these matters were being discussed. However, although his experience might not have been unique, we can agree that Mr McDonald is and leave it at that.

I particularly liked two speeches in the debate. First, I was very impressed with Ken Macintosh's personalised speech, which detailed individuals' very practical experience and really spoke to the point that I tried to make, which is that we are living in an era of rapidly advancing technology, to which we must be able to respond quickly. We must not forget that every sufferer is an individual.

Mr Macintosh mentioned ipilimumab, and the effectiveness of the new PAC system will be determined by whether it improves patient access to innovative treatments. An early test of the system might lie in whether patients are able to access a new drug for melanoma. Ipilimumab is expected to receive a European licence next month for first-line treatment of patients with melanoma, having already been approved by the SMC for patients requiring second-line treatment. When the drug first received a licence in 2011 for patients who already received therapy, it represented the first advance in treating the disease in 30 years. Several of us attended an excellent briefing at which we met relations of those who suffered and died from that cancer but who had an extraordinary end-of-life improvement as a result of access to the drug through trials elsewhere. In fact, some using the drug survived well past the original expectations. Despite that, however, all 30 IPTR applications that clinicians made for the drug were turned down. We must not see history repeating itself over the coming months.

Christine Grahame said that some constituents were not told about the IPTR process. I think that some clinicians and GPs simply lost faith in the process. Indeed, some will say that they were told not to bother making an application, as a determination had already been made and there was no point. Such things must be overcome. Ms Grahame also made points similar to mine about the importance of knowing what is going to happen in the here and now, between today and the end of the year, to ensure that, after all the positive stuff that we have discussed today, people do not find themselves left in the wash.

Presiding Officer, you have given me an extra minute, which I was not expecting. I will conclude by saying that I was not unduly or unnecessarily ladling on the applause earlier. The Scottish Conservatives feel very passionate about what we believe to be a terribly important issue. We recognise—Christine Grahame was keen to nobble me on this point on the way out of the chamber—that there was no support for a cancer drugs fund either in the chamber or from those who gave evidence to the committee, but we still believe that the existence of such a fund in England meant that we in Scotland could not carry on without making a qualitative step forward. The cabinet secretary's qualitative step forward is full of promise and, as I said earlier, I do not believe that this announcement is designed to create a smokescreen from which genuine progress will not emerge. In supporting—as I believe we will—the cabinet secretary, the Parliament is empowering him to ensure that what he has announced today becomes a reality sooner rather than later.

16:29

Rhoda Grant (Highlands and Islands) (Lab): Like many others who have spoken this afternoon, I welcome the committee's report and the Government's response. However, as many have pointed out, the credit for these changes should go to the petitioners who petitioned the Parliament on the subject and the very many people who lobbied their MSPs and had the bravery to fight for others while their own lives were ending.

Nanette Milne and David Stewart paid tribute to Mike Gray and Tina McGeever, who started the campaign five years ago—a campaign that has been joined by so many. If, as Duncan McNeil said, three months is a lifetime to many people who are looking for the drugs, that tells us how many lifetimes have passed in the five years since we started discussing the matter and looking for solutions to the problem.

Decisions on access to medicines need to have empathy and compassion at their core and must be based firmly on clinical judgment and effectiveness. A system that depends on people's ability to pay flies in the face of an NHS that is free at the point of use. A system that depends on people being able to make the case for their treatment is equally wrong. Everyone, regardless of their wealth or ability to make their case, must be treated the same. We must have a system that is fair and transparent, which we can all sign up to.

Although, like others, I welcome the cabinet secretary's announcement, the devil is in the detail, as members have said, and I look forward to getting more information when it comes to hand. The test, as Malcolm Chisholm said, will be whether there are more yeses. However, they must be based on clinical assessment with the patient at the centre of the decision making.

Much of the discussion has surrounded access to cancer treatments, mainly because it is a field in which there are rapid changes in medication. As Malcolm Chisholm said, treatments are becoming more individualised and we can tell which medicines will be of benefit to individuals on the basis of their DNA. That means that the choices that we face may not be so tough, as clinicians can burrow down into whom the treatments will be effective for and whom they will benefit. It is not a case of making very expensive drugs available to everyone on a hit-and-miss basis; we can choose people for whom those drugs will be effective and make them available to them.

In order to do that, we must be able to test the effectiveness of the drugs on tumours, and that work is done only when there is a recognised SMC-approved drug treatment regime. If tumours are not tested against all available medicines, clinicians will not have the opportunity to look at alternative drug treatments or apply under the IPTR system. The cabinet secretary said that 40 per cent of applicants are turned down, but we do not know the figure for those who do not apply, perhaps because they do not have the information to enable them to talk about the efficacy of the treatment because it has not been carried out. Also, as others have said, it could be because they know that other applications that have been made have failed. We need to find a fairer process.

If we focused only on cancer treatments in the debate, that would do a disservice to many people out there who have life-threatening conditions. Many conditions that were life threatening in the past are now termed treatable chronic diseases because of medical intervention. As Gil Paterson said, we need to ensure that there is not two-tier access to treatments, whereby those with cancer go ahead of those with other conditions. We need a system that works for all treatments and diagnoses.

Many members have spoken about the cost of drugs for orphan and ultra-orphan diseases, which can be hugely expensive because there is little use for such medicines due to the rarity of the illnesses on which they impact. We may need a different funding formula that reflects that and ensures that those who suffer from those rare diseases are not discriminated against.

Malcolm Chisholm made the point that the fund is difficult to access. I hope that the cabinet secretary will consider improving how people access the fund in the short term. The £20 million per annum is welcome but, as he said, only £6.5 million was drawn down from that this year, which indicates that there may be a gap in how people can access the fund.

David Stewart mentioned that the QALY system does not work with rare diseases. Perhaps we need a quick review of the system to see how we can improve it in the short term until we come up with a long-lasting system that addresses all conditions.

There are also changes in medicines that are available for chronic diseases. Arthritis, for example, can be totally debilitating and have an enormous effect on a person's life, wellbeing and independence. In such cases we have to weigh the cost of the treatment against the value to not only the patient but society. I spoke to somebody who is looking for treatment for arthritis, which would have kept her independent and at work and stopped her being a burden to society—as she would have seen it—by needing full-time care and depending on benefits for the rest of her life. That cost did not seem to have been taken into account when the decision was made on whether she

could access the treatment. That is really important.

Availability of drugs is also an important issue. Recognised drug treatments do not always work for everyone. Lesser-known treatments are out there, but because they are not fully recognised it can be difficult sometimes to persuade clinicians to use them. When clinicians are persuaded, supplies are not readily available. All those issues need to be looked at in the round.

A number of people—Malcolm Chisholm and Nanette Milne were among them—mentioned access to drug trials. That should be talked about, because we lag behind in drug treatments and we are not seen as a preferred site for drug trials because we cannot compare new data with the most up-to-date treatment data available. We need to look at that and ensure that it does not become a problem.

I see that my time is running out, Presiding Officer. I welcome the debate and I hope that it will lead to a system in which we do not have to pay or lobby to get the treatment that we need. We look forward to seeing the detail of the proposals.

The Deputy Presiding Officer: I call Alex Neil. Cabinet secretary, I can give you up to nine minutes.

16:36

Alex Neil: I thank every member who has taken part in the debate, which has shown the Parliament very much at its best in responding to the needs of the people. We should remind ourselves that the shapes in the windows are not whisky bottles; the concept is that they are the people looking in on their Parliament to see whether we are responding to their needs. We have done that this afternoon.

I particularly thank those who mentioned me—Jackson Carlaw was extremely kind—but let me say that I have a first-class team in St Andrew's house, some of whom are sitting here in the civil service gallery. Without them, we would not be where we are today.

One of the key themes running through the debate, from all sides of the chamber, has been the need to spell out the detail much more, so let me make two pledges to the Parliament—well, three pledges really. First, in the time allotted to me—which includes an extra minute—I will try to answer as many of the questions that members posed in the debate as I possibly can. However, I will not be able to answer them all—we would be here until about 7 o'clock tonight if I was able to do that. We will go through the *Official Report* tomorrow morning and look at all the questions that have been posed by members; next week, we will place our responses in one document in SPICe, which members can access to see answers to the questions that we can answer at this stage. Obviously, there are some questions that we cannot answer yet.

The third pledge—I have made this pledge already to Duncan McNeil as committee convener—is that I will report regularly to the committee before six months are up. In my first report, which I hope will be at the end of November or beginning of December, I will advise the committee of progress on all fronts, so that we are absolutely sure across the chamber that we are all moving together on this and that the committee is fully informed and able to get the information that it needs to monitor our performance in implementing the policy decisions that we have taken.

Christine Grahame: I very much welcome the cabinet secretary's commitment, but I do not think that the public have access to SPICe. Many questions have been posed, so as far as the cabinet secretary is able to answer them in that timescale, it is very important to put the answers in a publicly accessible area—perhaps the Government's website—so that those who are interested in the debate, including the many beyond here, can see those answers for themselves.

Alex Neil: That would be no problem whatsoever—Christine Grahame makes a very good point, and we will do as she suggests.

I will try to answer as many questions as I can in the six minutes that I have left.

Christine Grahame raised the issue of what happens in the interim period. I have asked Sir Harry Burns, the chief medical officer, and Professor Bill Scott, the chief pharmacist, to provide the guidelines for the new PACS as a matter of urgency.

I stress the urgency: setting up the PACS is not a long-term but a short-term game, and the quicker that we get it set up, the better. We will issue interim guidance on the IPTRs; the single biggest difference between the IPTR system and the new PACS is that the former had to show exceptionality vis-à-vis the population measured by the SMC in considering the drug's approval, while the PACS criteria relate to the anticipated clinical outcome for the patient. That makes a difference not only to the decision itself, but to the way in which it is reached, as the process will be much more clinically led.

In our statement yesterday, we accepted the recommendations in Tina McGeever's original petition on the need to ensure that patients are properly informed at every stage of what their options are and how they can appeal a decision;

to improve the turn-around time for decisions, which we will monitor very closely; and to improve the NHS inform website so that patients and their carers, friends and GPs and others can very quickly find out what they can do to appeal and find their way around the system. We will implement all those detailed proposals. Taken together as a package, they represent a very substantive improvement in how the individual patient is dealt with in the appeal process.

We understand fully the need to implement the PACS guidance and to get the system set up quickly, and we will do that. I have directed the SMC to come back to me by Christmas at the latest on its review of the QALY thresholds—modifying the modifiers, if you like. I will stick to that timetable, because I honestly believe that we as a Parliament do not want to get into a position in which people who may be caught between the existing system and the new system pay a penalty because they are in the transition phase.

Duncan McNeil: How does the cabinet secretary expect to overcome that problem when those decisions will be constrained by the current modifiers and QALY thresholds during an interim period of up to three months?

Alex Neil: The SMC is a very intelligent organisation—it is aware of the Scottish Government's desire and policy intention, and I am sure that it will take that into consideration in the meantime.

What has happened this week is a very good example of the public interest in the matter. The publicity focused on the SMC's decisions in its latest round on three particular drugs. One was a lung cancer drug, which it approved. Another was a drug to reduce the craving for alcohol—we are the first country in the whole of Europe, not just the UK, to approve that particular drug. The third was a breast cancer drug, which was turned down.

First, I cannot comment on whether, under the new system, the SMC would have turned down or approved that particular drug. It would be wrong of me to make a clinical judgment in that respect, and I have no intention of doing so. The SMC may have approved it, or it may have paused, or got the drug through the patient access scheme, which it was not able to do before. A whole host of things might have happened under the new system that would not have happened under the existing system.

Secondly, even if that particular drug had been turned down under the new system, the understanding of the public, the wider medical world and the manufacturer regarding the reasons for that decision should now be much greater because of the increased transparency and openness. That is very important indeed.

As Willie Coffey rightly said, even under the new more flexible system, there will still be drugs that are turned down. However, if people at least know the reasons why new drugs are turned down—in much more detail than is the case today—there will, I hope, be greater public, political and media understanding about why such a decision was reached. That is an important part of the process.

Duncan McNeil: I appreciate the cabinet secretary's answer, but the issue whether, during the transitional period, drugs will be turned down under the new regime or the old regime has not been resolved. The cabinet secretary has said that he would expect the SMC to take into cognisance his current position. Has he made his current position clear to the SMC?

The Deputy Presiding Officer: Cabinet secretary, your time is nearly up.

Alex Neil: Let me say that I have absolutely, totally and unequivocally made my position clear to the SMC. Obviously, we will work with the SMC. The chairman of the SMC has made a public statement endorsing the statement that we made yesterday, so we are talking to people who are on our side on this issue. As I said earlier, the SMC is an intelligent and world-leading organisation and it recognises that the additional changes that I have outlined are required to make the system even more robust.

Unfortunately, that brings me to the end of my time. We will place in SPICe next week detailed responses, where we can, to the questions that have been raised but which I have not had time to answer today. Again, I thank members for their kind compliments.

16:46

Bob Doris (Glasgow) (SNP): It is a privilege to sum up the debate on behalf of the Health and Sport Committee. Let me begin by echoing the thanks that many members have given to all those who provided written and verbal evidence to our committee. I also thank the Cabinet Secretary for Health and Wellbeing, Alex Neil, and his team for their open, constructive and listening approach to the committee's work. Those sentiments were echoed by both Jackson Carlaw and Willie Coffey during the debate.

The Deputy Presiding Officer: Sorry, Mr Doris, can you move your microphone closer?

Bob Doris: Yes, of course.

The process by which Scotland's Parliament has dealt with the access to medicines issue perhaps demonstrates our Parliament at its best. From what we have heard, the cabinet secretary will need to ensure that the door is large enough to fit his head through when he leaves the chamber,

but I ask Mr Findlay not to leave the chamber at the same time. I thought that the tone of the speech from Mr Findlay, who leads for the Labour Party on health, shows that we have a real cross-party consensus to move forward on the issue together. I thank Mr Findlay for his speech. There is light and shade to Mr Findlay's speeches in this Parliament.

Neil Findlay: I will stand up to respond, but I may collapse after hearing that. I congratulate Mr Doris on giving me what I think is the first compliment that I have ever had from an SNP member.

Bob Doris: I will hold a sweepstake among the back benchers on how long it will be before Mr Findlay gets his second compliment. I will let him know who wins that.

On a more serious note, let us not forget that the Health and Sport Committee's report is a substantial body of work that, as the committee convener said, follows on from a number of petitions that the committee received via the parliamentary petitions system. Our findings are based on robust scrutiny and evidence.

Although our committee has not formally considered the Scottish Government's response to our recommendations, given that many of our recommendations seem to have been accepted by the Scottish Government, I am sure that—in general terms if not on all the specifics—committee members will welcome much of the cabinet secretary's response. Of course, as the cabinet secretary would expect, detailed scrutiny by our committee will follow. We will also look through the *Official Report* of today's debate to see how best to take matters forward as a committee.

On the SMC system more generally, in my view our inquiry's aim was not to fix a system that was broken but to improve a system for approval and access to medicines that was already considered world leading. Malcolm Chisholm also made that point. We looked at the quality-adjusted life year, which we have heard much about during today's debate. In paragraph 71 of our report, we said:

"No one argued that there was a better system than the QALY for assessing the value offered by competing treatments".

However, despite that assertion by our committee, the next three words in the quote, which is incomplete, are vital—they are "despite its limitations." The committee sought to move forward beyond those limitations, which is why we urged the Scottish Government to

"review as a matter of priority how modifiers and thresholds are applied to better take account of orphan and ultra-orphan conditions, end of life and innovation".

Of course we want the details of that review, but I am delighted to hear that the SMC has already started the process and that we expect a report back to the cabinet secretary before Christmas. The committee decided that the matter is pressing and I am glad that the Government appears to have moved speedily on it.

I want to raise the matter of modifiers and thresholds, because to focus only on the IPTR system would be to ignore a key issue in our inquiry, which is why the SMC was turning down certain medicines for approval in the first place. In my opinion, that led to the IPTR process being used as a backdoor approval mechanism, for which it was never designed.

In giving evidence to the committee, Eric Low of Myeloma UK repeatedly made the point—I am not quoting directly; rather, I am going from memory—that we need to design a system that gets more yeses by the SMC first time but in a fair and consistent manner. I believe that we will achieve that through the review of the QALY modifiers, combined with a number of other matters. The first of those is having a pause in the SMC process. In England, if it looks as though discussions between the pharmaceutical companies and NICE are not going to lead to a yes, there is a pause in the process to allow people to reconsider rather than take entrenched positions. That is a sensible proposal and I am glad that the Government is taking it forward. There are also recommendations, to which I will return if there is time, on taking a wider view of value and cost effectiveness in relation to approval of medicines in Scotland.

An issue that could have been controversial but which did not turn out to be because of the sensitive way in which our committee handled it was the matter of the cancer drugs fund in England and end-of-life conditions. I was going to read some quotes from the report but, because of time constraints, I will not do so. However, the committee unanimously ruled out a cancer drugs fund in Scotland. I pay tribute to Nanette Milne for sensitively handling the way in which we got to that cross-party consensus. Needless to say, the committee agreed that we should not single out any end-of-life condition but that we should instead improve our system in a fair, consistent and evidence-based manner. That is why the committee ruled out a cancer drugs fund.

I have spoken about the enhanced modifier for the SMC to take greater cognisance of end-of-life conditions. Of course, that is only part of the solution to dealing with end-of-life conditions and, in particular, cancer. As we have heard, no system will always say yes, so individual patient treatment requests become crucial. Paragraph 62 in our report makes a number of recommendations that

lean towards a national system of individual patient treatment requests, with a desire to move away from exceptionality, which has been mentioned. We believe that exceptionality was a flawed basis on which to move forward with patient treatment requests.

The cabinet secretary's response to those recommendations is perhaps to rip up the IPTR system, so the committee will now have to take a decision on the peer-approved clinical system. Intuitively, I am drawn towards that. In the debate, we have heard of a number of examples of clinicians saying that there was a strong evidence base for an end-of-life medicine and that it would make a material difference to their patient, yet the request was still refused. If the peer-approved clinical system does what it appears to say on the tin, that situation will become a thing of the past, which I warmly welcome. Of course, the committee will have to hold back on taking a position, to allow us to consider in more detail how the new approach will be rolled out.

As the convener, Duncan McNeil, did, I ask the cabinet secretary to consider the use of modifiers in the SMC process before the new system comes into place and to consider how area drug and therapeutics committees will view exceptionality in the transitional period until the peer-approved clinical system comes into place. My strong call—I do not have the convener's permission to make it, but I am sure that I speak with the committee's consent—is that we would expect every area drug and therapeutics committee to take cognisance of peer-approved clinical recommendations for drugs now and not to wait until the formal system comes into place. I think that I am on safe ground with the committee in saying that.

A delay can occur in medicines that the SMC has approved finding their way on to local formularies. On my reading of the cabinet secretary's response to the committee, that is one of the few instances when he is not on the same ground as the committee. The committee looked at the idea of making a national formulary available locally and making medicines available consistently and readily within the 30-day period that is set out. The cabinet secretary has given assurances about the speed with which medicines will be put on local formularies but has not necessarily accepted the idea of a national formulary. However, I note that the Scottish Government's response talked about

"the implementation of certain medicines of key clinical importance though discussion and agreement of the relevant specialists within NHSScotland to ensure ... outcomes for patients in all parts of Scotland are optimised",

which will be made available on a national basis outwith local formularies. That moves part of the way towards the committee's recommendation. The committee will of course have to look at that.

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

Bob Doris: In the time that is left, I will talk about value-based pricing. That has unravelled slightly—to be kind to the UK Government—but we should not dwell on that. We should look forward as a Parliament, a committee and a Government. We must capture better the value of medicines in Scotland. When we give a patient a medicine, that has a benefit. That patient might benefit—as one of my constituents could—by no longer being in a wheelchair. If that is the case, what are the savings to the local authority and to the NHS? What are the benefits to society? Right now, none of that is captured.

I am delighted that the cabinet secretary has indicated that we will move to a Scottish model of value to capture the value in what is cost effective, beneficial and desirable for society.

The Deputy Presiding Officer: Mr Doris, I need you to finish.

Bob Doris: I see this as a groundbreaking moment in how the Parliament and the Government address access to medicines. Like Jackson Carlaw, I think that what is proposed will endure and will make a substantial difference to our constituents' lives.

It is a pleasure to close the debate. I look forward to on-going scrutiny on behalf of and with the Health and Sport Committee.

Business Motion

The Deputy Presiding Officer (Elaine Smith): The next item of business is consideration of business motion S4M-07952, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, which sets out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Tuesday 29 October 2013	
2.00 pm	Time for Reflection
followed by	Parliamentary Bureau Motions
followed by	Topical Questions (if selected)
followed by	Stage 1 Debate: Landfill Tax (Scotland) Bill
followed by	Financial Resolution: Landfill Tax (Scotland) Bill
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business
Wednesday 30 October 2013	
2.00 pm	Parliamentary Bureau Motions
followed by	Portfolio Questions Justice and the Law Officers; Rural Affairs and the Environment
followed by	Infrastructure and Capital Investment Committee Debate: Inquiry into Community Transport
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business
Thursday 31 October 2013	
11.40 am	Parliamentary Bureau Motions
11.40 am	General Questions
12.00 pm	First Minister's Questions
12.30 pm	Members' Business
2.30 pm	Parliamentary Bureau Motions
2.30 pm	Scottish Government Debate: Play Strategy Action Plan
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
Tuesday 5 November 2013	
2.00 pm	Time for Reflection
followed by	Parliamentary Bureau Motions
followed by	Topical Questions (if selected)
followed by	Scottish Government Business
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business
Wednesday 6 November 2013	
2.00 pm	Parliamentary Bureau Motions
2.00 pm	Portfolio Questions Health and Wellbeing
followed by	Scottish Government Business
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business
Thursday 7 November 2013	
11.40 am	Parliamentary Bureau Motions
11.40 am	General Questions
12.00 pm	First Minister's Questions
12.30 pm	Members' Business
2.30 pm	Parliamentary Bureau Motions
2.30 pm	Scottish Government Business
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time—[*Joe FitzPatrick*.]

16:58

Paul Martin (Glasgow Provan) (Lab): On the Scottish Labour Party's behalf, I oppose the business motion in the name of Joe FitzPatrick on behalf of the Parliamentary Bureau.

At a bureau meeting, I requested on the Labour Party's behalf a statement on a number of questions that remain unanswered in connection with the Glasgow airport rail link. The Scottish Government has confirmed that it has no intention of agreeing to a statement and it appears to have nothing further to say on the matter. It is a sad day in Parliament if the Government cancels a project at a cost of £30 million to the public purse and does not believe that it has a responsibility to answer to the Parliament.

All of us agree that the Parliament hears many statements. Many of us have views on whether those statements have been effective at providing answers from the Government. Afterwards, it is for all of us—including the public—to make judgments on the statements. The Government has not proposed to answer to us on this occasion. The only conclusion that we can reach in that respect is that the Scottish Government has something to

hide and is not willing to come to Parliament—[*Interruption*.]

The Deputy Presiding Officer: Order, please.

Paul Martin: It has nothing to say. It does not want to come forward and it has something to hide. I oppose the business motion in the name of Joe FitzPatrick.

17:00

The Minister for Parliamentary Business (Joe FitzPatrick): I am frustrated that the Labour Party feels it necessary to bring this to the chamber and to oppose business. The Scottish Government has been up front about the costs and savings of the cancellation of the Glasgow airport rail link since September 2009. The information is already in the public domain. The Labour Party is more than aware of the many procedures that allow it to hold the Government to account and I would urge it to use those procedures.

In addition, it is entirely within Labour's gift to use its debating time to debate whatever takes its fancy. Perhaps the Labour Party might like to consider spending some of its debating time defending its plans for a bridge to Ireland, as outlined by Anne McTaggart. More seriously, it might like to spend some of its time defending its position on tolls on the Forth bridge and the new Queensferry crossing, which Arthur Midwinter suggested is under consideration by Labour's cuts commission. The Labour Party really needs to get a grip.

The Deputy Presiding Officer: The question is, that motion S4M-07952, in the name of Joe FitzPatrick, be agreed to. Are we agreed?

Members: No.

The Deputy Presiding Officer: There will be a division.

For

Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
Allard, Christian (North East Scotland) (SNP)
Beattie, Colin (Midlothian North and Musselburgh) (SNP)
Biagi, Marco (Edinburgh Central) (SNP)
Brown, Gavin (Lothian) (Con)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Burgess, Margaret (Cunninghame South) (SNP)
Campbell, Aileen (Clydesdale) (SNP)
Campbell, Roderick (North East Fife) (SNP)
Carlaw, Jackson (West Scotland) (Con)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Constance, Angela (Almond Valley) (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)
Dornan, James (Glasgow Cathcart) (SNP)
Ewing, Annabelle (Mid Scotland and Fife) (SNP)
Ewing, Fergus (Inverness and Nairn) (SNP)
Fabiani, Linda (East Kilbride) (SNP)
Finnie, John (Highlands and Islands) (Ind)
FitzPatrick, Joe (Dundee City West) (SNP)
Gibson, Kenneth (Cunninghame North) (SNP)
Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Hyslop, Fiona (Linlithgow) (SNP)
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
Johnstone, Alex (North East Scotland) (Con)
Keir, Colin (Edinburgh Western) (SNP)
Kidd, Bill (Glasgow Anniesland) (SNP)
Lochhead, Richard (Moray) (SNP)
Lyle, Richard (Central Scotland) (SNP)
MacAskill, Kenny (Edinburgh Eastern) (SNP)
MacDonald, Angus (Falkirk East) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Mackay, Derek (Renfrewshire North and West) (SNP)
MacKenzie, Mike (Highlands and Islands) (SNP)
Mason, John (Glasgow Shettleston) (SNP)
Matheson, Michael (Falkirk West) (SNP)
McAlpine, Joan (South Scotland) (SNP)
McArthur, Liam (Orkney Islands) (LD)
McDonald, Mark (Aberdeen Donside) (SNP)
McGrigor, Jamie (Highlands and Islands) (Con)
McInnes, Alison (North East Scotland) (LD)
McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
McLeod, Aileen (South Scotland) (SNP)
McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
McMillan, Stuart (West Scotland) (SNP)
Milne, Nanette (North East Scotland) (Con)
Neil, Alex (Airdrie and Shotts) (SNP)
Paterson, Gil (Clydebank and Milngavie) (SNP)
Robertson, Dennis (Aberdeenshire West) (SNP)
Russell, Michael (Argyll and Bute) (SNP)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, John (Ayr) (Con)
Smith, Liz (Mid Scotland and Fife) (Con)
Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Sturgeon, Nicola (Glasgow Southside) (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)

Against

Baker, Claire (Mid Scotland and Fife) (Lab)
Baker, Richard (North East Scotland) (Lab)
Boyack, Sarah (Lothian) (Lab)
Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
Dugdale, Kezia (Lothian) (Lab)
Fee, Mary (West Scotland) (Lab)
Findlay, Neil (Lothian) (Lab)
Grant, Rhoda (Highlands and Islands) (Lab)
Griffin, Mark (Central Scotland) (Lab)
Harvie, Patrick (Glasgow) (Green)
Johnstone, Alison (Lothian) (Green)
Lamont, Johann (Glasgow Pollok) (Lab)
Macdonald, Lewis (North East Scotland) (Lab)
Macintosh, Ken (Eastwood) (Lab)
Malik, Hanzala (Glasgow) (Lab)
Marra, Jenny (North East Scotland) (Lab)
Martin, Paul (Glasgow Provan) (Lab)
McCulloch, Margaret (Central Scotland) (Lab)
McDougall, Margaret (West Scotland) (Lab)
McMahon, Michael (Uddingston and Bellshill) (Lab)
McNeil, Duncan (Greenock and Inverclyde) (Lab)

Murray, Elaine (Dumfriesshire) (Lab)
Smith, Drew (Glasgow) (Lab)
Stewart, David (Highlands and Islands) (Lab)

The Deputy Presiding Officer: The result of the division is: For 66, Against 24, Abstentions 0.

Motion agreed to.

Parliamentary Bureau Motions

17:02

The Deputy Presiding Officer (Elaine Smith): The next item of business is consideration of three Parliamentary Bureau motions. I ask Joe FitzPatrick to move motions S4M-07954 and S4M-07955, on approval of Scottish statutory instruments; and motion S4M-07956, on the designation of a lead committee.

Motions moved,

That the Parliament agrees that the Glasgow Commonwealth Games (Trading and Advertising) (Scotland) Regulations 2013 [draft] be approved.

That the Parliament agrees that the National Health Service (Cross-Border Health Care) (Scotland) Regulations 2013 [draft] be approved.

That the Parliament agrees that the Infrastructure and Capital Investment Committee be designated as the lead committee in consideration of the Procurement Reform (Scotland) Bill at stage 1.—[Joe FitzPatrick.]

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

Decision Time

17:03

The Deputy Presiding Officer (Elaine Smith): There are three questions to be put as a result of today's business. The first question is, that motion S4M-07954, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the Glasgow Commonwealth Games (Trading and Advertising) (Scotland) Regulations 2013 [draft] be approved.

The Deputy Presiding Officer: The next question is, that motion S4M-07955, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the National Health Service (Cross-Border Health Care) (Scotland) Regulations 2013 [draft] be approved.

The Deputy Presiding Officer: The next question is, that motion S4M-07956, 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 Infrastructure and Capital Investment Committee be designated as the lead committee in consideration of the Procurement Reform (Scotland) Bill at stage 1.

Perth to Edinburgh Direct Rail Link

The Deputy Presiding Officer (John Scott): The final item of business is a members' business debate on motion S4M-07166, in the name of Liz Smith, on a direct rail link between Perth and Edinburgh. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes calls to investigate the possibility of reopening of the direct rail link between Perth and Edinburgh; understands that the 22-mile link was closed in the 1970s to make way for the M90 but that a large section of the original line remains largely intact; believes that reopening a direct rail link would provide additional capacity; further believes that it would reduce journey times between Edinburgh and Perth by around 35 minutes, reduce onward travel times to Aberdeen and Inverness and be of service to what it sees as the growing communities in Perthshire and Kinross-shire and in Fife; notes that, in 2009, Transport Scotland included the construction of a railway line between Inverkeithing and Halbeath as one of the 29 transport projects and programmes identified in its strategic transport projects review as possible investment priorities; notes the calls for a new feasibility study for these services to be commissioned, and believes that a direct rail link between Perth and Edinburgh would help deliver a transport system that works for the 21st century with the modern infrastructure that it considers essential to help improve people's lives and support businesses.

17:04

Liz Smith (Mid Scotland and Fife) (Con): First, I thank the Presiding Officer for allowing me the parliamentary time to debate this important matter. I say at the outset that the Scottish Conservatives are very conscious indeed of the likely financial and construction implications of such a project. They are significant, but so too are the substantial costs of not upgrading one of the main rail arteries in the United Kingdom, never mind in Scotland.

The direct rail route from Edinburgh to Perth via Dunfermline, Kinross and Glenfarg was closed in 1970 to make way for the M90 motorway. At the time, many saw that as a short-sighted decision because it meant that inter-city rail travellers would face journey times that were significantly longer than the road alternative, and longer than comparable inter-city routes elsewhere. Originally, most of the Edinburgh to Perth and Inverness trains were diverted via Stirling, but now most run via Ladybank. That situation has seen rail travel become increasingly uncompetitive with road, and left the rail journey from Edinburgh to Perth slower than it was 100 years ago.

The AA's route planner estimates a car journey time of just 59 minutes, compared to a 2013 rail average of 1 hour 22 minutes. It does not compare favourably with similar routes. For example,

Swansea to Cardiff by rail, which is an identical distance, takes less than one hour and a similar journey on the continent, such as that between Ghent and Brussels, takes just 30 minutes.

It has been estimated that the reinstatement of a direct link would reduce journey times from Edinburgh to Perth and onward journeys to Inverness and Aberdeen by up to 35 minutes. The re-opening of a direct line would not only allow the creation of a key hub on the inter-city network at Perth and its iconic station, it would also provide the opportunity for the creation of new stations to better serve the kingdom of Fife and Perthshire and Kinross-shire, where there is to be very considerable population growth. Indeed, it was partly for that reason that Transport Scotland in 2009 included the possible construction of a railway link between Inverkeithing and Halbeath as one of the 29 transport projects and programmes identified in its strategic transport projects review.

The history surrounding the closure of the line is well documented. However, like the recent success of re-opened lines such as the Stirling-Alloa-Kincardine rail link and the soon to be reopened Borders rail link, a direct link to Perth would provide many benefits for modern Scottish infrastructure.

Since I was elected as an MSP for Mid Scotland and Fife in 2007, the reopening of a direct line has been raised with me many times. On the back of a number of local surveys—the most recent one has attracted hundreds of supporters—I approached Transform Scotland and the Scottish Government to ask for a new feasibility study to weigh up the costs and benefits. I am conscious that I lack the technical and engineering expertise that is required to examine in detail what might be built and where, but I am extremely grateful to the Transform Scotland consultants who have advised on certain key issues. Their deliberations were based upon the very detailed discussions that they had with Transport Scotland civil servants, and the pressing need, they believe, to develop more scope and ambition within the strategic transport review.

It is not as though the Scottish Government has not considered the issue. When the Minister for Transport and Veterans was the Scottish National Party candidate in Ochil, he was a keen supporter of the reopening of Kinross station. Within the 2009 strategic transport projects review, the Scottish Government undertook to look at the possibility of building a new railway between Inverkeithing and Bridge of Earn. At the time, the Government concluded that the cost was too great, but clearly the demographic, social and economic profile of the region has continued to change, and Transform Scotland points out that the 2009 review did not properly analyse the benefits of an electrified railway, assess the merits of a new railway from Halbeath to Bridge of Earn, which would allow Dunfermline to benefit from the project, evaluate the full benefits of the park-and-ride station at Kinross, which now serves a much wider catchment, or undertake sufficient analysis of the benefits to Dundee, Aberdeen and the north-east, as well as the potential better connectivity to Inverness.

I mentioned that there has been very considerable public support for this project for a number of years, including from many businesses who are firm in their belief in the potential economic boost from improved connectivity. Perthshire Chamber of Commerce has consistently put on the record its support for the proposal, arguing that it could be one of the single biggest benefits to the local economy. The areas of Scotland that will have the fastest-growing populations over the next three decades include Perthshire, Kinross-shire and Fife. Indeed, the population in Perthshire is predicted to increase by 27 per cent over the next 20 years. Meanwhile, the commuter influence on Edinburgh continues to grow at a fast rate, especially among those who work on the western edges around the Gyle and who are very likely indeed to make maximum use of train transport.

Notwithstanding that there will be a new Forth crossing, there are already pressures on roads from increasing car and HGV traffic, and some major businesses in central Scotland have raised concerns that a relatively weak inter-city rail network hampers on-going freight journeys. That is not good and it goes against the commitment that the First Minister gave in *The Herald* in August 2008 when he said, rightly, that

"railways must at least compete with roads."

He was adamant then that top-quality rail transport links were essential to a modern Scotland that will also deliver on its green credentials.

As Scotland's newest city, Perth is very much looking to the future to secure new investment and re-establish its historic place at the centre of Scottish trading routes. I understand that the minister might, indeed, be considering the possibility of a new feasibility study to establish the true costs and benefits of a new route. I hope that such a study can be as comprehensive as possible when it comes to overall strategic transport planning and that it would specifically examine the possible effects of the electrification of a new direct line from Inverkeithing to Perth, the benefits of shorter journey times and the possible economic and social benefits to the north-east and the Highlands.

The Scottish Government has a good record of looking at new rail developments in the central

belt, but I would argue strongly, particularly given the very strong public support that we have received and the technical expertise provided by Transform Scotland, that a new feasibility study is the best way forward to establish what I believe would be a very strong outcome that would prove that the benefits would considerably outweigh the costs, for not just Mid Scotland and Fife, but the rest of Scotland.

I thank members for their support in signing the motion and I thank you again, Presiding Officer, for affording me the time to address the motion. I look forward to hearing what members have to say.

17:11

Roderick Campbell (North East Fife) (SNP): First, I thank Liz Smith for securing the debate and giving us the opportunity to discuss a direct rail link between Perth and Edinburgh. Liz Smith has, not unexpectedly, made a powerful case for a new direct link.

I, for one, am not surprised that the mere hint of the reopening of a railway line proves to be popular with local communities. Rail services play a vital role in connecting people and businesses across the whole of Scotland. We all know that rail travel is an excellent way for communities to reduce their carbon footprint. We also all know that many journeys are being made by car because there is a lack of alternative or more sustainable options. It is clear from the growth in passenger numbers on railways across Scotland that there is strong demand, which can only increase with the expansion of our rail network.

I believe that the reinstatement and creation of rail lines, when coupled with an enhanced station network, can provide valuable economic and social benefits to all. Investment in the rail infrastructure of Mid Scotland and Fife is therefore to be welcomed. Clearly, however, we need to ensure that Scotland's railways are able to compete with the parallel road routes. I know that there are a number of worthy initiatives to improve rail links in the central belt, but we need to ensure that such ambition is shown for routes beyond the central belt, which, when compared with other parts of Scotland, seems already to be well served and connected.

Nevertheless, I have some concerns about the potential implications for north-east Fife of a new direct link between Edinburgh and Perth that would bypass Ladybank and Markinch—in the neighbouring constituency—which are both popular commuter hubs for onward travel to Edinburgh and Perth for residents in my constituency. Such a route would undoubtedly have a knock-on effect on the communities that the stations in Ladybank and Markinch serve. Those two stations play a vital role that is clearly valued by those who live in the area. That is evidenced by the volume of commuters who use both stations, which benefit from being on the Aberdeen to Edinburgh and Inverness-Perth-Edinburgh lines.

We need to ensure that supporting transport infrastructure in one part of the country is not detrimental to those living in another part of the country, because the purpose of public transport is to connect communities, rather than bypass them completely. I am concerned that if there is a new link between Perth and Edinburgh, residents of north-east Fife could miss out if appropriate investment is not made in the rail infrastructure in my part of the world.

I draw members' attention to the work undertaken by the Newburgh train station campaign and Starlink in St Andrews as examples of the demand for new stations and investment in public transport. Both are very worthy campaigns to establish rail links to Newburgh and St Andrews and both campaign groups are working tirelessly to try to achieve their aims. They have shown great initiative in engaging with transport experts to assess the possibilities of reopening and re-establishing railway links to those communities, as well as in lobbying various public bodies. I acknowledge their efforts and I urge both Transport Scotland and the Scottish Government to give appropriate consideration to their cases.

As I said, I recognise Liz Smith's case, but I believe that the Scottish Government has a strong record in investing in rail so that communities are supported and connected, as well as in aiding them to reduce car use. I hope that the Government will fully assess the potential of rail links that could be created that would benefit all.

I thank Liz Smith once again for the opportunity to discuss the matter, and I welcome the debate.

17:15

Mark Griffin (Central Scotland) (Lab): I welcome the opportunity to participate in this debate on a potential rail link connecting Perth with Edinburgh. I congratulate Liz Smith on securing the debate, which is clearly on a matter of concern to her constituents.

In the 21st century, it is vital that people throughout Scotland benefit from a modern and efficient rail service that links cities such as Perth with the capital in the timeliest manner possible. Labour has argued that the upgrading of our rail network is vital not only to provide jobs, to support businesses and to pursue economic expansion, but to improve the vital links that Edinburgh and Glasgow have with smaller cities and towns, and

to reduce the number of people who feel that it is necessary consistently to choose their car rather than the train or other forms of public transport.

With those objectives in mind, it is of concern that the transport alliance Transform Scotland highlights that journey times by train from Perth to Edinburgh are longer now than they were 100 years ago, with journeys between the two cities averaging about 80 minutes.

The loss of the direct link in 1970 must have been a blow to the local area, and if it was reinstated it would certainly reduce journey times considerably. As the motion states, a direct link would be likely to provide improved services for people who live in places such as Kinross, Dunfermline, Cowdenbeath and Rosyth—places where, as in Perth, population growth is predicted over the next 25 years, as was mentioned earlier.

Mary Scanlon (Highlands and Islands) (Con): I remind Mark Griffin that it is not just people in Kinross and Dunfermline, or indeed Markinch and Ladybank, who would benefit, because the train from Inverness goes all the way round the Fife loop. Only one train a day goes via Stirling and Falkirk, and journeys on that train are 25 minutes quicker than journeys on the trains that go round Fife. The proposal would benefit travellers from Inverness, too.

Mark Griffin: I take that on board. I recognise that population growth is expected in the Inverness area as well, which will only increase demand for services.

It is important that the Scottish Government does all that it can do to improve our rail network, but I have been concerned about its commitment to doing that in recent years. Having initially welcomed the roll-out of the Edinburgh to Glasgow improvement programme across central Scotland, I was left disappointed—along with the Confederation of British Industry and transport organisations—when the Scottish Government slashed the ambitious programme by £350 million under the guise of phasing. The proposed increase in trains per hour was stopped, improvements to Croy station were rejected, the important plans for the Garngad chord were scrapped, and the Dalmeny chord was cancelled, which could lead to significant costs to the taxpayer and disruption to the travelling public across central Scotland when the Winchburgh tunnel closes for electrification work.

I congratulate Liz Smith again on bringing her motion to the chamber for debate. It is clear that people in Mid Scotland and Fife and further afield would benefit from a direct rail link between Perth and Edinburgh, and I look forward to hearing the Government's response.

17:19

Annabelle Ewing (Mid Scotland and Fife) (SNP): I, too, begin by congratulating Liz Smith on securing the debate. She has successfully identified a frustration that is felt by many of us who travel, or have attempted to travel, by rail between Perth and Edinburgh—a frustration that has been experienced through many decades.

I say at the outset that there would be clear benefits for commuters, business travellers and tourists in more effectively connecting the capital city with the fair city of Perth and points north. Ms Smith has been successful in securing for herself a number of headlines on the issue in the local press, but I have to say that they have not all been positive. Indeed, two days ago, a story appeared in *The Courier* under the banner:

"'Completely mad' rail call slated".

I note that Willie Rennie has signed the motion that we are debating. It is sad, therefore, that no Liberals are in the chamber to participate in the debate. I mention that because "Completely mad" is a quotation from his party's Kinross-shire councillor and Liberal candidate in the Perthshire South and Kinross-shire constituency in the most recent Scottish Parliament elections, Willie Robertson.

I mention the apparent divergence of view in the coalition parties to highlight that restoration of a direct link, however desirable, is not at all straightforward. As we heard, the line was closed in the 1970s, but it is not like the many lines that fell victim to Dr Beeching's mad-axe policy; it is not lying dormant, just waiting to be reopened. Rather, much of the route now lies beneath the M90 motorway, and other parts have been built on. People's homes are a reality on not-insignificant sections of the route. Therefore, we are talking not about a direct route, but a circuitous route. That is an important point to bear in mind as we debate this important subject.

The motion claims:

"a large section of the original line remains largely intact".

That might be true. I simply do not have the evidence and the hard facts to make such a judgment. However, even if we assume that that is the case, we nonetheless need a clear idea of how that section will link to the rest of the network.

Liz Smith: I thank Annabelle Ewing for her comments. She is quite right to point to the issue. What I am asking for is a feasibility study, which would weigh up the respective costs and benefits. I am not specifying exactly where the line should be.

Annabelle Ewing: I thank Liz Smith; I heard her make that plea in her speech. I think that an

appraisal was carried out in the not-too-distant past.

Liz Smith raised the important issue of cost, to which I was about to turn. The forging of better links is not impossible or undesirable, but elected representatives—particularly those who have the privilege of representing constituencies in Mid Scotland and Fife—must be realistic about the possibilities. We should not talk about opening a "direct link", because the link has gone; we should talk about investigating ways of making concrete progress on all the important issues that have been raised, in the short and medium terms.

Of course, cost is an important issue. It appears that the project could cost between £500 million and £1 billion. Where would the money come from? The Tory-Liberal coalition in London has cut Scotland's capital budget by some 26 per cent. If we are to talk about the project, we must say where the money would come from. I hope that it would not be a question of taking money away from the important A9 dualling project.

In that context, I will mention the Edinburgh trams project. The SNP Government, in minority in 2007, was voted down on the issue. We did not want to waste £500 million of taxpayers' hard-earned money on the trams project. However, we are where we are.

I would like the minister to acknowledge that the Government is conscious of the demand for improved journey times, particularly on the Edinburgh to Perth route, and that it will consider ways of improving connectivity.

We have to be realistic about what we can do in this Parliament, in terms of finance and logistics. Of course, if we were an independent country with control over all our resources, we could proceed in a much more feasible way with complex capital infrastructure projects of the type that we are debating.

17:24

The Minister for Transport and Veterans (Keith Brown): Presiding Officer, thank you for the opportunity to close the debate.

We have heard members' views on the high-level benefits of a direct rail link between Perth and Inverkeithing, but it is important to bear in mind that more than a quarter of our capital budget has been cut since 2010-11, as the previous speaker said. It must be recognised that such a cut impacts on what the Government can do through capital investment, particularly under the current devolution settlement.

In spite of that cut, the Scottish Government is committed to delivering the recommendations of the 2008 strategic transport projects review, including the Inverkeithing to Halbeath line, which Liz Smith mentioned. That will deliver journey time savings for the Edinburgh to Perth route, albeit to a lesser degree but for a fraction of the cost of a direct link between Perth and Inverkeithing.

On the cost, I note that Liz Smith acknowledged the high financial and construction cost at the start of her speech. The estimates that I have seen suggest a cost of anything between £0.5 billion and £1 billion for the project.

It is a fact that the 2008 strategic transport projects review undertook a study into the matter and found that the Perth to Inverkeithing proposal did not represent the best value for the taxpayer. That said, ministers are always willing to consider rail interventions outwith the STPR recommendations where a positive case can be made and, of course, if they follow the Scottish transport appraisal guidance.

I was happy to discuss the proposal with Transform Scotland in March this year. As Liz Smith mentioned, officials have discussed Transform Scotland's proposal with it, and will continue to do so. Officials have also recommended to Transform Scotland that it should approach the relevant regional transport partnerships—the south east of Scotland transport partnership and the Tayside and central Scotland transport partnership, with interest from the Highlands and Islands transport partnership and the north east of Scotland transport partnership, obviously—to discuss a new study that incorporates all possible transport solutions, not just rail, in line with the Scottish transport appraisal guidance process.

Generally, our commitment to our railways is reflected in the ambitious £5 billion package of funding and investment until 2019, which will support improvements to the infrastructure and services right across the network, including substantial improvements to the Highland main line and the Aberdeen to Inverness line.

We have heard that the Government has been instrumental in reversing a number of the Beeching-era cuts and has moved Scotland back to something approaching a golden age of rail. Last year, there were 83 million rail journeys in Scotland, which is a record high. Since 2007, we have invested more than £8.3 billion in transport. We have reopened the Stirling-Alloa-Kincardine line, which Liz Smith mentioned and which I was involved in proposing as the council leader in Clackmannanshire at the time. We have also reopened the Airdrie to Bathgate line. Both lines have been a great success. As has been said, the Borders railway will restore the link between our capital and the Borders by 2015. Furthermore, phase 1 of the Highland main line project provided two additional services daily as well as journey

time savings of up to 18 minutes, which have directly benefited the people of Perth.

Timetable improvements in 2008, 2011 and 2012 have delivered additional calls and services on the Edinburgh-Perth-Aberdeen corridor. That shows our commitment to delivering improved journey times and connections, as I specified in last year's high-level output specification.

Mary Scanlon: Will the minister give way?

Keith Brown: If I have time at the end of my speech, I will come back to Mary Scanlon.

Those improvements have helped us to deliver sustainable economic growth. Obviously, having those connections is vital to the economy.

As members may know, work is under way on refurbishing the rolling stock on the Edinburgh via Fife to Dundee, Perth and Aberdeen routes to make passenger journeys more comfortable. Wi-fi and appropriate modern facilities will be available on all the class 170 trains that are used to connect Scotland's cities.

On Mark Griffin's point about journey times being longer than they were 100 years ago, quite a lot has happened in those 100 years, including the Beeching cuts, which we have talked about. I certainly know that cities in the north of England in particular are very envious of the Scottish Government's record in reversing some of the Beeching cuts. However, we must have an eye on the moneys that are available.

The STPR was the right way to go about assessing the proposal. There was a nationwide, multimodal and evidence-based review that ruled it out on the ground of poor value to the taxpayer, as I have said. Therefore, we have had the feasibility study that Liz Smith calls for. It is there and it is evidence based; I have also mentioned that there is another route through the regional transport partnerships to have further work done.

We are as committed to improving services for the people of Perth and Fife as we are to improving services across the network. Phase 2 of the improvements to the Highland main line will deliver greater capacity and faster journey times. That will help to improve connectivity for passengers and businesses.

Network Rail is developing proposals for the Aberdeen to central belt rail enhancements project for future delivery. That project could increase capacity and produce further journey time savings in the Perth and Fife area.

We have announced the £60 million network improvement fund, which will be available to support the funding of infrastructure works across the network, in line with the Scottish ministers' strategic priorities, which include improved journey times, connectivity and resilience. Liz Smith mentioned the possibility of taking traffic from road to rail. The study that was done showed that that would amount to a shift of 1 per cent of current traffic. That is not insignificant, but perhaps it does not represent the savings or the modal shift that we would want.

In addition, future phases of our electrification programme will include electrification of routes between Edinburgh, Perth and Dundee, Dunblane to Aberdeen, and Perth to Inverness. We also have the specification for the next ScotRail franchise, which will come in the next 18 months or so. The specification underlines the Government's commitment to providing enhanced rail services across Scotland, which will perhaps be more obvious when we issue it and the invitation to tender. By providing the longer franchise, which we asked for, we will look for bidders to provide innovative enhancements to train services that could be of benefit to passengers in the Perth and Fife area, although that is clearly a matter for bidders.

Mary Scanlon: As part of those innovative enhancements, while all those people in England sit and look enviously at our record and at the millions that are going into rail investment, why is it that my train journey from Inverness to Edinburgh is three hours and 40 minutes each way—exactly the same as it was when I came to the Parliament in May 1999?

Keith Brown: I have answered that question by pointing to some of the cuts that we have seen. However, we have reversed many of the cuts. The Borders rail link is a classic example, and the Stirling-Alloa-Kincardine line was closed for 40 years. We have to deal with the railways that we inherited from previous Administrations.

Perhaps Mary Scanlon should ask those who represented the previous Administration in Scotland—she could also formally ask the UK Government—why further improvements have not been made. We have to have regard to the moneys that are available. If she was serious about the issue, she could perhaps identify where the £0.5 billion to £1 billion would come from to do the project. It is not credible to make demands without saying where the money would come from.

Despite what some say, we are rising to the challenge of those budgetary constraints, which have been imposed by the Government that Mary Scanlon supports. Does she support the 26 per cent cut in our capital budget? If so, how does she square that with the ever-increasing demands that she makes on services provided by the Scottish Government?

We have demonstrated that we are committed to improving Scotland's railways for the benefit of

people across Scotland. I again thank Liz Smith for bringing the debate to the chamber.

Meeting closed at 17:32.

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