



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 20 February 2014

Session 4

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Scottish Parliament

Thursday 20 February 2014

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

General Question Time

Rail Services (Reston and East Linton)

1. John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): To ask the Scottish Government whether it supports the restoration of train services to the Reston and East Linton stations. (S4O-02917)

The Minister for Transport and Veterans (Keith Brown): The Scottish Government supports the restoration of train services to the Reston and East Linton stations. The invitation to tender for the next ScotRail franchise requires bidders to provide proposals to increase services between Edinburgh and Berwick-upon-Tweed and Newcastle, serving potential new stations at Reston and East Linton.

John Lamont: An additional study has been produced that sets out the improved business case that the minister sought for Reston and East Linton and, as the minister has said, Transport Scotland has stated that any companies bidding for the new ScotRail franchise will need to consider new stations at those locations. However, given the lack of a categorical statement from the Scottish National Party Government that it will provide additional funding to support these projects, will the minister say whether the Scottish Government gives its full support for them both in words and in money?

Keith Brown: I am very surprised by the tone of John Lamont's question. We have made our support very clear. We have helped with the study and have put the priced options into the tender, which also shows our intent. It might cost £2 million a year to provide these services. We have also pointed out that the relevant parties can bid into the Scottish stations investment fund.

That is the stage that we have reached. Those who want the stations now have to take the initiative, and we have said that this proposal will be taken forward on the basis of, among other things, the contribution from third parties. There is no lack of commitment from the Scottish Government on this matter. We are waiting for the relevant parties to come forward with their proposals, which they will be able to do on the back of the study that has been carried out and which we have supported, and we are very keen to see what those parties come up with.

Scottish Welfare Fund

2. Jackie Baillie (Dumbarton) (Lab): To ask the Scottish Government how much funding has been distributed by the Scottish welfare fund in its first six months of operation. (S4O-02918)

The Minister for Housing and Welfare (Margaret Burgess): Official statistics on the Scottish welfare fund that were published on 11 February show that local authorities paid out £9.2 million in awards from the fund in its first six months of operation from April to September 2013, helping more than 35,000 households. The same publication contains information on informal monitoring of the fund, which shows that around £18.5 million was spent by the end of December 2013.

Jackie Baillie: I am sure that the minister will agree that expenditure of less than a third of the fund in its first six months of operation is hardly desirable and even the nine-month figures, informal though they might be, indicate a substantial underspend with only three months to go. Does the minister share my concern that money that is so desperately needed by some of our communities' poorest people is not making it out the door into their pockets and does she agree that it might be useful for the Government to consider evaluating the fund's efficacy?

Margaret Burgess: As the member will be aware, this is a new fund that was introduced in April. We are projecting to spend most of it by March, but we recognise that there will be some underspend and have been working hard with local authorities to ensure that the money is getting out there.

In October, we looked at the guidance to try to make it more accessible and clearer. We have done a lot of publicity work with radio advertisements and a new round of leaflets and publications and are also talking to the third sector. All of that is being done to ensure that the fund gets to the people who need it most. I share the member's views on this matter; that is what we are doing and we will continue to monitor the fund to ensure that the money gets out there.

Fiona McLeod (Strathkelvin and Bearsden) (SNP): The Labour, Liberal Democrat and Conservative administration in East Dunbartonshire is on course to have a large underspend in its Scottish welfare fund budget allocation, apparently because grants are being refused unless people turn up with receipts for everything down to their messages. Perhaps that is an explanation of why Labour councils are refusing to help local people in need.

Margaret Burgess: Although, as I have indicated, spend from the Scottish welfare fund is increasing overall, I am aware that spend varies

from local authority to local authority. The Scottish welfare fund is administered by local authorities, based on guidance from Scottish ministers. We are working very closely with the Convention of Scottish Local Authorities, local authorities and others to ensure that there is awareness of the scheme and consistency.

Clearly, people having to show receipts for shopping is not in the guidance from the Scottish Government. The guidance does suggest that local authorities need to gather sufficient information, but I would certainly say that asking for grocery receipts is not required. That is certainly something that we can bring up at the next practitioners' meeting.

People who are Deaf or Hard of Hearing

3. Stewart Maxwell (West Scotland) (SNP): To ask the Scottish Government what support it provides to people who are deaf or hard of hearing. (S4O-02919)

The Cabinet Secretary for Health and Wellbeing (Alex Neil): Last summer we consulted widely on a new sensory impairment strategy, which we will be publishing shortly. The strategy, which will apply to people with a hearing impairment, visual impairment or dual sensory impairment, aims to deliver the seamless provision of assessment, care and support to people with a sensory impairment and the same access to education, employment, healthcare, social care and leisure as everyone else. Funding is being made available to local partnerships to support implementation of the strategy, and close partnership working between statutory and third sector agencies will be crucial to its success.

Stewart Maxwell: The cabinet secretary is probably aware that under the disability reduction scheme, people with disabilities are, rightly, able to apply for a council tax reduction so that they do not have to pay more council tax as a result of adaptations to their home. One of my constituents has alerted me to a lack of consistency among local authorities over whether deaf people are eligible for a reduction in council tax under the scheme. Can the cabinet secretary clarify whether deaf people are able to apply for a council tax reduction and under which circumstances they should do so?

Alex Neil: Statutory responsibility for the implementation and administration of council tax, including eligibility for reductions or exemptions, lies with the relevant local authority. Ministers have no power to intervene in individual cases or comment on potential entitlement in specific circumstances, although obviously I would wish, as the cabinet secretary with responsibility for health and social care, that local authorities would

be empathetic and sympathetic to any such applications.

Pumped Storage

4. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government how pumped storage will add to Scotland's clean energy sustainability. (S4O-02920)

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Pumped storage plays an important role in Scotland's energy mix through its ability to respond quickly to cope with periods of peak demand. As the quantity of renewable generation increases, pumped storage allows for that energy to be stored at times of oversupply and released during periods of high demand. Increasing pumped-storage capacity will strengthen Scotland's balanced energy mix and, in doing so, enhance security of supply across Britain.

Rob Gibson: As Scotland's potential for hydro and pumped storage has a low priority in Westminster energy support, how will the Scottish Government optimise its development to balance the supply of clean power from diverse renewable sources?

Fergus Ewing: Pumped storage and hydro are very important for Scotland. We have two pumped storage sites: one at Cruachan and the other at Foyers, both of which were developed in 1967—a good year in many ways. We very much hope that the United Kingdom Government will support hydro and pumped storage as well. The UK Government says that pumped storage may be eligible for its capacity incentivisation system, the details of which have not yet been announced. However, the detail will be vital. We have urged Westminster to prioritise pumped storage as we move forward.

Helicopter Accidents (Fatal Accident Inquiries)

5. Richard Baker (North East Scotland) (Lab): To ask the Scottish Government what discussions it has had regarding the timescale for fatal accident inquiries concerning helicopter accidents. (S4O-02921)

The Cabinet Secretary for Justice (Kenny MacAskill): The Crown Office and Procurator Fiscal Service independently investigates all sudden, suspicious, accidental and unexplained deaths, and it would not be appropriate for the Scottish Government to seek to influence that investigation. Following full and thorough investigations into the circumstances, the Crown will determine whether to take criminal proceedings before any decision is taken on whether to hold a fatal accident inquiry.

The Crown Office and Procurator Fiscal Service has set up a specialised team of prosecutors to investigate the incident at Sumburgh and the incident at the Clutha bar. As those investigations remain live, it would not be appropriate for me to comment further at this time. The team is in regular contact with the Air Accidents Investigation Branch. Those injured in those incidents and the relatives of those who were tragically killed will be kept fully informed of any developments.

Timescales for holding FAIs will be considered further when the Government brings forward legislation to implement Lord Cullen's review of the FAI legislation, which we have committed to do within the lifetime of this Parliament.

Richard Baker: I thank the cabinet secretary for his full answer, but does he accept that, even including the time that is required for investigations by the Air Accidents Investigation Branch and the Civil Aviation Authority, it should not take five years for a fatal accident inquiry into a helicopter accident to be held and that such a delay should not be faced by the families who lost loved ones last year? Given that the Lord Advocate has given a welcome indication that he does not want families to face such a prolonged wait, what action will ministers take to ensure that that is the case, bearing in mind that my colleague Patricia Ferguson has lodged a proposal for a member's bill to address the issue?

Kenny MacAskill: Everyone—including the Lord Advocate and the Scottish Government—wants to deal with such matters as expeditiously as possible, but there are specific reasons why, on some occasions, there will always be delays. Clearly, those should be limited. There has to be a hierarchy. The primary investigation must be carried out by the AAIB. After it has done the initial investigation, matters require to be considered by the Crown, as I indicated in my first answer. First, it must consider whether there should be a criminal prosecution. Only then can it decide whether an FAI is necessary.

With regard to the inquiry in Aberdeen into the Super Puma crash, further delays and difficulties were caused by the clear desire to ensure that we had an appropriate venue for the inquiry. Correctly, the sheriff principal wanted to ensure that all those who were represented would be able to attend, which meant moving out of what would normally have been the venue—the sheriff court.

The Government takes the matter very seriously. We have met Patricia Ferguson—indeed, the Solicitor General for Scotland met her. We have given a commitment to build on and to legislate on the good work that Lord Cullen carried out. We went back to Lord Cullen to ask him whether he wished us to upgrade matters in any way. We have had a full response, in which we

were simply asked to build on his work, for which we are extremely grateful. We will ensure that we do that. I reiterate our commitment to legislate before the end of the parliamentary session.

Flooding (South of England)

6. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the Scottish Government what lessons Scottish agencies can learn from the extreme flooding in the south of England. (S4O-02922)

The Minister for Environment and Climate Change (Paul Wheelhouse): First, I take the opportunity to express the Scottish Government's sincere sympathy for the distress and trauma suffered by people who have been affected by the floods in England.

We have been following the developments in the south of England closely. The main message that we and all our partner agencies have reinforced is that we need to remain vigilant and to take every precaution possible in advance of severe weather events to ensure that Scotland is as prepared as it can be for any future flooding event. To that end, the Scottish Government has well-developed resilience arrangements that are activated in such circumstances, and officials liaise with responders and partner agencies to assess the preparedness across Scotland to deal with the potential impacts of forecast weather conditions.

We are confident that Scotland is ready to respond quickly on all fronts to any change in conditions. Our experiences around the festive period showed the importance of that preparedness. Having said that, we are not resting on our laurels. As is normal practice, officials examine whether improvements can be made, and I chaired such a meeting in the aftermath of the events over the festive period.

Maureen Watt: The minister will be aware that parts of Scotland—although they have not been as severely affected as parts of the south of England—have suffered from the prolonged rain. Is the minister really confident that the expertise and best practice of the Scottish Environment Protection Agency, the Scottish Government and Scottish local authorities are robust enough to allow action to be taken swiftly if Scotland faces a similar situation to the one that has been faced in England?

Paul Wheelhouse: In Scotland, fewer properties are at risk from flooding—125,000 properties are at risk from flooding here, whereas more than 5 million properties are at risk in England. SEPA has advised me that, because of our geography, land use and demography, the

impact of such heavy and prolonged rainfall would have been different in Scotland.

Notwithstanding that, our strong multipartnership working, our focus on advanced preparedness and our flood warning systems put us in a good position to respond to challenging weather events. I was certainly impressed by the response that I saw over the festive period.

I put on record the fact that the Scottish Government regards flood protection as a high priority. In the eight years from 2007-08 to 2014-15, in partnership with the Convention of Scottish Local Authorities, which distributes the £42 million per annum that we commit to local authorities through the general capital grant, we will have provided £326.4 million of capital funding for flood protection. That is some 7.4 times as much as was spent in the eight years up to 2006-07.

Transport Scotland (Meetings)

7. Claire Baker (Mid Scotland and Fife) (Lab): To ask the Scottish Government when it last met Transport Scotland and what issues were discussed. (S4O-02923)

The Minister for Transport and Veterans (Keith Brown): Transport Scotland is part of the Scottish Government, and meetings with ministers occur regularly in the normal course of business. Indeed, I met the chief executive and his team of directors this morning.

Claire Baker: The minister will be aware of the tragic fatalities that have recently occurred on the A92, in my region. During my time in the Parliament, I, along with other MSPs from across the Parliament, have raised concerns over the A92 many times, but the fatality rate has only increased. Can the minister confirm that he will be meeting concerned MSPs and campaigners? Does he agree with me that Transport Scotland must now prioritise a serious investigation into the safety of the road?

Keith Brown: Our sympathies rest with those families who have been affected by the tragedy to which the member refers.

Expenditure to improve the A92 has been around £6.5 million over the past three years. As the member knows, we considered some years ago whether the road should be dualled, and it was decided that it did not qualify for or merit dualling. That was based on the Scottish transport appraisal guidance study that was carried out. I understand that the campaigners to whom Claire Baker has referred wish to have the STAG criteria changed. I would simply say that we cannot change the STAG criteria for individual projects, so we do not intend to do that.

The member will be interested to know that the number of injury accidents on the road has decreased, notwithstanding the fatalities to which she refers, from 73 in 2010 to 52 in 2011, down to 41 in 2012. We will continue to look at the road and to improve it.

I am unable to make the meeting that was referred to, but I have ensured that Transport Scotland officials will go along to it.

Independent Scotland (Welfare Reform)

8. George Adam (Paisley) (SNP): To ask the Scottish Government how it would reform welfare in an independent Scotland. (S4O-02924)

The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon): The white paper, "Scotland's Future", sets out the principles that we would want to underpin the welfare system of an independent Scotland. It also highlights some of the immediate steps that an independent Scotland could take to reform welfare, such as abolishing the bedroom tax and halting the roll-out of universal credit. In taking on responsibility for our social protection system, we will be building on strong financial foundations, with spending on social protection currently more affordable in Scotland than in the United Kingdom as a whole.

George Adam: In recent months, the number of constituents coming into my office with regard to their benefit claims has increased dramatically—specifically, the number of people who are having jobseekers allowance sanctioned. Can the cabinet secretary assure me that our welfare system would be a fair system that is aimed at assisting claimants instead of looking to sanction people in order to take forward Westminster dogma?

Nicola Sturgeon: I very much share George Adam's concern. Like many other MSPs, I, too, have an increasing number of people coming to my surgeries and into my office with concerns about the benefits system. These are people who are in real hardship as a result of changes to the benefits system. Although any benefits system needs a sensible system of sanctions, there is no doubt that a number of people are right now being subjected to sanctions. These are people who are seriously vulnerable and who often find themselves being sanctioned when they do not know why.

I want a welfare system in an independent Scotland that is fair and does everything possible to help people into work but which also provides a decent, civilised safety net for people when they need it. That is what most people in Scotland want to see.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Given that Scotland receives £200

million more in pensions and pensions credit than a standard UK distribution of payment by populations would allow, has the Scottish Government asked the UK Government whether it can remain part of the UK pensions system in the event of independence? If the answer is no, will the Scottish Government say that it is bullying bluster that is not to be believed?

Nicola Sturgeon: Malcolm Chisholm sometimes beggars belief—I know that he is somebody who actually cares about these issues. We could trade statistics. *[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

Nicola Sturgeon: I could point to housing benefit, for example, which is proportionally lower in Scotland than in the rest of the UK, because we have a higher proportion of social rented housing and rents are not as high—yet we are still being penalised by the bedroom tax. It makes perfect sense for the Parliament that has control and responsibility over our health service also to have control and responsibility over how we deal with the most vulnerable people in society, through our welfare system.

If Malcolm Chisholm wants to consider the detail of polls—they are a subject that I am quite keen to talk about today, and people will understand why—he will see that a majority of people want control over pensions and welfare to lie with this Parliament, where those matters can be dealt with properly, rather than left in the hands of a Tory Government.

First Minister's Question Time

11:59

Engagements

1. Johann Lamont (Glasgow Pollok) (Lab): To ask the First Minister what engagements he has planned for the rest of the day. (S4F-01889)

The First Minister (Alex Salmond): I am sure that the whole Parliament will want to join me in congratulating Eve Muirhead and her rink on winning the bronze medal at the winter Olympics. Perhaps that is a demonstration that we all can be

"Heroes
Just for one day."

Johann Lamont: Of course, we on this side of the chamber also congratulate our curlers. We are very proud of them as Scots and as part of team GB.

I ask the First Minister to turn and face the strain. In the past seven days, the Chancellor of the Exchequer, the shadow chancellor, the Chief Secretary to the Treasury, the permanent secretary of the Treasury, the Scottish Trades Union Congress, the Confederation of British Industry and the Institute of Directors have said that the First Minister's plans A and B for the currency are non-starters. The President of the European Commission and the President of the European Council said that his Europe plans are, at best, extremely difficult. Instead of arguing why he is right and they are wrong, the First Minister has just insulted them. Now that David Bowie—*[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

Johann Lamont: I did not realise that the Scottish National Party members had not realised that the First Minister was insulting people rather than arguing with them.

However, now that David Bowie has come out for the union, can the First Minister explain to us why Bowie is preposterous, bluffing, and bullying?

The First Minister: Most people in Scotland would feel that George Osborne has insulted the intelligence of the Scottish people.

This might be the last—the only—time that I quote from the *Daily Mail*. When Johann Lamont is facing *Daily Mail* headlines saying that the row over the pound is driving the yes vote, the reasonable conclusion might be that so far the joint enterprise between George Osborne and Ed Balls has backfired on the two unionist parties in spectacular fashion.

I watched television the other night and I saw Gordon Brown walk off an interview on STV

because he was asked whether Ed Balls was wise to make an alliance with George Osborne. I have known Gordon Brown for a long time, and I have never seen him walk off an interview. Perhaps people in the Labour Party should realise the damage that has been done to them by their being hand in glove with the likes of George Osborne.

Johann Lamont: Perhaps the First Minister might reflect on the damage that is being done to this Parliament by the insults he presents to our intelligence and the people of Scotland because of the way in which he dismisses those who disagree with him. It takes an extraordinary lack of self-awareness for the First Minister to accuse other people of not telling the truth as a campaign tactic. Truly, as we live our lives, we judge our neighbours. The fact of the matter is that these issues are too serious for the First Minister to insult us in this way.

This week Alex Salmond, John Swinney, and Nicola Sturgeon have been asked repeatedly to put a figure on the transaction costs to Scottish business of giving up the pound in the event of a yes vote, but they have refused to come up with an answer. The Scottish Parliament information centre has come up with some numbers. Transaction costs for the rest of the UK—the so-called George tax—work out at £9 per head for people in England, Wales and Northern Ireland. However, if the Scottish Government's own figures are to be believed, the cost in Scotland would be £75 a head, which is eight times greater. No wonder they would not answer the question. Given that that would be the consequence of the First Minister's plan to break up the United Kingdom, why should Scottish business pay the Alex tax?

The First Minister: Our proposal is to share the pound and not have the transaction costs. It is Johann Lamont's proposal—that is, it is Ed Balls' and George Osborne's proposal—to force Scotland into using a different currency and to impose transaction costs on Scottish and English business.

The point that is being made by the Scottish Government is a reasonable one; I do not think that English businesses will take kindly to being forced to pay the George or Johann tax. I do not think that Johann Lamont wants to have her name attached to that tax.

I said earlier that that would be the only time that I would quote the *Daily Mail*, but I am going to quote it again. [*Laughter.*] That is twice in one First Minister's question time. I apologise for quoting Labour's house journal. However, I note that another aspect of the poll this morning showed that our proposal to share the pound is the most popular proposal among the Scottish people. Does not that suggest that perhaps there is a resonance in support of what we are saying, and that the

Labour Party is struggling because of its association with the Conservative Party?

I hope that Johann Lamont continues with this theme, because I might go for the hat trick and start talking about the party ratings that the poll indicated. The Labour Party has done itself huge damage by associating with the Conservatives—in particular with George Osborne. The reaction of the Scottish people to being told, or instructed, from on high that our currency—the currency that we jointly built up—does not actually belong to us but to George Osborne is entirely understandable, and will be deeply uncomfortable for the Labour Party in Scotland.

Johann Lamont: If we are talking about associations with Tories, it is only the SNP that wants to cut corporation tax by 3p more than any Tory chancellor would propose. [*Interruption.*]

The Presiding Officer: Order.

Johann Lamont: If we are talking about polls, the same poll says that two thirds of the people in this country want to know what the First Minister's proposal is for a plan B for the currency. It is about time he told them, because the reality is this: the rest of the United Kingdom, including Carwyn Jones, have said that they do not want a currency union. They do not want a currency union. We cannot make them have a currency union if we are not in the same country. What does the First Minister not understand—[*Interruption.*]

The Presiding Officer: Order.

Johann Lamont: What does the First Minister not understand about his proposal to take Scotland out of the United Kingdom? It has come to this, Presiding Officer.

The Scottish Government, as we have seen, is prepared to deny, deflect, assert and insult in order to win the referendum. They say that they want to keep a currency union. They say that they want to keep an unfettered single market without transaction costs. They say that they want to keep borrowing costs in line with current levels. They say that they want to stay in the European Union with a rebate and the current opt-outs. Then they ask, "What is the positive case for the union?" Is not it the truth that the only way we can guarantee keeping those things is by staying in the United Kingdom?

The First Minister: Let me support Johann Lamont's call for a calm and considered debate as we look forward to those things.

We have argued, and the fiscal commission has said, that the best option for Scotland and the rest of the United Kingdom is to share the currency. That was the basis on which the fiscal commission working group proposed the policy. I think that it is the right policy. It is the right policy for Scotland

and the right policy for the rest of the United Kingdom.

I say to Johann Lamont that the debate has, in relation to Mr Barroso's comments, moved on. I am looking at the *Scotsman* website for today in respect of evidence being presented to Parliament.

"Scottish independence: Barroso 'incorrect' on EU".

That is not me speaking, but Jim Currie, the former European Commission director general, who said that Mr Barroso was

"extremely unwise and incorrect".

If that is not enough, we have the speech in Ireland by the secretary general of the European Commission.

"On Scotland's position regarding membership should it vote for independence, Ms Day said comments by European Commission president José Manuel Barroso over the weekend had been misunderstood."

I think that that is civil service speak for "perhaps the comparison between Scotland and Kosovo was not the wisest comparison for Mr Barroso to make."

Johann Lamont should look at the evidence that is being presented to the Parliament's committees. Evidence has been presented in significant form by people as eminent as David Edward, and by many others, that shows absolutely that, as Scotland has been part of the European Union for 40 years and has built up rights and entitlements as part of that structure, and as it conforms to the democratic imperatives that the EU represents, we are of course entitled to our rights as European citizens. The idea that the rest of Europe wants to deny us those rights is a total illusion that has been cooked up by the unionist parties. Scotland is a European nation, and we will continue to be a European nation.

Johann Lamont: The real problem here is that the First Minister listens only to people who agree with him.

Members: Oh!

Johann Lamont: That works in here, but it does not work in the rest of the world. It is not in the First Minister's gift to tell people in England, Northern Ireland, Wales and Europe what is in their best interests. It is in their gift, and he has to deal with that.

The permanent secretary to the Treasury has rejected a currency union if there is a yes vote, and so has the Chancellor of the Exchequer, the shadow chancellor and the Chief Secretary to the Treasury. The Confederation of British Industry, the Institute of Directors and the Scottish Trades Union Congress reject the idea, too.

It is not good enough simply to listen to oneself; the First Minister has to accept that other people have credible positions.

The President of the European Commission and the President of the European Council have said that for Scotland to get the agreement of all the other member states after a yes vote would be extremely difficult, if not impossible. Business costs would go up by £75 a head and average mortgage costs would go up by an eye-watering £100 a week. I am sure that people throughout the country will reflect on how little seriousness the SNP back benchers place on the consequences for ordinary people.

Despite all that, the First Minister still simply steams ahead. Is not it the case that the only preposterous, bullying bluffer in this fight is the First Minister?

The First Minister: I will quote Professor Christine Bell, who is a professor of constitutional law at the University of Edinburgh. I have no knowledge whatever of her politics or of whether she agrees with me politically. She says:

"Legally under international law the position is clear: if the remainder UK keeps the name and status of the UK under international law, it keeps its liabilities for the debt. The UK took out the debt, and legally it owes the money. Scotland cannot therefore 'default'."

As Johann Lamont knows, we have set out in the white paper our proposal that we should share the United Kingdom's assets and liabilities, which is the fair and responsible thing to do. One of those assets is, of course, the Bank of England, which was nationalised in 1946 and is undoubtedly a public asset. We think that that is a fair proposition.

We pointed out very reasonably that the implication—or the certainty, in fact, because the Treasury had to state this to the markets last month—of arguing, as the Treasury is now doing, along with the UK Government and all the eminent people that Johann Lamont has cited, that the UK is the continuing state and so it will keep all the assets of the United Kingdom, is that it follows, as night follows day, that it will end up with the liabilities.

I believe that George Osborne and Ed Balls are bluffing not just because it would be against the interests of the English people to impose transaction costs on Scotland, but because I do not believe that we will reach a situation in which George Osborne wants to make every person in Scotland £25,000 richer, which is what would happen if the UK had to accept all the national debt.

I would find agreeing with George Osborne extremely uncomfortable—unlike Johann Lamont, which is why the Labour Party is suffering serious

and perhaps permanent damage in Scotland as a result of its alliance with the Conservative Party.

Secretary of State for Scotland (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when he will next meet the Secretary of State for Scotland. (S4F-01887)

The First Minister (Alex Salmond): I have no current plans to meet him, although we will both be in the Aberdeen area on Monday.

Ruth Davidson: I am sure that the First Minister's hotel will be of a higher standard.

On the currency issue, let us summarise where we have got to so far today. On one side of the argument, we have Alex Salmond. On the other side of the argument, we have everyone else, and has his response today not been telling? [*Interruption.*] Shouts from the back benches, as if to make my point for me—thanks very much.

The First Minister of Wales says that he does not want a currency union with an independent Scotland, and he is ignored. The permanent secretary to the Treasury says that he would not advise one, and he is dismissed. The chancellor and his opposite numbers say that they could not in all conscience support the suggestion for the rest of the UK, and it is a bluff. Alex Salmond's own independence allies say that they want a separate currency, and they are sidelined. The Institute of Directors and the Confederation of British Industry say that the risks to business are unacceptable, and they are "unionist stooges". The majority of people in the rest of the United Kingdom say no, too. They were called in aid of the First Minister's argument when the figures helped him out last week, but they are ignored when the figures do not help him this week.

The First Minister might be in denial, but the rest of the country has woken up to the truth. Is this not the week that we found out that the emperor has no clothes?

The First Minister: Far be it from me to remind Ruth Davidson that the fiscal commission working group contained two Nobel laureates in economics—Jim Mirrlees and Joe Stiglitz—as well as other eminent economists, and we acted on their recommendation with regard to the best option.

Sir James Mirrlees is particularly interesting in that regard, of course, because, when Mark Carney gave his balanced and excellent speech in Edinburgh a few weeks ago, he cited only two economists. One was Adam Smith, who we would agree was a great founder of economic science; and the other was Sir James Mirrlees. Does Ruth Davidson think that, when Mark Carney made that citation in his speech, he was unaware that James

Mirrlees was one of the authors of the fiscal commission working group's report, whose recommendations we acted on?

I see Ruth Davidson shaking her head, but she started her question by saying that nobody agreed with me. I am pointing out that Nobel laureate economists and the fiscal working group put forward the proposition.

As for the people—let us remember the people—I am sure that the poll today indicates that, after he managed to halve the no campaign's lead in the space of one speech, whatever else we might say, we can say that the Scottish people do not agree with George Osborne.

Ruth Davidson: The sand is shifting beneath the First Minister's feet as he stands up and speaks. [*Laughter.*]

The Presiding Officer: Order.

Ruth Davidson: We have made our choice: we want a strong Scotland in a strong United Kingdom, which already gives us the currency union that the First Minister so desperately wants to keep, and it gives us a political and a social union, too. He, on the other hand, wants to pick and mix when everyone knows that he cannot.

The First Minister has quoted the *Daily Mail* today, so I will quote *The Guardian*. It says that, when the contradictions of his currency case are presented to him,

"Alex Salmond and co are acting like spoilt children".

On the currency, the First Minister is weak. On pensions, he is weak. On Europe, he is weak. On the basic facts, he is weak. He is weak, weak, weak. Is it not true that he is the man with no plan?

The First Minister: Ruth Davidson is weak every week. Higher praise I cannot give than that of the new chairman of the Scottish Conservative and Unionist association, who, when asked this week by *The Daily Telegraph* to assess Ruth Davidson's performance, said that she was "improving". Be that as it may, if she cannot get the endorsement of the chairman of her own party, I do not think that she is in a strong position.

Perhaps Ruth Davidson should draw a line in the sand. That line in the sand might well be that we should have a look at the attitudes of the Scottish people, as we currently understand them. We can think a number of things about the best constitutional options for Scotland but there is little doubt that the reaction to having edicts laid down from on high by George Osborne has been—how shall I put it?—somewhat negative for the improving Scottish Conservative Party. That may not be of any great moment to the Conservatives. Incidentally, in the same article some of the back

benchers were described as “coasting”. I do not know which ones are coasting.

Members: All of them.

The First Minister: I am told that all of them are coasting.

It may not be of much moment to the Conservative Party, which has very little to lose, but they are dragging down this lot with them—guilt by association.

Cabinet (Meetings)

3. Willie Rennie (Mid Scotland and Fife) (LD):

To ask the First Minister what issues will be discussed at the next meeting of the Cabinet. (S4F-01885)

The First Minister (Alex Salmond): The next meeting of the Cabinet will discuss issues of importance to the people of Scotland.

Willie Rennie: The First Minister has put on his best poker face this week, but others might not be bluffing. There could be a separate Scottish currency. The First Minister's own fiscal commission thinks that that is a possibility. John Kay knows it, and Patrick Harvie and Dennis Canavan want it. The First Minister is the last man standing, refusing to concede. Will he take this opportunity to confirm that a Scottish currency is a possibility? He has a duty to make a statement to Parliament this week or next so that people in Scotland know where they stand. Will he do that?

The First Minister: I do not know whether anybody noticed that Willie Rennie used the word “might” in the first sentence of his question. I think that that is improvement. I think that, in that Liberal tradition of on the one hand this and on the other hand that, Willie Rennie does not display the same certainty as the Conservative and Labour Party alliance.

As Willie Rennie should well know, the fiscal commission working group set out a range of options for the currency of an independent Scotland. It said that those options were viable given the strengths of the Scottish economy and recommended that the best option for Scotland and for the rest of the United Kingdom was the currency union that we propose. We believe that that currency union is the one that will be negotiated. It will be negotiated because it is in the best interests of Scotland and it is most certainly in the best interests of the rest of the United Kingdom, which will not want to be lumbered with the whole of the UK national debt.

Willie Rennie: Despite all the opinion, including that on his side, the First Minister cannot even say that a separate Scottish currency is a possibility. He cannot hide on that until September. It would be the chancellor, after a yes vote—if that were to

happen—who the First Minister would have to convince about a currency union.

The First Minister's whole plan is based on the judgment of that chancellor, George Osborne, who is a man the First Minister derides for his judgment every day of the week. The First Minister is gambling that Osborne will transform from being his belligerent barbarian to being his pacifist puppy—arch enemy to best buddy in a day—but John Kay, Patrick Harvie and Dennis Canavan do not think that that will happen. In the poll that the First Minister likes to cite today, two out of three people want him to set out his alternative. Why is he ignoring them?

The First Minister: If there is a “pacifist puppy”—I would not dream of using such language—surely it is the person who gave evidence to a committee of this Parliament yesterday, Mr Danny Alexander, who seems to be the echo of the Chancellor of the Exchequer at present.

I have laid out what the fiscal commission working group said, the alternatives that it set out and the preferred option—which is our option—of a currency union between Scotland and the rest of the United Kingdom. I do not believe that it is my entreaties that would persuade Danny Alexander or George Osborne to see what is in their best interests; what would persuade them is facing up to the realities of the implications of the debt for the rest of the United Kingdom and, I hope, the realisation that transaction costs north and south of the border are not a good thing for businesses.

I have this vision of George Osborne and Ed Balls—I know it is difficult but Danny Alexander, of course, will be on our side after the independence vote—going to all these businesses in the north of England and saying, “We've got this fantastic idea. We're going to charge you transaction costs to export your goods and services to Scotland. Come and vote for us.” I do not think that that is credible.

I do not think that Willie Rennie is a lost soul in these things, because I detect a bit more reasonableness in his approach than I sometimes detect from the other parties. However, it was very unreasonable for Danny Alexander to say yesterday that an independent Scotland's bond rates would be high. Given that the United Kingdom is standing at 2.8 per cent, Switzerland at 1.1 per cent, Denmark at 1.7 per cent, Austria at 1.9 per cent and Sweden at 2.3 per cent, there is a lot of evidence that small independent countries across Europe pay lower interest rates than the United Kingdom at present.

Convention of Scottish Local Authorities (Meetings)

4. Maureen Watt (Aberdeen South and North Kincardine) (SNP): To ask the First Minister when the Scottish Government last met representatives of the Convention of Scottish Local Authorities and what issues were discussed. (S4F-01896)

The First Minister (Alex Salmond): Obviously, ministers and officials meet COSLA representatives regularly and discuss a wide range of issues as part of the commitment to working in partnership with local government to improve outcomes for the people of Scotland. One of the issues that ministers are considering is COSLA's request that we freeze the funding formula for local authorities. I know that that is of interest to Ms Watt and the people in her constituency.

Maureen Watt: As the First Minister said, COSLA voted to ask the Scottish Government to freeze the funding formula. I believe that Labour-led Aberdeen City Council and Labour councils throughout Scotland supported that decision, and understand that COSLA cannot revisit that without a change to its standing orders. We see Aberdeen City Council and other Labour councils throwing their dummies out of the pram and proposing to leave the organisation. If the Scottish Government accepts COSLA's request, what will that mean for Aberdeen and what will be the impact on funding for Aberdeen?

The First Minister: To be absolutely clear, it was COSLA that put forward that proposal. I understand that there was a very narrow majority, but nonetheless that is the proposal that COSLA put forward. John Swinney has considered it and will shortly write to COSLA to outline the impact of applying the freeze, as it proposes, in comparison with distributing the funding that local authorities would receive if we used the same method that has been in place since 1983.

I will write to Maureen Watt shortly and set out the financial implications in particular of the position of Aberdeen City Council in her constituency. However, it is worth noting that it was the Scottish National Party Government in 2011, after eight years of total inaction by the previous Labour-Liberal Executive, that introduced a funding floor that ensured that all local authorities should receive 85 per cent of the funding average. That ensures that Aberdeen currently receives a better deal than it would have had if that measure had not been introduced. However, I will write to Maureen Watt very shortly to point out the implications of what has come forward as we understand it, supported by Aberdeen City Council.

Cameron Buchanan (Lothian) (Con): Given the confirmed withdrawals from COSLA and the speculation about a number of other local authorities, does the First Minister have a view on the point at which COSLA can no longer reasonably be seen to represent local authorities in Scotland? Is there any contingency planning for how the Government will engage with the local authorities should the organisation reach such a point?

The First Minister: We discussed that at Cabinet on Tuesday, so it would be wrong to say that we have not considered the prospect, but it is early. The member is right to ask the question, because, as he probably knows, there is a time period between signalling an intention to leave the organisation and leaving it. Therefore, it would probably be in everybody's best interests if we took a calm look on it and allowed COSLA and the individual councils to come to their consideration.

However, it would probably be helpful to some councils if we set out the indicative position that would have arisen if the same funding formula that has been applied since the 1980s had been applied in the year after next compared with the COSLA proposal. We have to take the COSLA proposal extremely seriously, because that is what we have always done. We have said that that funding formula is within its gift. However, it is important that all the councils understand and know the implications of what some of them seem to have voted for as part of the considerations within the Labour group.

Patrick Harvie (Glasgow) (Green): As local government resources shift ever more away from local taxation and towards the block grant, which becomes a bigger proportion of local government resources because of central Government, not local government, decisions, surely the tensions in the allocation of the block grant will only get worse in the long run. Is it not clear that the freeing up of local government to make decisions, particularly on local taxation, is an absolutely necessary part of the debate for the longer term if we want local government to be government?

The First Minister: Patrick Harvie makes a very fair point, but I dispute that that is the reason, as I understand it, for the tensions that are emerging within COSLA.

The tensions seem to be centred around two areas. One is whether the funding formula that has been used since the 1980s should be applied again or whether there should be a roll-out, in the year after next, of a funding formula that depends on the previous census figures. That is one of the areas of contention. The other area of contention is that there seems to be dissatisfaction among some councils in COSLA about the nature of

decision making regarding how much comes from the leaders' group and how much comes from the convention itself.

I dispute the reasons for the tensions within COSLA, but Patrick Harvie makes an important point about the politics and economics of local government.

Care Services (Inspection)

5. Rhoda Grant (Highlands and Islands) (Lab): To ask the First Minister what steps the Scottish Government is taking to improve the inspection of care services. (S4F-01898)

The First Minister (Alex Salmond): Alex Neil has tasked the Care Inspectorate and Healthcare Improvement Scotland to develop a new inspections methodology to ensure that older people get the level of support delivered that they have been assessed as needing and that its quality is no less than the people of Scotland merit and deserve. As part of that new regime, we require the Care Inspectorate to inspect every care home in Scotland unannounced at least once every year. Additional inspections are carried out on those services that are at greatest risk, which means that high-risk services are inspected several times during the year to ensure that improvements are made.

Rhoda Grant: I am sure that the First Minister will join me in welcoming the one big drum community group to the public gallery.

Is the First Minister aware of Unison Scotland's report "Scotland—It's time to care: A survey of Scotland's homecare workers", in which home care workers highlight their concerns? One is quoted as saying:

"I think they forget we are dealing with human beings, old ones at that."

Another says:

"It's getting worse. I don't know where it's going to end, no one cares about the patient or client anymore."

Will the First Minister now heed Scottish Labour's calls to improve care inspections and commit to a fully integrated health and social care inspectorate that is independent of Government, that is accessible to staff and patients and that has the powers to make the really tough decisions to improve our care services?

The First Minister: I join the member in welcoming the one big drum group to the chamber.

The member should be fair about the nature of Health Improvement Scotland and the Care Inspectorate and the task that they have been undertaking, and she should welcome the information and the level of inspection that we now

have, which we did not have before. Thirty-one per cent of home care service users receive 10 hours or more of free personal care a week, and 62 per cent receive four hours or more of free personal care a week. Clients are receiving more than double the number of hours of home care that they received in 1998: the average was 5.1 hours a week in 1998 and 11 hours a week in 2012.

The reason that we know those things is the nature and regime of the inspection that has been carried out. Although, of course, it is right and proper for constituency members to highlight failings where things have not worked as they should, at least we know about those failings because of the nature of inspection.

Integrated health and social care is a priority for the Government, as our legislation indicates. The member should be fair about what is happening and the work that is being done, which identifies failings and sorts them out.

Commonwealth Games (Financial Administration)

6. Liz Smith (Mid Scotland and Fife) (Con): To ask the First Minister what discussions the Scottish Government has had with Glasgow 2014 officials regarding the financial administration of the Commonwealth games. (S4F-01890)

The First Minister (Alex Salmond): The Scottish Government has frequent meetings with Glasgow 2014 regarding all aspects of the games' preparations, including financial arrangements. The funding partners remain confident that delivery remains on time and will be achieved within the agreed budget.

Liz Smith: There were reports 10 days ago in the *Sunday Herald* that two thirds of the £42 million contingency fund has already been spent and that part of the reason for that is that the organisers have underestimated the timescale of hiring various venues, which has led to a number of contracts being revisited. Will the First Minister tell me how many contracts have been revisited?

The First Minister: I can say that 92 per cent of contracts, by value, have now been committed, which leaves only 8 per cent of the contracts to be committed. The fact that 92 per cent is much higher than 66 per cent of the contingency fund is one of the reasons why there is a great deal of confidence that the games' delivery will stay on time and within budget.

In terms of the organising committee, I have looked at a range of games across the world, both Commonwealth games and Olympics, and the Commonwealth Games Federation acknowledges that the Glasgow games is one of the best run and most efficient, being both on time and on budget. One of the reasons for confidence in the games is

that we are now at a stage at which just about all the venues are completed and 92 per cent of the contracts have been committed. That is why there is a great deal of confidence not only that the games will be on time and on budget, but that it will be one of the greatest sporting and cultural festivals that Scotland has ever seen.

Promoting Family Recovery Across Scotland

The Deputy Presiding Officer (Elaine Smith):

The next item of business is a members' business debate on motion S4M-08604, in the name of John Mason, on promoting family recovery across Scotland. The debate will be concluded without any question being put. I ask our guests who are leaving the gallery to do so quietly please—the Parliament is in session.

Motion debated,

That the Parliament notes the success of the Promoting Family Recovery Across Scotland event held in the Parliament on 21 November 2013 by Scottish Families Affected by Alcohol and Drugs; notes the briefing paper on promoting family recovery that was presented at the event; reckons that every substance user is part of a family involving at least five members and that if families are dealt with as a whole then much more can be done for the user in recovery; considers that good examples of this type of work are being taken forward across Scotland, especially in Grampian and East Dunbartonshire, and gives its full support to ensuring that all family members affected by the problematic substance use of a loved-one receive support in their own right.

12:36

John Mason (Glasgow Shettleston) (SNP):

I thank all members who signed the motion and therefore allowed the debate to go ahead. The motion refers specifically to the event that was held on 21 November 2013, which if I remember correctly was hosted by Ken Macintosh. That shows that there is widespread support for this concept and, specifically, for Scottish Families Affected by Alcohol and Drugs.

I am not sure exactly who has got into the gallery so far, but I welcome Christine Duncan, the chief executive of Scottish Families Affected by Alcohol and Drugs, and Stevie Lydon, the chair of the organisation. It is largely through Christine Duncan's enthusiasm for this work that a number of us have been drawn into some involvement with it.

I thank Christine Duncan and her colleagues for the excellent briefing papers that they provided before the debate. I expect that other speakers might go into more detail about specific issues around alcohol and drugs, such as naloxone, minimum unit pricing, methadone or new psychoactive substances, but I really want to concentrate on the theme of families and their involvement with a family member who has an issue with drugs or alcohol.

A range of organisations do excellent work in the fields of alcohol and drug dependency. We all know about Alcoholics Anonymous and Narcotics Anonymous, which operate nationally. At Glasgow

level, we have the Glasgow drug crisis centre run by Turning Point Scotland. In the east end of Glasgow we have had Calton Athletic, the Greater Easterhouse Alcohol Awareness Project and the east end community alcohol support service, among others. Of course, the risk of mentioning individual organisations is that one misses some out, so I apologise for almost certainly having done so. However, my point is that a lot of good work is going on in both the public and voluntary sectors, often with a slightly different emphasis in each organisation.

Rightly, there is a big emphasis on the individual who has the problem, who is primarily the one who needs help and has to make certain decisions. However, that is not the whole story. Each individual with a drug or alcohol problem has a partner, a parent, a brother or sister, or a child. Those folk, too, to a greater or lesser extent, will be affected by the addiction and may well be part of the solution—and may certainly want to be part of the solution. Those folk, too, may be suffering physically, mentally, spiritually and emotionally because of the substance misuse. As the briefing points out, there can be psychological distress, mental and physical ill health, negative financial impacts and an impact on employment.

We have to accept that all families are different from each other. Underlying issues within a family may well have contributed to an individual getting involved in alcohol or drugs, or there might have been an intergenerational problem, with several family members having similar problems. That said, in many cases—and I and other members have heard of and have met such families—the family has a huge amount of input, caring and helping to provide a stable environment, not to mention providing actual financial support, which consequently saves the public sector considerable amounts.

We should also mention grandparents and other kinship carers who, having brought up their own children, now face the challenges of bringing up grandchildren or other young relatives while trying to provide support for their own children—that is, the grandchildren's parents—who are struggling with alcohol or drugs.

Today, we are focusing on Scottish Families Affected by Alcohol and Drugs, but to emphasise the wider network we could also mention other organisations, for example Al-Anon, an organisation for families and friends of alcoholics. I recently met Al-Anon in Glasgow and I also met Family Addiction Support Services—FASS—in West Street in Glasgow. I was impressed by some of FASS's work. One of the issues that it mentioned was how it can support grandparents who have to relearn the skills of bringing up young children. Obviously, society and the way in which

children are brought up are somewhat different these days from what they were perhaps 30 years ago.

I have been impressed by the ethos of SFAD. Its website has details of the helpline, then one of the first tabs is "Supporting Yourself". It says:

"At Scottish Families Affected by Alcohol & Drugs we believe the best way you can help a substance misusing relative is to get support for yourself. Attending a support group, gaining more knowledge and learning relaxation techniques can help you cope."

I was also particularly taken with a section headed "It's Not Your Fault", which addresses relatives by saying:

"You are not responsible for your loved one's alcohol or drugs misuse. Your relative's alcohol or drugs misuse is not your fault. Family members, especially parents, often experience feelings of guilt and failure – believing that they are somehow to blame. Harboursing these feelings can lead family members to behave as though they are responsible for the substance user and their actions. There are many reasons why people use, and may go on to become dependent on, alcohol or drugs. However, it is the user who is always responsible for their using behaviour. Their decision to stop using alcohol or drugs is their choice and their responsibility. Feelings of guilt and responsibility can be overwhelming and difficult to let go of. Talking about negative feelings with your support network can help you to understand that it is not your fault. It can also be useful to join a family support group to get support from others in similar circumstances. The sooner you try to resolve these feelings then the easier it will be to set boundaries, talk to your loved one about their alcohol or drug use, and support yourself."

I was very challenged by the way that that was put. For me it sums up very well what this issue is all about and sums up some of the thoughts and feelings that families can have.

I thank you again, Presiding Officer, and fellow members for allowing this debate to happen, and I look forward to hearing the other contributions.

12:43

Margaret McCulloch (Central Scotland)
(Lab): I congratulate John Mason on securing this debate. He has brought an important topic to Parliament and I appreciate the opportunity to speak on his motion today.

As we have heard, alcohol and drug problems, particularly addiction, can affect the whole family—parents, children, grandparents and partners—but family can also be a tremendous source of support and guidance. People with addiction problems can and do recover. For many people, the support and understanding of family members is invaluable in that process.

For some, family have been a safety net. For others, the promise of a healthy family life is a powerful motivator in beating addiction, when people want to repair the relationships that drink or

drug-fuelled behaviour has damaged. For families who are affected by that destructive—even self-destructive—behaviour, intervention to support the family and aid recovery is just as important. That is why I am pleased that the Parliament has taken the opportunity to explore the family dimension to recovery and highlight the good work of Scottish Families Affected by Alcohol and Drugs and the extensive network of services and family support groups that operate across Scotland.

In my region, families can make use of the Scottish Families Affected by Alcohol and Drugs helpline; they can also benefit from a range of other services, such as Families Anonymous, Relationships Scotland, Families Outside, Addaction, Coatbridge family support group, Liber8, which is based in Lanarkshire, the alcohol counselling team in North Lanarkshire and the community addiction team in South Lanarkshire. Support is out there to help not only the families, but the person who is close to them who has an alcohol or drug problem. Information is available to help families to understand how drink or drug-fuelled behaviour affects them and not just the person who is drinking or using. However, the briefing paper cited in John Mason's motion does suggest that more work is required.

Families have their own needs. The impact of drugs and drink is not just that people want their parent, child or partner to get clean, but is on the family as a whole, and that must be addressed. There is too little information on just how many people are affected by a loved one's habit but, if we accept the estimates in the briefing paper, potentially we are talking about 300,000 people in Scotland, taking into account drug use alone, not alcohol.

People who are at risk of stress, anxiety, isolation and maybe even physical harm must be identified and have their needs properly assessed. Families and carers affected by the misuse of drugs and alcohol also deserve to be recognised in the Government's strategies. At the very least, they deserve not to be overlooked and to have a voice in this Parliament. I hope that they will feel that, today, we have given them the voice that they deserve and that the changes that they want to see have moved a step closer as a result.

The Deputy Presiding Officer: Before we move on, I remind our guests in the gallery that there is to be no photographing or filming of proceedings.

12:46

Nanette Milne (North East Scotland) (Con): I echo Margaret McCulloch in congratulating John Mason on securing the motion for discussion.

The debate follows on from last year's debate led by Gordon MacDonald, which covered a similar area, namely Al-Anon Family Groups, the support network offering strength and hope for friends and relatives of alcoholics. Today, we focus on another support network, Scottish Families Affected by Alcohol and Drugs, and highlight the promoting family recovery across Scotland event that was held in Parliament last November. That highly informative lunch-time session was accompanied by a briefing paper that sits neatly alongside the Scottish Government's strategy, "The Road to Recovery: A New Approach To Tackling Scotland's Drug Problem". Its emphasis is on the contribution that families can make to their loved ones who have become involved in substance abuse, whether that means attending medical appointments with them or giving them the necessary encouragement to turn their lives around.

I draw members' attention to the Government's strategy for tackling alcohol abuse, "Changing Scotland's Relationship with Alcohol: A Framework for Action", which also champions the role played by families in helping their relatives who are struggling with addiction.

At the core of those strategies is a recognition of the difficulties that people experience when they see a family member or friend falling apart through drug or alcohol misuse. The impact can take many forms, ranging from mental and physical ill health, psychological distress and domestic abuse. A financial burden is also placed on families or friends, who find themselves in debt or acting as cash machines to fund an individual's drug or drink addiction. We even hear cases of people resorting to theft to pay off the drug debts of a loved one.

That is why organisations such as Scottish Families Affected by Alcohol and Drugs play such an important part in reaching out to individuals and families who are going through such emotionally challenging times. What is less well known is the work that the group does in engaging with many prominent Scottish academics and clinicians in analysing the increase in psychiatric illnesses, such as anxiety and depression, of family members affected by alcohol or drug misuse.

John Mason's motion makes reference to Grampian and, as a member for North East Scotland, I reiterate the comments that I have made in previous debates about the work performed by the Grampian Family Support Forum and its founder, Sheila McKay.

Set up as recently as 2010 and funded by the Aberdeenshire alcohol and drug partnership, the Grampian Family Support Forum acts as an umbrella organisation within which local family support groups in Moray, Aberdeenshire and the city of Aberdeen can effectively communicate with

one another—all drawing on their own experience to help other families stressed and stigmatised by addiction—and strive to get better services for people who are trying to recover from addiction and regain their lives.

Recovery can and does happen, as we heard during the debate that I was privileged to lead in Conservative debating time some 18 months ago, when many members made powerful speeches and recounted constituents' experiences. I particularly remember the remarkable and inspiring story of Jane and her long and difficult journey from addiction to alcohol and drugs to abstinence. She is able to use her experience in giving professional counselling to other victims of addiction, as they try to follow her path to recovery.

There are many such inspirational stories, all of which are moving and all of which indicate that the contribution of families is continuous, arduous and extremely stressful, while being critical if sustained recovery is to be achieved.

We cannot discuss such issues too often. We must continue to champion groups and individuals who use their experience to support other families whose lives are blighted by the pernicious nature of drug and alcohol addiction. I commend John Mason for again drawing the Parliament's attention to the invaluable and courageous efforts of those people.

12:51

Alison McInnes (North East Scotland) (LD): I thank John Mason for securing this important debate.

We have heard how family, friends and carers can make a unique contribution to the assessment and sustained recovery of people who are affected by substance abuse. We have heard how they provide a source of care and support in the community.

However, there is no doubt that contending with a loved one's addiction and the chaotic or intense lifestyle that can accompany it can be overwhelming and can place an enormous strain on relationships. Family members can feel drained, lonely, stigmatised, guilty and stressed. They are at increased risk of abuse and ill health. In the case of children, the situation can impact on their educational attainment and life choices and increases the risk that they themselves will develop substance abuse problems. Of course, sadly, bereavement poses further challenges for hundreds of families each year.

We must do all that we can to minimise such impacts. We must adopt an inclusive approach to recovery and focus on removing obstacles that

discourage or prevent families from getting the assistance that they want. For a decade, Scottish Families Affected by Drugs provided assistance and effectively raised awareness of families' needs, and I applaud the extension of its remit last year to encompass people who are struggling with alcohol. I welcome news that the charity is expanding the breadth and depth of its services, with a new family support development officer in my region, North East Scotland, and initiatives such as online family support groups.

Work in my region is complemented by that of organisations such as the Grampian Family Support Forum, which Nanette Milne mentioned. The forum was formed in 2010 by concerned parents and has established itself as a voice for the thousands of people who are affected by a loved one's drugs misuse. It promotes family support groups and the benefits of mutual peer support. The chair, Sheila McKay, a founding member, told the Parliament at time for reflection in March 2012:

"We want to use our lived experience to make positive changes within our communities. Why? Because, when you are qualified to speak, people listen."—[*Official Report*, 7 March 2012; c 6921-2.]

I believe in empowering such recovery networks. We must establish local services that are designed to meet local needs and are directed by local people.

Many of Scotland's prisoners are battling addiction—40 per cent are likely to have an alcohol problem and two thirds test positive for illegal drug use on admission to prison. Given the clear links between those circumstances, I wonder whether there could be further collaboration between organisations that assist families who have loved ones in prison and organisations that deal with addiction. To what extent do formal throughcare arrangements exist to stop families falling between the cracks on an offender's release? Perhaps the minister can shed some light on that.

The nature of Scotland's relationship with drugs and alcohol can be changed only through significant social and cultural change. Early intervention and education are key; in the meantime we can work with volunteers and professionals to further develop the capacity that is required to help people who are recovering from addiction and the people who must contend with the consequences of that harm.

Parents, grandparents and siblings are among the people who are most at risk of further harm. However, they are often also best placed to influence the course of their loved one's addiction, providing insight, improving outcomes and limiting the impact on other vulnerable family members.

Investment in a whole-family approach to the delivery of recovery services demonstrates that families are a fundamental part of the solution and not an afterthought.

12:55

David Torrance (Kirkcaldy) (SNP): I thank John Mason for addressing the issue of families who are affected by alcohol, drugs and other substance misuse. Given Scotland's extremely high rate of people addicted to alcohol and drugs, it is crucial that we tackle all aspects related to substance misuse; one such aspect is support for the family members of those who are affected.

Most will be familiar with the Scottish Government's briefing paper on promoting family recovery, which provides a framework for effective recovery measures. However, recovery is a broad concept and effective recovery involves not only supporting the clients who seek help but considering the importance of a client's social environment. No matter whether we are talking about partners, family or friends, they all play a crucial role in the recovery process. We must recognise that only by taking into account all aspects related to reducing substance misuse can we make progress in lowering the number of those involved.

This afternoon, I want to raise awareness of those who are related to problem drug users. Although developing family support is a necessary step, we tend to forget about the relatives and friends who suffer as a result of the extensive effects that addictions often cause and it is essential that we provide them with the protection and support that they need to help them deal with the consequences of having a person with problem drug use in their family.

At the moment, around 52,000 Scots suffer from alcohol and drug addictions. Unfortunately, some who witness a parent misusing in their childhood will carry that burden throughout their life. In Scotland, the estimate for the number of children who are affected in this way is around 40,000 to 60,000. The devastating impact of such an experience on a child's life is indisputable. Negative outcomes associated with parental drug abuse include decreased wellbeing and difficulties in achieving full educational potential, which could create obstacles to future employment. In addition, affected children are often exposed to higher risk of emotional and physical abuse.

Although statistical data collected within the Fife region indicates that alcohol and drug misuse is slightly lower than the Scottish average, that does not mean that we do not face the same challenges as the rest of the country. People in Fife have recognised the urgency of reducing alcohol and

substance misuse and are particularly keen on reducing its profound impact on so many people's lives.

In 2009, the Fife alcohol and drug partnership was established with the intention of improving community planning between local government, NHS Fife and third sector organisations. The strategy includes identifying and protecting those who are most likely to be affected by others' substance misuse and aims to increase the number of services that create a safer and more supportive home environment for those vulnerable target groups. In 2013-14, £179,000 is being allocated towards achieving that goal. Indeed, the funding that was made available in 2012-13 allowed 37 children from 19 families to receive counselling and take part in various programmes. The figures show that, as a result of individual and group sessions, the impact of parental substance abuse on children was clearly reduced and parenting skills as well as family relationships were improved.

I want to highlight two organisations that receive funding from the Fife alcohol and drug partnership: the Drug and Alcohol Project Limited and Fife Alcohol Support Service. Those organisations provide an invaluable service in helping to support people who have been affected in some way by alcohol, drug and other substance misuse. DAPL has supported people in Fife with alcohol, drug and solvent misuse issues since 1994 and, in 2013, it started what has turned out to be an extremely successful summer programme for young people and their family members, the key goals of which are reinforcing family engagement and positive parenting.

Fife Alcohol Support Service, which is based in Kirkcaldy, offers counselling services to those who are affected by heavy alcohol consumption. In 2012-13, the organisation offered counselling sessions to 301 clients with the aim of addressing all the problems that arose from alcohol abuse. Among that number were several family members and friends who sought help with the drinking of someone in their social environment. Most of the individuals who received counselling had a remarkably positive response to the sessions and felt that their psychological wellbeing had improved significantly.

Even though a large number of charitable organisations are now well established in Fife and are co-operating with local government and the NHS through the drug and alcohol partnership, too many people are still suffering from the devastating effects of alcohol and drug abuse. As has been mentioned, children are particularly vulnerable. I think that we would all agree that no child deserves to be hindered in developing his or her full potential. The aim for the future is to

identify and support each and every child who suffers from parental drug misuse, provide them with services that meet their needs and ensure that they grow up in a safe home environment.

I commend the dedicated work of DAPL and Fife Alcohol Support Service, which I believe to be truly beneficial to many of my constituents. I praise all other organisations that dedicate themselves to providing such valuable support services in Fife and throughout Scotland. I hope that those initiatives will be able to successfully continue their support services for all those who are affected directly or indirectly by substance misuse.

13:00

Ken Macintosh (Eastwood) (Lab): Like other members, I thank John Mason for securing today's debate and for his opening speech. As Mr Mason mentioned, I was indeed delighted to host a parliamentary reception in November for Scottish Families Affected by Alcohol and Drugs, which allowed us to hear from those on the front line who are dealing with families affected by drug and alcohol abuse. The chief executive of Scottish Families Affected by Alcohol and Drugs, Christine Duncan, spoke very movingly at that event—and at time for reflection in the Parliament on 4 February—about the stigma that society attaches to addiction and the lack of sympathy and understanding not just for the individual, but for their families, too. She also spoke of the allocation of blame that is often expressed. John Mason talked about the guilt that is felt and Nanette Milne talked about anxiety. It is those issues—the wider repercussions for the families and communities that are affected—that make this debate so important.

Before I move on to family recovery, I want to highlight the grim reality of the increased trend in alcohol and drug-related deaths in Scotland. In 1992, there were 153 drug-related deaths, but by 2012 the number was 581. Thirty years ago, 572 people died in alcohol-related circumstances, but by 2012 the number had almost doubled and was 1,080. I mention those statistics to highlight that this is not a problem that is going away. Although there have been limited reductions in recent years, the long-term trend is an increase in deaths.

Scottish Families Affected by Alcohol and Drugs highlighted another statistic that caught my eye, which is that the majority of drug-related deaths happen at home. That makes the role of family members crucial not just in the recovery process but in creating an environment in which there can be early intervention to prevent the drug taking and potentially save a life.

Of course, as members have pointed out, Scottish Families Affected by Alcohol and Drugs is

not just a policy-making organisation; first and foremost it provides practical help to those who are directly affected. At November's event, we heard from some of the mothers and grandmothers in Aberdeen who have formed a network of support for each other. With regard to East Dunbartonshire, Claire Wadsworth from Scottish Families Affected by Alcohol and Drugs spoke to us and described very powerfully how she had brought together the parents, wives, husbands and even children of drug and alcohol users, who found it of immediate benefit.

If we are to permanently change Scotland's relationship with alcohol and drugs, we need to look to family interventions at an early stage to support people into treatment programmes and to support families afterwards. In fact, early intervention with families will not only reduce the number of needless deaths, but could free up many of the acute services that are often called upon at times of crisis. Studies show that preventative spend in family support services pays huge dividends in reducing demand on health services.

As John Mason pointed out in his motion, up to half a dozen other people within the family are directly or indirectly affected by drug and alcohol misuse. The United Kingdom Drug Policy Commission estimates that the cost of the harm to family members in Scotland runs to about £229 million per year and that the support that they provide would cost around £95 million to replace. Few of us think in purely financial terms about the impact of those interventions, but the figures are quite striking.

So, what more can we do? We need to promote far more widely the existing evidence so that those who are involved appreciate the benefits of involving family members at each stage of the recovery process. We could and should use the health advertising spend to expand knowledge and reduce stigma. There also needs to be far better integration of specialist and generic rehabilitation services to increase the opportunities for family members to be engaged in the process.

The Scottish Government has done much to support work in this area, and I acknowledge those efforts. In spite of that, however, Scotland continues to battle with drug and alcohol abuse. If we are to make a fundamental difference, part of the answer must lie in supporting family and not just individual recovery.

13:04

The Minister for Community Safety and Legal Affairs (Roseanna Cunningham): I thank members for their thoughtful contributions. I would have expected no less, given the subject matter of

the debate. That confirms that the Parliament continues to recognise the needs of families and is committed to supporting and promoting family recovery across Scotland.

As a member of the Government, I restate the Government's commitment to families. We will continue to listen to, support and work with families. We will do that in a number of different ways: through a commitment to faster access to treatment and support, on which we have made big strides; through sustained record investment in front-line drug services; through a drive to improve service quality, including our response to the independent expert group on opiate replacement therapies; and through our commitment to grow recovery across Scotland. In addition, we fund voluntary organisations such as SFAD. The Government increased its funding to enable SFAD to work with families who are affected by both drugs and alcohol, and the organisation has now taken on that new role.

We are committed to supporting vulnerable children and their families, and we recently published updated good practice guidance, "Getting Our Priorities Right", for all agencies and practitioners working with children, young people and families affected by alcohol and drugs. That ensures that local partners have robust risk assessment procedures in place where children are at risk. That partnership includes a wide variety of services.

We continue to work in partnership with the Lloyds TSB Foundation partnership drugs initiative to support families directly. Like many other members, I was pleased to attend the successful event in Parliament last November, which was convened by Ken Macintosh, at which SFAD presented its briefing paper, "Promoting Family Recovery Across Scotland". Ken Macintosh spoke eloquently today about the impact of death on families, and I will say a little bit more about that later.

We need to remind ourselves that the Scottish Drugs Forum provides critical incident and naloxone training. In making that available to families, the forum teaches them how to respond in an overdose situation. If naloxone is available, it teaches them how to use it. The Government continues to encourage family members and friends to participate in that training. It is important that such training is available. Ken Macintosh is right to highlight the impact of a death and the enormous negative consequences that it has within a family.

The paper that SFAD produced acknowledged that every person with a drug problem is part of a family, and that reminds us that families cope with their family member's addiction every single day—it is not something that they dip into and out of. I

am sure that there is not one of us who has not been moved by the experiences of families who are affected by drugs or alcohol.

John Mason is right to highlight the many different groups that are now working in this general area. Like him, when I meet families from across Scotland, I am always profoundly inspired by their resilience and commitment both to their family and to the potential of their family members to recover. I am also inspired by their willingness to share their experiences and, by so doing, to help others who are going through difficult times, too. As Alison McInnes reminded us, we should remember the families who have already experienced bereavement as a consequence of addiction in their family and yet still go out and help others. We continue to build our awareness of the needs of families in that situation.

Families need support, too, and the role that is played by national organisations and local support groups is vital to families. I am glad that the Parliament has recognised that. Organisations such as SFAD continue to offer advice and support, as well as bringing people together to share and learn from experiences of supporting the family unit through the recovery journey. Family recovery is being positively promoted and supported right across Scotland. SFAD is working with around 70 family support groups, and it is encouraging to hear that two new groups offering support to families are starting up every month.

In Grampian, SFAD and Scottish training on drugs and alcohol—STRADA—are providing family-inclusive practice training to the local workforce, and the Grampian Family Support Forum is supporting local family groups in their development. Understandably, Nanette Milne spent much of her speech outlining the various groups in the Grampian area.

In East Dunbartonshire, the family support group that was started by SFAD is well established, so much so that SFAD is currently developing a second group in the area. Success begets success. Margaret McCulloch listed just some of the local groups that are involved in her area, as did David Torrance with regard to Fife. Other members will have similar lists from their own areas.

Family experiences are central in raising awareness of new drug trends, which we debated in this chamber recently. The work of SFAD continues to be central in informing our work on new psychoactive substances at a national level. People should see this as a two-way process: SFAD informs us, helps us and gives us guidance, too.

Alcohol and drug partnerships across Scotland also play a key role in supporting families and

individuals in their recovery, as part of their local packages of action to address drug and alcohol problems. By working together, the nationally commissioned organisations such as SFAD, the Scottish Recovery Consortium, the Scottish Drugs Forum and STRADA can focus on understanding and sharing lived experiences of recovery, as well as tackling stigma—Ken Macintosh and one or two other members mentioned that—which is one of the greatest challenges that families face.

Alison McInnes raised the issue of joining up service delivery, particularly for people coming out of prison. She will be happy to know that the cabinet secretary recently set up a joint ministerial group on offender reintegration, of which I am a member, as are other ministers. The group was brought into being precisely for the reasons that Alison McInnes outlined: to begin to see issues right across different ministerial portfolios.

Building on the commitments that we made at the members' business debate on families, convened by Nanette Milne in 2012—I have not forgotten that she was very keen to discuss the issue at that point—let us recommit today as a Parliament to continue to listen to families who need support, support the family unit as a whole, do all that we can to tackle stigma and support and promote recovery, and ensure that valuable examples of good work continue to be shared and learned from.

I thank John Mason for today's debate, which has helped to ensure that this important issue continues to be on the Parliament's agenda. I thank Christine Duncan and SFAD for their ongoing commitment to supporting families and raising awareness of the issues that affect them.

13:12

Meeting suspended.

14:00

On resuming—

Syrian Refugees

The Deputy Presiding Officer (John Scott):

Good afternoon, everyone. The first item of business is a members' business debate on motion S4M-08845, in the name of Patricia Ferguson, on support for Syrian refugees. The debate will be concluded without any question being put.

Motion debated,

That the Parliament expresses solidarity with the children, women and men of Syria who are enduring the country's near-three-year civil war; understands that an estimated 6.5 million have been displaced internally and a further 2.4 million have sought refugee status in neighbouring countries, with many now in camps in Lebanon, Iraq, Jordan, Egypt and Turkey; expresses particular concern for the people who have survived torture and sexual violence, the many who have lost loved ones and for the unaccompanied children and young people; commends the concern, voluntary endeavours and generosity of the public in the UK who, it understands, have donated over £23 million to the Disasters Emergency Committee's Syria Crisis Appeal; welcomes what it sees as the substantial financial commitments of the UK and Scottish governments and the wide support from across the political spectrum to the principles of refugee resettlement, humanitarian admission and family reunion; notes the calls for these principles to be implemented by the UK, with Scotland playing its part, in helping to resettle refugees in order to transform and enhance their lives; further notes calls for Scotland and the rest of the UK to join in the efforts of other western countries by offering protection to Syrians, and believes that, as demonstrated by the participation of West Lothian, Edinburgh, North Berwick, Glasgow and Renfrewshire in the evacuation and resettlement of refugees from Bosnia and Kosovo, this would continue Scotland's proud tradition of welcoming and helping to resettle people fleeing conflict.

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I thank all members from across the Parliament who signed my motion, making it possible for the debate to take place.

Before speaking about the plight of the refugees in the Syrian conflict, I think that it is worth reflecting on the situation in Syria, which has led to so many of its citizens becoming displaced and forced to seek refuge where it can be found. In 2011, when a number of countries in the middle east rose up against Governments that they regarded as dictatorial or as unrepresentative, Syria was among their number. I expect that, as we witnessed the beginning of the conflict there, we would have been surprised if someone had predicted that the Assad regime would still be defiantly in place in 2014.

The situation in Syria is undoubtedly complex but to describe it, as the Australian Prime Minister, Tony Abbot, did, as "baddies versus baddies" entirely misses the point and glosses over the

millions of innocent people who are caught up in this tragic conflict. We can only deplore a situation that has led to 100,000 people being killed; the sickening but credible reports of the systematic use of torture and starvation as weapons of war; and, of course, the outrageous use of chemical weapons. During the civil war, atrocities have been committed by both sides, but it is fair to say that one side regards what we call atrocities as merely a strategy in that conflict.

Millions have fled their homes, with 6.5 million people being displaced within Syria and 2.3 million people fleeing to neighbouring countries. Of those 2.3 million people, it is estimated that more than half are children. Within Syria, aid agencies and non-governmental organisations have struggled to reach those who need help, in spite of valiant efforts to do so. It is right that we acknowledge the bravery of those who do that extremely dangerous work. Working in areas of conflict is always a very risky business and, in this conflict alone, 34 Syrian Red Crescent volunteers have been killed while performing humanitarian duties. Just last week, vehicles clearly displaying the emblems of the Red Cross and Red Crescent came under fire as they tried to enter the city of Homs.

The best possible outcome would of course be a negotiated end to the conflict and a peaceful political transition. Unfortunately, that seems a long way off, so meanwhile—without giving up on diplomatic efforts—the outside world must turn its attention to the additional help that it can provide.

The countries that share a border with Syria are now inundated with refugees—the population of Lebanon, for example, is estimated to have risen by a staggering 25 per cent as a result. Clearly those countries cannot be expected to bear the burden alone. That is why my colleagues at Westminster were so firm in their resolve in arguing that the United Kingdom should play its part. I put on record my sincere praise for the UK Government, which pledged £600 million for relief—the second highest contribution after the USA. The Scottish Government also deserves credit for its contribution of £200,000.

However, I am disappointed that it took six months of campaigning by the Labour Party, with the help of other Opposition parties at Westminster, some back-bench members of the coalition, refugee councils across the country, many of the aid organisations and some national newspapers, to persuade the coalition Government that it should—that it must—accept refugees. Let us remember that only a week before Theresa May's announcement, the then immigration minister, Mark Harper, described any UK Government resettlement of refugees as tokenistic. Of course, the UK Government proposal, although welcome, is to accept only the

most vulnerable refugees in numbers that are likely to be in the hundreds from a conflict that is likely to result in 4.1 million refugees. A country that played such a vital role in assisting Kosovan refugees and people escaping other conflicts over the years can surely do better.

The Scottish Government was quick to react and say that it would play its part in the resettlement of Syrians. If the minister is able to provide any insight into how those negotiations might play out, that would be very helpful. However, I would hope that the Scottish Government might push the UK Government to do more by demonstrating that Scotland stands ready to assist.

The Syrian refugees whom I have met, who are involved in the excellent Maryhill Integration Network, are absolutely clear that they do not want to be refugees—they want to be at home—but while they are here, they will play their part in the lives of our communities.

I know that other members want to speak, but we must mention the role that Gordon Brown MP is playing in drawing attention to the very real prospect that an entire generation of young Syrians might be deprived of an education. That view should be supported. Given Scotland's proud record over the centuries in education, perhaps it is an area in which we could provide particular help and expertise.

I will end with a quote from Gordon Brown that, to me, encapsulates the issue:

“young people need more than food, a home and vaccinations: they need hope, which is what education offers, allowing children to plan for the future and preventing young people, already scarred by war, from becoming a ‘lost generation’. If, through the creation of the Red Cross and later Médecins Sans Frontières, the right to healthcare even in conflict has become the norm for more than a century, then we can achieve the same for education in 2014, and prise open a window of hope amidst the increasing despair.”

The Deputy Presiding Officer: Thank you for your brevity. We are tight for time today.

14:06

Jim Eadie (Edinburgh Southern) (SNP): Patricia Ferguson deserves huge credit for bringing to the chamber this important debate on the condition of Syria's refugees, which for many in this country has become a forgotten issue. Patricia has not forgotten the issue and I am glad that we in this Parliament are giving it the attention that it deserves.

As the United Nations Security Council considers a draft resolution aimed at increasing access to humanitarian aid in Syria, the debate is particularly timely. Although a positive result from

the latest round of peace talks is uncertain, if not unlikely, I know that members across the chamber will share a deep desire to see them succeed and for there to be the diplomatic breakthrough that the people of Syria so desperately need and deserve.

In March 2012, I led a members' business debate to highlight the terrible atrocities and devastating violence taking place in Syria. At that time, the civil war had claimed the lives of more than 8,000 people and displaced around 200,000 people. Two years on, the situation in Syria has deteriorated immeasurably into a crisis that the United Nations High Commissioner for Refugees has described as

"the greatest tragedy of this century – a disgraceful humanitarian calamity with suffering and displacement unparalleled in recent history."

Now in its third year, Syria's civil war has displaced more than 4 million people internally and forced more than 2 million people to flee their country for the relative safety of neighbouring countries. According to figures that were released by the UN at the end of last year, more than 2 million Syrian refugees have been registered in Egypt, Iraq, Jordan, Lebanon and Turkey. The flow of people and families across Syria's border continues to swell far beyond initial expectations and that is putting considerable strain on the region's already limited resources. Communities in neighbouring countries have been extraordinarily generous in hosting vulnerable Syrian refugees and the international community owes those countries a huge debt of gratitude for keeping their borders open and continuing to offer safety and sanctuary to those people forced to leave their homes.

Given the scale of the humanitarian crisis, the challenge for the international community and aid agencies must be to support and assist those countries and share the burden whenever possible. It would be churlish not to pay tribute to the UK Government for its significant investment in that endeavour, with a commitment of more than £500 million for support inside Syria and support for the region.

Patricia Ferguson's motion recognises the need for Scotland to play its part as a good global citizen in supporting the international effort to provide humanitarian assistance to Syrian refugees. I am pleased that the Scottish Government has provided more than £200,000 to the Disasters Emergency Committee's Syria crisis appeal and that, according to the Scottish Refugee Council, at least £1 million of the £23 million that has been donated has come from people in Scotland. That demonstrates the tremendous generosity of people from all over the country, who understandably want to do all that they can to help those most in need.

As the conflict continues and the number of displaced people and refugees rises, it is essential that humanitarian agencies and organisations continue to respond quickly, effectively and on a meaningful scale.

Aid agencies continue to play a pivotal role and I am proud to have the European headquarters of Mercy Corps in my constituency. Mercy Corps is succeeding in delivering assistance on the largest possible scale, reaching more than 2 million people both inside and outside Syria. Although much of its effort is focused on meeting the most urgent and immediate humanitarian needs, Mercy Corps is constantly seeking opportunities to work alongside populations affected by the conflict in Syria to build long-term resilience to recurring shocks and stresses relating to exposure to conflict and displacement.

The sad truth is that the global community is disunited as to how to bring an end to the conflict in Syria. However, there can be no disagreement over the need to alleviate human suffering and the world's responsibility to do more. Is it not time for the UK and Scotland to meet our international obligations to accept more refugees and to do more to help the men, women and children of Syria?

14:11

Claudia Beamish (South Scotland) (Lab): I thank my colleague Patricia Ferguson for securing the debate.

I am sure that all members will agree that the on-going political and humanitarian crisis in Syria is extremely troubling and that more must be done to end the plight of the Syrian people.

Although we hear much in the news about the conflict between the Assad-led regime and the disparate branches of the opposition, it is sometimes forgotten that many ordinary Syrians just want to be able to get on with their lives without fear of violence on both sides. A sad fact of the war is that it is difficult to be clear about who is fighting for the freedom of the Syrian people and who is using the conflict to further their own ends. Recent reports from Human Rights Watch and others suggest that both sides have perpetrated war crimes, although it appears that the regime forces have been most guilty in this regard.

As a co-convener of the cross-party group for Palestine, I take a particular interest in the middle east, although I am in no way an expert. Members will remember the beginnings of the Syrian conflict in 2011 and the Arab spring. As Patricia Ferguson highlighted, I am not sure that any of us thought that the Assad regime would last this long. If recent events are anything to go by, it may continue for some time.

Although measures have been taken to ensure the removal of chemical and biological weapons from Syria—I am, of course, supportive of those measures—there is still far more violence being carried out with conventional weapons, which must be addressed through the international community. We were all, of course, hopeful that Mr Brahimi's mediation efforts at the Geneva II negotiations would be successful, but it appears that little has been achieved, at least publicly.

The recent situation in Homs demonstrates the difficulties in bringing about even the most basic of humanitarian measures. The Red Cross and Red Crescent have called for unimpeded access to besieged areas and the UN-backed humanitarian pause was certainly a step forward, as it allowed civilians to be evacuated from Homs. However, the International Committee of the Red Cross still has grave concerns about the lack of

“a commitment from all sides to respect the basic principles of international humanitarian law”.

The likelihood of a continued political stalemate makes the need to help Syrian refugees all the more important. As former Foreign Secretary David Miliband said,

“if peace cannot be brought, how can humanity be brought to the conduct of war?”

The humanitarian crisis is certainly extreme. As Patricia Ferguson states in her motion—and as Jim Eadie highlighted—neighbouring countries feel the strain of a massive influx of refugees. I believe that the number of refugees in Lebanon alone has now surpassed a million people. In a country of fewer than 5 million people, that is an astounding statistic. I am sure that members will join me in commending the valuable help that has been provided by Oxfam and others, who have been ensuring that vulnerable people from Syria who are in Lebanon have safe housing and that their basic needs are addressed.

Under the UNHCR scheme, other European countries have committed to admitting significant numbers of refugees—I believe that Germany will admit 11,000. I am sure that the chamber would agree that Scotland would be more than willing to play its part, should the scheme be adopted by the UK.

According to the Home Secretary, 3,500 Syrian asylum seekers have been admitted to the UK by way of UK borders, but not by the Government actively bringing people here. I recognise that the British Government has done something to provide aid to those who are still trapped in Syria and I welcome the commitment to work towards a political settlement. I echo the words of John Wilkes of the Scottish Refugee Council, who has said that we must offer the most needy people a home in our country. I feel that the UK could do

more to take part in the UN scheme. The Scottish Government is certainly playing its part, and I encourage it to do all that it can. In that, it will have the support of members from across the chamber.

14:15

Bob Doris (Glasgow) (SNP): I pay tribute to Patricia Ferguson for lodging the motion and for bringing the debate to Parliament. I do not have a prepared script, but I want to tell members about my experience at a refugee camp in the Kurdish region in northern Iraq during the summer. I had been at Halabja and, on the way back, I found that Kurdistan had opened its borders to refugees from Syria. The primary schools there, which were on holiday at the time, became the first point of contact for refugees to get food, water and basic bedding before they went on to more stable accommodation in larger refugee camps.

I want to tell members the story of a family I met through friends, who were translating for me. I asked the family about the fighting and why they had left. I say to those who take a different view of immigration and asylum that that family did not want to leave Syria, although I must point out that they believed that they lived in Kurdistan. They did not want to leave their home, but they did so because they were not safe. I asked who they were not safe from, and they said that no matter which side in the conflict was involved, they were being persecuted. However, it is simplistic to say that it is “baddies versus baddies”, so the Australian Prime Minister was wrong about that. Assad has institutionalised the atrocities that are going on. Others might be committing atrocities, but the Government in Syria is carrying out institutionalised attacks on human rights.

To the family I spoke to, however, who wins the conflict does not seem to matter—what matters to them is that they are safe. When the conflict finishes, whoever is in charge, they just want to be safe. They see themselves as vulnerable because of a wider geopolitical situation that they do not care about, and they just want to be safe.

I can tell members another couple of things about my experience there and the families I met. First, they do not like Scottish Parliament tablet or fudge—I gave it to them, but it was too sweet for them. Also, while I was there, a child was having breathing difficulties. We mentioned that to the people who organised the aid and, within five minutes, an ambulance arrived to take the child to hospital, although that was probably just because a member of the Scottish Parliament was in the refugee camp. That is not because people do not care about the child and the family but because they are so overwhelmed by what they have to do that they have to prioritise the most serious cases. Believe it or not, that child with breathing

difficulties might not have been the most serious case that they had to deal with.

It is right that the UK takes refugees. I was going to say that we should take a fair share, but we should just take as many as we can in an organised fashion. These people are sometimes under attack from all sides and they just want to be safe. I hope that, as refugees come from the Syrian conflict to the UK and Scotland, they do not have to go through a complicated asylum process. I hope, and I am sure that Patricia Ferguson will agree, that before they arrive we will have identified their accommodation, their children's primary schools and the wraparound care that they need to get on with their lives.

Members have talked about the huge numbers of people who are involved, but we should forget about the huge numbers just a little, because each individual and each family has a value and a human worth in their own right. When we take those vulnerable people in Scotland, let us ensure that we not only make them safe but give them the best possible experience to allow them to go forward from what has been a horrific experience. I hope that, one day, people will no longer have to flee from that part of Kurdistan, irrespective of who is in charge.

14:19

Alex Johnstone (North East Scotland) (Con):

I thank Patricia Ferguson for bringing this matter to the Parliament for debate and I apologise for not signing her motion. I hope that she will accept this expression of sincere support for the motion in substitute for my failure to sign it, because I do support it. There are key issues that we need to discuss.

I thought that I would take a slightly different view and pose a question for all members who participate in the debate. This country has a record of involvement in conflicts in the middle east, and it is not always a good record. We started many years ago, when we intervened in the Balkans. We thought that that was a positive use of UK military force and that of our allies, and we held it up as an example of what can be achieved when we do the right thing in a timely fashion.

Subsequent experiences in Iraq and Afghanistan have significantly changed public opinion. When there was a call for us to intervene in Libya, I think that we reached a significant point in our consideration about what we can and should do in such situations.

The decision in the House of Commons on Syria was a watershed. It was a moment when people took a different view for the first time and decided that intervention was not appropriate and we

should pursue a different course of action. The decision that was taken in the House of Commons led to similar decisions in a number of Parliaments around the world.

For the first time, we are trying to deal with a situation and find solutions largely through the diplomatic route rather than the military one. Whatever one's view, such a route is worth pursuing and making a success of. The experiment that happened over the biological weapons issue demonstrated that the approach can work effectively when we all work together with a common interest.

However, many of the forces at work have failed adequately to deal with the refugee problem. If we could get the level of support on the refugee issue that we had on biological weapons, progress could be made much more quickly. The truth is that there is a road block in the United Nations and there is significant difficulty in finding a solution that will work quickly.

Not only are refugees spilling out from Syria into neighbouring countries, but there is some prospect and danger of the conflict itself beginning to spill out. For that reason, we need to redouble our efforts. Everything that is suggested in the motion is vital to success on behalf of the refugees. However, only a solution in Syria will deliver the opportunity for Syrian refugees to return to their homeland and live in peace.

That is an aspiration that I cannot steer us towards. It is therefore essential that we are all prepared to work together to do what we can for the refugees and continue the diplomatic effort. The problem with diplomacy is that it always takes time, and the refugees of Syria are running out of time.

14:23

Sandra White (Glasgow Kelvin) (SNP): I thank Patricia Ferguson for securing this debate and I thank the many charities and people, at local and at national level, who have donated money and their services to help the estimated 6.5 million people who are displaced and 2.4 million people who have sought refugee status in neighbouring countries.

I visited Syria a couple of years ago with my colleague Pauline McNeill, who is known to members. We met President Assad. He was very courteous and we were given free rein to go throughout Syria, visiting people in their homes, speaking to groups and visiting refugee camps. I found the warmth of the people to be fantastic and I thought that the country was absolutely beautiful—it is very sad that it has come to this.

I have spoken to friends in the refugee community—Patricia Ferguson mentioned the Maryhill Integration Network—and to others who live in Syria, Lebanon and other parts of the middle east, to ask them what has happened. I remember a beautiful country, where we spoke to people and were given dinner and overnight stays—and all of a sudden those people are becoming refugees and being killed in their thousands. What can we do?

As I said, I thank the charities that provide services, and we must all commit to that aid. However, we must also look at the international situation, which Alex Johnstone touched on.

Aid is vital. Along with others, I visited Yarmouk refugee camp in Syria, which was set up after the Israeli war in 1948. In that area, about 150,000 Palestinians live alongside Syrians. The Palestinians in that refugee camp had full access to employment, education and social services, unlike those in other countries in the middle east, but now, the people in the camp—Palestinians and Syrians—are starving to death. If anyone has seen the video on YouTube, they will have seen pictures of young children that they would not have wanted to see, going back to many years ago. That is the situation in refugee camps in Syria.

Patricia Ferguson and Claudia Beamish mentioned that Lebanon hosts the largest number of Syrian refugees—more than 1 million. Having visited Lebanon, Syria and other countries in the middle east, I am deeply saddened to see what they have come to. We need to ensure that aid is provided, but we also need to get the international community round the table.

Many things have happened in the middle east. Alex Johnstone mentioned interventions, which include illegal wars in Iraq and other things that we should never have been involved in. I agree that a diplomatic solution is needed. While we leave the middle east in its current situation—in relation to not just the Palestinians but others—what is happening will continue. I will still have troubled thoughts and my friends in Syria, Lebanon and Palestine will still have troubled thoughts.

When will this end? I appeal to the minister. I hope that he can speak to his Westminster counterpart and do something to let the world see that we cannot afford to let this beautiful region of the world—the middle east—go down its current road. Intervention is needed, but it must be diplomatic intervention.

14:27

Sarah Boyack (Lothian) (Lab): I thank Patricia Ferguson for securing the debate. I also thank Oxfam, the British Red Cross and the Scottish

Refugee Council for their briefings and all the work that they and other charities are doing in what is an incredibly difficult situation, as all colleagues have said.

It is impossible to look at the situation without a sense of despair. It is difficult to comprehend that a third of all Syrians—6.5 million people—have been displaced in Syria and that 2.4 million have left Syria. It is impossible to imagine the stress and strain that that is putting on people. Millions of people are living on camps and in makeshift settlements on borders.

Life in those camps is impossible for us to imagine. Patricia Ferguson highlighted well the impact on children. There is an impact on anyone who has been a refugee, but the lives that children are living, the level of disruption to their lives and the fact that the conflict has gone on for more than three years should force us to think about what more we can do. We should all agree to work together on Patricia Ferguson's point that we should think about how the world and Scotland could add to the agenda. I am not asking for a response today, but I hope that ministers will take that point away and think about it.

We have had a tremendous impact in Malawi with focused actions from people and communities in Scotland, such as educationists and people in the health service. We could work with charities and our civic communities in Scotland to think about practical things that we can do to help Syrians.

As everyone else has said, the situation is desperate. The most recent attempts at peace talks failed last month, which was also when the United Nations High Commissioner for Refugees stopped updating the death toll. The death toll rests at more than 100,000, but the UNHCR decided that it cannot verify deaths since July last year. That situation is horrendous. We know that the official death toll does not reflect reality.

The situation is difficult for people who live in Syria, on its borders and in exile, but it is also incredibly difficult for the charities that work in the region. The scale of conflict and the fact that charities are not even being recognised should concern us all. We need to thank those aid workers who are putting their lives on the line daily.

I agree with other members' welcoming of the huge generosity that people across Scotland have shown. There are fantastic lessons that we can learn from that. I know that the Pakistan Society Edinburgh did work with Aid4All, which is a central Scotland-based charity. The report that they gave on their work was incredibly moving and served as a reality check. They talked about the provision of dentistry. People will be refugees for so long that

the health of their teeth will be an important issue. Once someone has lost their teeth, they do not get them back. It was the human side of the tragedy that brought things home to people in the hall that night.

I would like to name check our former colleague Pauline McNeill. She organised salsa for Syria—a fundraising event on Sunday night—which Johann Lamont and I attended. It was a great success. We want to encourage people across the country to do whatever they can, regardless of the kind of community that they are involved in. When it comes to raising awareness of the situation in Syria and raising money for the refugees, we should do whatever works, because people need our support. We can act, not just in the Parliament but by helping to mobilise our communities.

We need to support calls for aid agency workers to have rapid and unimpeded access to the people who have been affected. They deserve nothing less, because they are putting their lives on the line and are acting for the world community, which objects to the horrendous situation in which the two sides will not agree peace. We must do everything that we can to support the people of Syria. We must add our influence by supporting the calls for a ceasefire and for the UK to do its bit by helping to take our share of Syrian refugees.

14:31

The Minister for External Affairs and International Development (Humza Yousaf): At the outset, I thank Patricia Ferguson for lodging her motion and I thank all those members who signed it. It is one of those debates that we would rather not be having, but the circumstances mean that it is important that we have it.

We have heard some highly impressive speeches, on some of which I will reflect. I will start with Bob Doris's speech, which was an incredibly powerful and moving account. He said, quite rightly—and quite poignantly—that no one chooses to be a refugee. Regardless of the country or the conflict that someone is fleeing from, or the circumstances in which they find themselves, they do not choose to be a refugee.

Some of the statistics that have been mentioned, which I have seen in various briefings from the Scottish Refugee Council, UNHCR, the Red Cross and others, are staggering. The exodus of refugees out of Syria is equivalent to almost half—45 per cent—of the Scottish population, and more people than the entire population of Scotland have been internally displaced. The figures are mind boggling. I would not say that they do not matter—of course statistics matter—but it is almost impossible to comprehend them; I certainly struggle to do so. Although there is despair, as

Sarah Boyack mentioned, we should not despair. We cannot allow ourselves to enter a cycle of hopelessness—not for our own sake, but for the sake of those Syrian refugees who are in camps in neighbouring countries.

As all members do, I condemn the violence unequivocally. It does not matter who perpetrates human rights atrocities; we condemn them unequivocally. That applies particularly to the use of chemical weapons. Chemical weapons are being used in emerging conflicts in that region, and the UK Government is right to be strong in its condemnation of that element of the conflict.

Practically, what can we do? Reference has been made to the Scottish Government's contribution to the Disasters Emergency Committee's Syria appeal. Scots have been incredibly generous—thus far, they have raised £1.5 million. I applaud the leadership that the UK Government has shown by contributing £600 million to dealing with the situation. That shows real commitment to demonstrating leadership on the conflict in Syria.

Many Scottish charities have been mentioned. Jim Eadie mentioned Mercy Corps, which I have had the pleasure of working with since becoming a minister. I know about much of its work. I have also had conversations with Aid4All, the newly established charity that Sarah Boyack mentioned. Many members of church and faith groups and community and grass-roots organisations cannot bear to see the pictures from Syria on their television. They want to help and to play their part by doing something, and I applaud every one of them.

Sarah Boyack made a very important point about aid workers putting their lives at risk. Just last week, we saw Red Crescent workers in their ambulance being shot at in Homs. There they were, delivering to the poorest and the most needy, not giving a care for their own lives. When they got shot at, they said that they would come back in an hour. That shows an unbelievable humanitarian spirit, which deserves to be applauded.

Jim Eadie made a good point that the Arab spring is happening, and we should not forget it. It is therefore important to have this debate and to reflect on that, too.

One of the themes that was described particularly well by Sarah Boyack and Patricia Ferguson was the idea of what positive contribution Scotland could make. Sarah Boyack touched on the Malawi relationship, which is a good parallel in that respect. Scotland can make a good contribution where we have expertise. Education was mentioned by Patricia Ferguson, and I am more than happy to explore that idea. I

know about some of the good work that Gordon Brown has done on education in the Punjab, having discussed it with Governor Sarwar—he was telling me about what Gordon Brown was doing in that regard. If there is something that we can do, I would be happy to speak to the Cabinet Secretary for Education and Lifelong Learning to explore what we can do on that front. If Patricia Ferguson has any ideas, I will look at them with an open mind.

Scotland has a history of welcoming refugees. Outside this chamber, we have an exhibition by the Scottish Council of Jewish Communities. That reminds us of Scotland's contribution to taking Jewish refugees. Over the past 20 years, we have taken refugees from Bosnia, Kosovo and the Democratic Republic of the Congo. I am very proud that the First Minister was the first leader of a Government—certainly that we know of—to write to the UK Government to say that it should be taking Syrian refugees. He also said, quite rightly, that Scotland would be willing to play her part.

On Patricia Ferguson's specific question, Theresa May has written to the First Minister to say that, following her announcement on 29 January, the UK Government will be looking to take Syrian refugees. The First Minister's offer for Scotland to play her part was noted. As members will imagine, we have entered into discussions with the Home Office at official level. Those have also included stakeholders such as the Convention of Scottish Local Authorities and its strategic migration partnership. I promise and will endeavour to keep Patricia Ferguson and the Parliament updated. As she will know, it will take time to rifle through the many issues, but we will ensure that we do that.

I started by discussing the importance of not losing hope and of not having too much despair. Throughout the speeches, I have been reminded, given the devastating nature of the conflict and the refugee crisis, of a Robert Burns quotation that will be familiar to us all:

"Man's inhumanity to Man
Makes countless thousands mourn!"

In this case, it is countless millions. I then remembered another Burns quotation, which will also be familiar to all:

"That Man to Man the world o'er,
Shall brothers be for a' that."

When it comes to our positive contribution to this conflict, it should be via that spirit of it not mattering where someone comes from, what side of the conflict they support, who bulldozed their home, or for what reason they had to leave their country—Scotland is prepared to stand with them, to open our arms to them, to welcome them to

Scotland and to make this as much a home as it possibly can be.

Procurement Reform (Scotland) Bill: Stage 1

The Deputy Presiding Officer (John Scott): The next item of business is a debate on motion S4M-09051, in the name of Nicola Sturgeon, on stage 1 of the Procurement Reform (Scotland) Bill.

14:39

The Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities (Nicola Sturgeon): I am pleased to open this afternoon's debate on the general principles of the Procurement Reform (Scotland) Bill. I begin by thanking all those who gave evidence to the Infrastructure and Capital Investment Committee. I am particularly grateful to Maureen Watt, the committee's convener, and to all the members of the committee for their detailed scrutiny of the bill at stage 1.

I am pleased that the committee has recognised the efforts that have been made to consult on the bill from its conception and throughout its development, and I welcome the committee's clear recommendation to Parliament that the general principles of the Procurement Reform (Scotland) Bill be agreed to. As members would expect, the Government is of course giving serious consideration to the detail of the committee's report. I will respond to its key points in due course, in the light of today's debate and the points that will be, I have no doubt, made throughout this afternoon.

As we all know, and as was commented on at length when Parliament last had the opportunity to debate public procurement, public bodies in Scotland spend approximately £10 billion every year on buying things. It therefore stands to reason that the decisions that public bodies make when they spend that money are of enormous importance to businesses, to third sector organisations, and to the health of our economy as a whole. That is why the Procurement Reform (Scotland) Bill is necessary and important.

Before I go on to say a bit more about the content and main provisions of the bill, it is also important to stress that the bill does not sit in isolation; it is not the be-all and end-all of the work that we are doing, and that we require to do, on procurement. The bill forms part of the bigger programme of reform that was embarked on in Scotland following the publication in 2006 of John McClelland's "Review of Public Procurement in Scotland Report and Recommendations". That programme has led to the development of what is being increasingly referred to as the Scottish model of procurement, which seeks to maximise

the contribution that public procurement can make to Scotland's economic prosperity.

That approach views procurement as an integral part of the whole process of policy development and service delivery, and not as something that sits to the side of it. Through looking at outcomes and not outputs, it uses the power of public spend to deliver genuine public value in purchasing. The value-for-money triangle—cost, quality and sustainability—is central to the Scottish model of procurement, and economic, social and environmental sustainability must be at the heart of all that we do around procurement.

Sustainability is certainly at the heart of the Procurement Reform (Scotland) Bill. As members—especially those on the lead committee—will be well aware, the aim of the bill is to set a framework for public procurement that is both business friendly and socially responsible. It will be business friendly by standardising process, streamlining bureaucracy, increasing transparency and encouraging innovation—which the committee commented on at length—and it will be socially responsible by looking at the broader economic and social implications of procurement decisions. I will come back to some of that later in my speech.

Tavish Scott (Shetland Islands) (LD): I think that the cabinet secretary mentioned transparency as part of her triangle of best value. Does she agree that, in implementing the bill, the hubco structure that is such an essential part of delivering new projects should be included in the bill in order to ensure the transparency that I am sure all members seek?

Nicola Sturgeon: We all want transparency. I will talk later about the scope of the bill in terms of the bodies that it covers. Hubs are an increasingly important part of the landscape of capital infrastructure and development, so it is important that they comply with the principles that are important to ensuring that we have a transparent framework around what we do.

I will talk a little about building in considerations such as community and environmental benefits at the start of the procurement process, rather than as last-minute considerations. It is also very important that we set clear standards for conduct of public procurement and clear standards of business ethics. The bill will help us to accelerate improvements in the procurement system and it will help to ensure, especially on major contracts, that we maximise the contribution from our procurement spending, whether that is for economic, social or environmental value.

The bill will place some general duties on public bodies and their procurement activities. Those duties are about acting without discrimination and in a transparent manner, and in a way that is best

designed to improve the economic, social and environmental wellbeing of the area in which the body operates, and to promote innovation.

The bill will also require bodies to consider how they can facilitate the involvement in their procurement activities of small and medium-sized enterprises, the third sector and supported businesses. Those duties are particularly important because it is at the pre-procurement stage that public bodies have the greatest scope to ensure that procurement is accessible, in particular to smaller businesses, and that they deliver maximum social, environmental and economic value.

Supporting those general duties are a number of specific duties, one of which will require public bodies to consider including community benefit clauses in all new major public sector contracts and, where such clauses are not appropriate, to explain why in the contract notice. That will help to maximise the benefits from public procurement and it will build on our already good track record in recent years of delivering training and employment through contracts.

The bill will help to tackle unnecessary inconsistencies for suppliers in relation to doing business with the public sector, and it will ensure that that can be simple, transparent and more accessible to suppliers—again, I specifically mention SMEs in that regard. For example, the bill includes a requirement on public bodies to advertise contracts using a single online portal. That will improve the visibility and transparency of contracts and ensure that there is a one-stop shop for suppliers that seek to do business with the public sector.

The bill will place a requirement on contracting authorities that have a high level of spend to prepare and publish corporate procurement strategies and annual reports. By standardising the approach to the principles we will help to support better information and increased transparency and visibility, provide a better basis for engagement and, I hope, remove unnecessary inconsistencies.

There will also be a requirement on contracting authorities to maintain a contracts register and to make it publicly available. Again, that is about transparency, but it is also about helping businesses to assess current spend areas and to identify potential future opportunities.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): Greater transparency is obviously welcome, but will the cabinet secretary do something about the fundamental problem of the size of contracts, which in many cases exclude SMEs from bidding in the first place?

Nicola Sturgeon: Malcolm Chisholm will be aware that there are provisions in the bill—in section 24, I think—on issuing guidance, which will help in relation to selection of tenderers. We are clear that the bill should be part of a process of removing unnecessary barriers that prevent businesses from bidding for and trying to access public contracts. For example, there is a specific provision on charging for tender documents. These are key issues in the bill, and as we go into stage 2, the Government will be open—as we always are—to considering amendments that would improve the provisions.

I was about to talk about charging for tender documents, but I mentioned it in response to Malcolm Chisholm, so I do not need to do that. The provision will help to eradicate a poor practice that acts as a serious barrier and which disproportionately affects smaller firms and third sector bodies.

The bill also sets standards for provision of debrief information. That is an important part of procurement activity because it helps suppliers to understand where they have weaknesses and to consider where they can improve. Using the bill to promote such standardisation and improved procedures will help to improve value for money and reduce costs for businesses.

High-quality public procurement is dependent on good practice not only by contracting authorities and their purchasers, but by suppliers to the public sector, which need to play their part by delivering high-quality, cost-effective goods and services and by maintaining the highest possible business ethics and standards.

James Kelly (Rutherglen) (Lab): On business ethics, does the cabinet secretary acknowledge that it is an omission from the bill that there is no reference to the living wage, which would give an opportunity to lift many low-paid workers out of the lower wage brackets?

Nicola Sturgeon: I will talk about the living wage. I do not accept that that is an omission from the bill, in which we have gone as far as we can within the confines of European law. However, we will continue to have this debate as we go through subsequent stages of the bill.

I will talk about issues in general. The bill allows us to set rules, where they do not currently exist within the overarching European legislation, regarding both the selection and the exclusion of companies as part of tendering exercises. The practice of blacklisting, failure to comply with obligations on tax and other acts of professional misconduct could in the future result in a company being judged to be unsuitable to bid, and rightly so. I put on the record again the Scottish Government's—and, I know, the whole

Parliament's—view that the practice of blacklisting is completely and utterly unacceptable.

In the context of the bill, there has also been discussion, which James Kelly alluded to, about the living wage—something to which this Government is absolutely committed, and on which it is leading by example. As I have explained before, European Union law—specifically the law on posted workers, rather on procurement—does not allow us to make payment of the living wage an absolute requirement in contracts. However, the bill will allow us to issue guidance on workforce-related issues that will mean that we can ensure—

James Kelly: Will the cabinet secretary take an intervention?

Nicola Sturgeon: I will, if James Kelly will just let me finish.

The bill will mean that we can ensure that issues such as how much a company pays its staff or whether it makes inappropriate use of zero-hours contracts can be taken into account where they would be relevant to delivery and performance of the contract. We are determined to use the bill to the maximum. We will discuss such issues at stage 2, although I am sure that all members will accept that we have to remain within the confines of European law.

I will take a brief intervention, and then I have to make some progress because I have been generous.

James Kelly: If I am an employer who does not want to pay the living wage, what is to prevent me from ignoring the guidance and putting it in the bin?

Nicola Sturgeon: The bill will provide a statutory underpinning for guidance. We have not only led by example as a Government, and through the public sector, in paying the living wage, but are currently funding work by the Poverty Alliance to raise awareness of and to promote the living wage in the private sector. I hope that James Kelly can accept that we are, whatever else divides us, on the same side on this issue. We want the living wage to be paid, and we can discuss how best we can do that through the bill while accepting that there is a wide range of other things that we need to do that cannot be done through the bill. I hope that we can work constructively together on the issue rather than making it a point of division.

I have mentioned European law on several occasions. We need to maintain consistency with existing legislation where there is commonality, and we do not want to give rise to confusion or unnecessary complexity, so we have chosen to mirror the Public Contracts (Scotland) Regulations

2012 while limiting the bill's application to Scottish public bodies. Application of the 2012 regulations is well understood, and the approach that we have taken means that, if a Scottish contracting authority is already within the scope of the regulations, it will also be within the scope of the bill.

We recognise that special circumstances apply to some types of contract, such as health and social care contracts and the contracts that universities and colleges need to award in support of research and development. As I said previously, we intend to lodge amendments at stage 2 to respond to some concerns that have been expressed in that regard.

I, like the committee and many members, have heard a lot of discussion about the types of issues that the bill should address and how it should address them. I have already commented on some of the constraints within which we operate. As members have recognised during this debate in the chamber and in the committee, the bill cannot be a panacea for all procurement ills, but we want to use it to the maximum in order to make as much progress as possible.

I believe that, taken together, the package of measures in the bill strikes an appropriate balance in responding to the views that have been expressed, while retaining the flexibility to cover the diverse range of goods, services and works that are procured by the public sector.

The bill should not be viewed in isolation in Scotland or in the European Union. Just last week the Council of the European Union adopted three new public procurement directives, which we intend to implement by summer next year—well ahead of the deadline for transposition that the directives set out.

Making procurement spending work better has enormous potential for our economic, social and environmental wellbeing. Although the bill is not the panacea that some have thought it might be, it is an important part of the overall package because it can help to ensure that we remain in the vanguard of innovative public procurement and get the best outcomes for Scotland. I hope that the Parliament agrees to the general principles of the bill today, but I remain happy to work with members as we progress to stage 2, and I will look favourably on amendments that are lodged.

I move,

That the Parliament agrees to the general principles of the Procurement Reform (Scotland) Bill.

14:54

Maureen Watt (Aberdeen South and North Kincardine) (SNP): I welcome the opportunity to

contribute to the stage 1 debate on the Procurement Reform (Scotland) Bill on behalf of the Infrastructure and Capital Investment Committee. I thank all those who provided written and oral evidence to the committee, and all the people from business, the public sector and third sector organisations who gave of their time to attend informal events or to meet the committee informally as well as those who gave evidence formally to the committee.

I would also like to thank the committee clerks, who had to put in a tremendous amount of work in order to ensure that everyone had the chance to have a say. I also thank fellow committee workers for their input, and members of other committees that considered the bill at stage 1.

The Infrastructure and Capital Investment Committee supports the general principles of the bill. It considers that legislation is required to improve the situation of those who are attempting to access public contracts and, as it stated in its report, the committee considers that the national procurement framework for Scotland, which will be established by the bill, will improve consistency and transparency.

As the cabinet secretary mentioned in her opening remarks, the committee is aware that the bill was drafted in the context of current European legislation, and in advance of new directives on procurement. The committee recognises the need for a level of flexibility in the bill, so that it can react to those directives. On balance, the committee is supportive of the drive for procurement reform in Scotland at this time, but it will monitor how the bill ultimately sits with the forthcoming directives.

Part 1 of the bill sets out the contracting authorities to which the bill's provisions must apply and the type of contracts that it will regulate. The committee was generally content with the approach that was taken, but heard in evidence the arguments for the inclusion of Scottish Water. The committee understands the logic of Scottish Water sitting, as it does, with existing utilities legislation on procurement rather than with this bill. However, the committee asked the Scottish Government to respond to the argument that there would be benefit to bringing Scottish Water within the scope of the bill for its smaller contracts.

The committee also considered the issue of arm's-length external organisations—or ALEOs, as they are more commonly known. The committee asked the Scottish Government to consider how it might ensure that all ALEOs are covered by the bill's provisions. I ask the cabinet secretary to comment on that during her closing speech.

The committee heard extensive evidence on the sustainable procurement duty. The inclusion of

that duty has been welcomed in evidence. Any criticism that the committee heard centred on the duty's not being onerous enough, or its being not sufficiently extensive to cover specific policy areas.

The committee highlighted the need for extensive and robust guidance on the procurement strategies and annual procurement reports to support the sustainable procurement duty. The committee also sought information on how the Scottish Government might use the procurement strategies and annual reports to assess application of the sustainable procurement duty. Obviously, that will be taken forward in future stages.

The sustainable procurement duty applies to contracts of £50,000 or more for goods and services, and £2 million or more for public works. The lowering of the current thresholds was broadly supported in evidence. In advance of the operation of those thresholds, it was difficult for the committee to reach a view based on evidence. In that light, the committee agreed to support the approach that was taken by the Scottish Government to balance the threshold amounts with proportionality. It welcomed the cabinet secretary's undertaking to

"keep the matter under review"—[*Official Report, Infrastructure and Capital Investment Committee*, 11 December 2013, Col 2361.]

and welcomes the power at section 3(3) of the bill that will allow the threshold amounts to be amended in line with experience, if necessary.

Contracting authorities will also have to consider community benefit provisions for contracts worth £4 million and above. That provision has been broadly welcomed by business organisations, the third sector, public authorities and individuals. In a similar vein to the sustainable procurement duty, the committee considered that the monitoring of the community benefit requirement will be of substantial importance.

It was brought to the committee's attention that although procurement strategies must include community benefit information, there is no requirement for that to feature in annual procurement reports. The committee would therefore like the bill to ensure that annual procurement reports include contracts that have community benefit provisions, so that outcomes can be assessed. The opportunity to include provisions on supported businesses and social enterprises in the community benefit requirement was also raised in evidence and was highlighted by the committee.

The success of the community benefit requirement rests heavily on guidance. The committee requested further information on some

of the detail that is to be included in that guidance. I would welcome the cabinet secretary's comments on that.

The living wage was explored throughout the committee's evidence taking. We were advised that correspondence between the European Commission and the Scottish Government indicates that a provision on the living wage would be likely to conflict with the European directive on posting of workers. The Scottish Government takes the view that it is unable to include a mandatory requirement on the living wage because of the views of the European Commission. The committee noted the Scottish Government's position on that, but given the extent to which encouragement of the living wage will rest within guidance, we sought clarification on how that would be addressed.

The bill includes provisions covering guidance on exclusion of tenderers. It is the committee's understanding that those provisions will allow the Scottish Government to address some of the issues around blacklisting via regulations that will be made under the bill. That was an important issue that was raised in evidence and the committee welcomed the Scottish Government's on-going dialogue with the trade unions on the subject.

Neil Findlay (Lothian) (Lab): What would happen if an employer were to ignore the guidance?

Maureen Watt: That will be dealt with under secondary legislation, as Neil Findlay well knows.

The committee heard repeatedly of the need for transparency in public contracts. It therefore welcomes the requirement for contract notices and award notices to be published on the public contracts Scotland website. The committee considers that that provision is essential in order to improve access and transparency.

The committee supports the establishment of a remedies regime under the bill. However, we heard evidence to support the establishment of an ombudsman or tribunal system to accompany that. We understand that although the bill does not deal with that directly, there will be an opportunity for the Scottish Government to consider the issue when new European directives are adopted. The committee intends to monitor the Scottish Government's considerations in that area.

The committee also heard in evidence about the importance of developing the skills of procurement professionals and the contribution that that could make to delivering improvements in public procurement. Evidence from the Accounts Commission and the Auditor General for Scotland pointed out that

"Public bodies will be required to demonstrate how their procurement will promote or improve the economic, social and environmental well-being of their areas."

They considered that

"This and other aspects will require fresh thinking and may require training in new approaches to managing procurement."

The committee invited the Scottish Government to consider and respond to the recommendation that the training and development of staff be included as a requirement in the procurement strategy and annual procurement report guidance.

Informal discussions with the third sector and SMEs indicated that awareness raising and support for them is important. The committee asked for a response from the Scottish Government on that issue.

The committee welcomed the commitment by the Scottish Government to pursue opportunities to drive greener public procurement and to expand the market for recycled and recyclable materials. We support the provisions in section 31 of the bill.

We also welcomed undertakings to take forward freedom of information matters in discussion with the Scottish Information Commissioner. Perhaps the cabinet secretary can give an update on that.

Two other important concerns with the bill were brought to the committee's attention; the cabinet secretary mentioned them in her speech. First, the committee was alerted to issues surrounding procurement of health and social care services. The second area of concern was higher and further education. I listened to what the cabinet secretary said in relation to those concerns.

The committee agrees that the bill is required in order to improve the situation of those who are attempting to access public sector contracts. It is content that the bill will establish a national procurement framework for Scotland that will improve consistency and transparency. Therefore, on behalf of the committee, I recommend that the general principles of the bill be agreed to.

15:04

James Kelly (Rutherglen) (Lab): I welcome the opportunity to open the debate on behalf of the Labour Party and to indicate that we will support the general principles of the bill at 5 o'clock.

I echo members' recognition of the work that has been carried out by the convener of the Infrastructure and Capital Investment Committee, Maureen Watt, the other members of that committee and the clerks in scrutinising the bill and producing the report.

There is no doubt that, given the £10 billion of public sector spend in procurement, the bill is a

key piece of legislation. This is an opportunity to have an impact on economic growth and to send a key signal about how we operate in Scotland in relation to the fairness agenda.

There can be no clearer example of that than the living wage. In the past 43 months, inflation has risen more than wages have, and that has hit the low paid hardest. It has hit call centre staff, cleaners and labourers. There is no doubt that, if the bill could ensure that contracts included a commitment to the living wage, that would mean an additional £2,200 a year to those who are currently paid the minimum wage.

Kevin Stewart (Aberdeen Central) (SNP): I do not think that anyone in the chamber would not agree that the living wage would be a good thing to include, but Mr Kelly will be aware of the *Rüffert v Niedersachsen* case. Will he comment on that? Beyond that, does he not think that it would be best if the Parliament had control over the minimum wage so that we could deal with matters appropriately?

James Kelly: I will come to the legal position in a minute and address that point.

It is no accident that the calls for the living wage are widely endorsed in submissions on the bill by the enough food for everyone if campaign, the Scottish Council for Voluntary Organisations, the Scottish Trades Union Congress and Stop Climate Chaos, and there is no doubt that many people throughout Scotland see the bill as an opportunity. I agree with Nicola Sturgeon that Labour and the Scottish National Party agree on the living wage. We should be working together to ensure that the bill contains stringent provisions to deliver it.

Alternative legal advice is available, which Unison has provided. The Government will need to look beyond the legal advice that it has. It is about how the question is asked of the European Union; it is also about linking the issue to the performance of contracts. The Government has to engage more on the issue rather than simply stand behind the legal advice that it currently has.

Kevin Stewart: My experience in life has been that we can get different legal advice from the same lawyer. However, *Rüffert v Niedersachsen* is case law rather than just legal advice. Would it not be best if we were at the top table in Europe so that we could try to change the situation?

James Kelly: It is about how the legislation is constructed. As I said, there is a way forward if the issue is linked to performance. Rather than simply repeat one piece of case law, the Government needs to interact with the alternative legal opinions that are available and with those who want the bill to deliver a living wage.

It would send out a powerful signal if the Parliament ensured that, with the £10 billion of public sector spend that the bill covers, the living wage was paid. That would be welcomed by workers in communities across Scotland, and I ask the Government to examine that issue again.

The community benefit provisions in the bill are to be welcomed. With so much money being allocated, there is an opportunity for companies to work closely with communities to look at the wider social and economic benefits that the spend can achieve, as the Jimmy Reid Foundation has said. In its submission, the Construction Industry Training Board gives the practical example of including provisions around apprentices and training, which can not only benefit the delivery of the contract, but make a real difference to local economies.

The Federation of Small Businesses makes some strong points about the small business impact in its submission. It is worth taking on board the fact that for every £1 of spend by small companies there can be 63p in additional impact for communities, compared with 40p from spend by large companies.

We should examine closely the point that Malcolm Chisholm made about the size of the contracts and the need to de-bundle them. There is no doubt that we need to ensure that the £10 billion of spend is spread throughout Scotland and not concentrated on one or two areas of economic impact. To get the most from it, we must move it throughout the country.

Along with SNP politicians such as George Adam, who is the co-convener of the cross-party group on fair trade, I campaigned for and supported Scotland's bid to get Fairtrade nation status, and I welcome our gaining that status. Nevertheless, the Scottish Fair Trade Forum makes a fair point when it says that it is not enough for the bill to ask companies to consider fair trade issues. The bill must contain a more serious commitment and an explicit recognition of Scotland's Fairtrade nation status if we are to make the most of it. Labour will return to that issue at stage 2.

On the important issue of tax avoidance, when we have influence over so many contracts it is right to expect fair and ethical business practices. As the Scottish Catholic International Aid Fund acknowledges in its submission, we are not comfortable with aggressive tax avoidance, which takes money out of the public purse. Through the bill process, we must look closely at the scrutiny of company taxation policies to ensure that business practices are ethical.

Although we support the general principles of the bill, there are a couple of problems with it as it

stands. The Government looks to be laying too great an emphasis on guidelines. As I said in relation to the living wage, and as Neil Findlay pointed out on blacklisting, it is all very well to say warm words and make all the right statements, but the point of legislation should be to make a difference. The worry is that we will put so much emphasis on guidelines that the bill will not achieve the objectives that the Government and the Labour Opposition want it to achieve.

Another problem relates to exemptions. Tavish Scott was correct to point out that the Scottish Futures Trust and the hubcos that operate under it are exempt, which seems a peculiar decision given the millions of pounds in contracts that flow through the hubcos. It seems logical and correct that they should be covered by the bill if we are serious about its making a difference.

We will support the general principles of the bill at 5 o'clock, but if the Government is to translate Nicola Sturgeon's speech into real action on issues such as the living wage, we will need to see some real commitments at stage 2. The Labour Party will submit a raft of amendments on a number of issues in order to strengthen the bill, and we look forward that engagement at stage 2.

15:14

Alex Johnstone (North East Scotland) (Con): Procurement is an important part of what Government and its agencies do. It is an active and developing field. We have come a long way since the days when a construction contract in the Western Isles was issued on the basis of the cheapest bid, only for the job to be done by a company from outside Scotland that employed no local labour and which, after completing the job, left local firms unpaid and debts that were never dealt with.

The truth is that we need to consider procurement quite seriously. The Scottish model of procurement that went before is a good foundation on which to base our progress.

The bill before us is wholesome, modest and functional and contains plenty of good intentions. Sometimes Governments are inclined to take a sledgehammer to crack a nut. At other times, they will herald a bill by suggesting that it will be a pantechonicon complete with bells and whistles, but what eventually comes along is pure, simple and functional. I prefer the latter approach, and I am delighted that that is the nature of the bill that we have in front of us. The cabinet secretary acknowledged in her opening speech that that is what has happened. She will receive no complaints from me for taking that approach.

I am giving away no secrets when I say that we will be happy to vote for the bill at stage 1.

However, I have some concerns, which revolve around some things that are not in the bill and some things that I would not like to see in the bill.

I will start with some of the improvements that I would like to see. We have already heard a number of quotations from the Federation of Small Businesses, and I take the opportunity to quote it slightly more extensively. In the submission that was sent to members before the debate, the FSB states:

"the scope of the Bill needs to be extended to include HubCos and ALEOs to ensure that organisations purchasing on behalf of the public sector adhere to the same standards that we would expect of public sector purchasers".

That is a perfectly reasonable request. It also states:

"while we agree that low-value, below threshold (sub £50k) contracts should not have the same conditions attached to them as high value contracts, commitments to improve procurement should apply to all public sector purchasing. For example, the duty to behave in a proportionate and transparent manner"

is a reasonable expectation. I support those principles.

In ensuring that our procurement system is fair to all, it is important that we do not overegg the situation. It must be fair to all. I have heard some individuals suggest that we could have a procurement system in place that goes out of its way to favour third sector organisations, supported businesses or social enterprises. We need a system that is fair across the board, although I have to say that I was amazed to discover that the types of business with which we are concerned were disadvantaged in the previous system. There will be a great deal to be had for them when we take the bill forward.

I believe that community benefit clauses can be very valuable if they are handled in the right way. I will look closely at what emerges in that regard at stage 3.

There are some very interesting questions that still need to be answered, such as why the bill does not cover Scottish Water. I am not saying that it should; I am simply saying that there is a huge inconsistency, in that a large, apparently public sector, organisation appears to be exempt from the bill. Some would say that it should be included. Some in the chamber might say that there is another solution, which would be to remove Scottish Water from the public sector—but let us not go there today.

The thresholds were discussed at some length during stage 1. It has to be said that most of the witnesses believed that the thresholds are roughly right. However, some of them were unable to tell us why they thought that. The threshold issue did

not seem to stimulate the amount of argument that it might have done.

We have heard about blacklisting, wage levels and zero-hours contracts. It is important that we take into account the fact that there are concerns about those issues, but I do not believe that the bill is the appropriate place for some of them to be covered.

Dennis Robertson (Aberdeenshire West) (SNP): Will the member give way?

Alex Johnstone: We have also heard about tax behaviour—I will get on to that after I have taken an intervention.

The Deputy Presiding Officer: Mr Robertson, the member is in his last minute; he is not taking an intervention.

Alex Johnstone: My apologies.

It is appropriate that wage levels are not included in the bill and important that we deal with wages through the normal channels. We must not have one wage structure for public sector contracts and another for the rest of the economy. For that reason I am prepared to debate—whether in this place or in any other forum—wage structures to ensure that we have a standardised approach to them.

The Deputy Presiding Officer: Draw to a close, please.

Alex Johnstone: When it comes to tax, it is important that we understand the difference between avoidance and evasion. Those who evade tax are criminals and should be prosecuted.

In closing—

The Deputy Presiding Officer: Yes.

Alex Johnstone: In the bill, fairness and transparency are essential. Value for money for the taxpayer is also a sound objective. I share what appear to be the Government's objectives, so let us move forward and get the bill prepared.

The Deputy Presiding Officer: Thank you very much. We are very tight for time; members have up to six minutes, including interventions.

15:21

Kevin Stewart (Aberdeen Central) (SNP): I rise to support the bill at stage 1. I have told the chamber before that I am a little bit of a procurement anorak. However, as I have said in previous speeches—and as the cabinet secretary said today—legislation cannot be a panacea. Some common sense and gumption are often required. Instead of being rigid and risk averse, it is time for folk to put some common sense into

practice. I think that the bill will help in a lot of ways.

Like many MSPs, I meet businesses very regularly indeed—for example, I recently met a coffee and beverage supplier and a vending machine supplier in my constituency. Quite often procurement comes up. On Monday, I met an Aberdeen builder, Mr Kenny Anderson of Anderson Construction, and, having told him that we were having the stage 1 debate today and that I was willing to take on board any comments that he had, I received rather a large email from him. Unfortunately, I will not be able to touch on all aspects of it, but some of the things that he pointed out show where common sense is required.

Mr Anderson said:

“Constructionline is a self funded organisation (paid for by contractors/consultants via subscription) membership of which is a prerequisite of many public authorities. They hold verified financial, health and safety, welfare, insurance, environmental and capability information on all members”.

The system

“is designed to prevent the need for public authorities to carry out endless bureaucratic checks”

on all those things for pre-qualification in tender applications.

Mr Anderson said that, despite all that, a number of public bodies and local authorities continue to put in place bureaucratic and onerous processes that are already covered by the Constructionline agreement. That seems completely and utterly illogical. Such duplication of effort really gets on the wick of owners of small and medium-sized businesses. We cannot legislate for that, but we have to get the system right, either through guidance or by ensuring that gumption is put in place and that best practice is exported throughout.

Maureen Watt: Does Kevin Stewart agree that if more local authorities and other public bodies used the procurement portal, where the pre-qualification questionnaire is standardised, a lot of companies could avoid that situation?

Kevin Stewart: I agree with Ms Watt. Uniformity is key. Consistency, which can be provided through the national procurement framework, is what is required.

Mr Anderson also talked about quality weighting scores, which is another issue that many business owners talk about all the time. The scores are not always explained to them properly and they do not understand what they mean. He said:

“The quality weighting score in some tender submissions is so subjective it can wildly distort the cost of executing

some projects and discriminates against SMEs perfectly capable of doing the work.”

We must make the situation much better than it currently is.

I could refer to Mr Anderson’s other comments, but I had better move on—I will return to them later.

Another issue that came out in evidence at the Local Government and Regeneration Committee related to health and social care contracts, so I am glad that the cabinet secretary touched on that matter in her opening speech.

The Coalition of Care and Support Providers said:

“Evidence has shown that procurement processes for care and support services, and in particular competitive tendering, have tended to be driven primarily by cost, with major risks for the quality, continuity and stability of service provision; for workforce planning, development, pay, terms and conditions; and for the wellbeing of service users and their families.”

That in part relates to the rigidity of the weighting process at the PQQ stage. Local authorities in particular should look at the best practice that is taking place in various parts of the country in that regard. Best value is not always about cost. As my old granny used to say, “If you buy cheap, you buy dear.” The procurement process must be gone through again and again when something does not work. Dealing with the situation is about using gumption rather than legislation, and guidance can provide help in that regard.

I could go on at great length, but I am running out of time.

The Deputy Presiding Officer: You are.

Kevin Stewart: I urge the Parliament to support the bill at stage 1.

15:27

Mary Fee (West Scotland) (Lab): We on the Labour benches are committed to highlighting the positive benefits that procurement reform can bring. Although we support the bill’s general principles, the Government has a lot of work to do to ensure that the bill achieves its reform objectives. We have reservations that the changes that are required will not be implemented on issues such as community benefit clauses, the living wage and blacklisting.

We welcome the community benefit clauses for significant contracts. However, concerns were raised throughout the Infrastructure and Capital Investment Committee evidence sessions that the £4 million threshold is far too high. I agree. The committee has called on the Scottish Government to provide information on how the community benefit requirement can be encouraged in

contracts of less than £4 million, and I wait to find out how that can be done or whether the threshold can be lowered.

Section 20 shows that the threshold can be changed by order, but under what circumstance will orders be made? Will there be any period for evaluation before that takes place? Those questions need to be answered at stage 2 and, if not then, at stage 3.

James Kelly rightly pointed out the need for a living wage in procurement. Taking people out of in-work poverty can be achieved through procurement, and the bill is a missed opportunity for the introduction of a living wage.

Advice from trade unions and legal professionals shows that we can put in place legislation that will enforce a living wage. We often hear in the chamber that civic Scotland needs to be listened to, so when the enough food for everyone if campaign, the Scottish Council for Voluntary Organisations, the Scottish Fair Trade Forum, the Scottish Trades Union Congress and Stop Climate Chaos Scotland say that the living wage is a priority, I hope that their calls do not fall on deaf ears. As we often heard throughout the evidence sessions, the bill is an enabling piece of legislation, so let us use the legislation to enable people to get the living wage.

On blacklisting, I am concerned that guidance does not go far enough. Guidance can easily be ignored; if it is, what action can be taken against anyone found guilty of such a shameful and immoral practice?

The exclusion of bidders who are thought to have blacklisted workers is reasonable and welcome, but I find it odd that it is proposed that a firm can be awarded a contract as long as it takes “remedial action”. What would constitute remedial action? Some workers are still fighting for apologies and compensation; is that the action that would be expected of a company that wanted to take on a public contract?

Section 10 makes provision for more inclusion of supported businesses in the awarding of contracts. We want more information on how such businesses are engaged with and supported in the framework. The STUC suggested that every public authority should have at least one contract with a supported business. I imagine that it will be hard for anyone to argue against that, given the stark warning that Duncan Skinner from Glencraft gave the committee, when he said that most supported businesses fall outside the parameters of the bill, because many supported businesses do not have the resources to compete for contracts of more than £50,000. I hope that making certain contracts available only to supported businesses will go a long way to support such businesses and their

employees, particularly in the context of the disgraceful handling of the Remploy business across Scotland.

The sustainable procurement duty can be enhanced if it is made more person centred so that it is about improving the wellbeing of the people who use the services that are being tendered. The Coalition of Care and Support Providers in Scotland made that point clearly, and I hope that at stage 2 we can improve the bill in that regard. All too often, the thoughts and wishes of service users are not taken into consideration. The bill can correct that.

RSPB Scotland has called for sustainable procurement to be clearly defined in section 9 and for the Scottish Government to clarify the bill's overall aim in the context of socioeconomic and environmental outcomes.

If procurement is to be sustainable, we need to facilitate the involvement of small and medium-sized enterprises, supported businesses and the third sector. The committee heard that the definition of SMEs needs to incorporate microbusinesses, because workplaces with more staff appear to perform better in procurement rounds than businesses that have only a handful of staff.

The Federation of Small Businesses Scotland suggested that annual reports should contain a breakdown of micro, small, medium and large businesses. That is right, because we must ensure that as many types of company as possible can play a role in public contracts. We await the Government's response to the suggestion, in advance of stage 2.

When committee members visited the Tayside procurement consortium in December, I was impressed to hear how authorities work with businesses to ensure that public money stays in the local area when possible. Replication of the approach could be crucial in improving communities throughout Scotland.

The Scottish Fair Trade Forum welcomed the principles of the bill, but it wants

"increased uptake of fairly traded goods in public sector procurement".

If that is to be achieved, there must be more reporting of how fair trade organisations can get involved.

15:32

Linda Fabiani (East Kilbride) (SNP): I have not been involved in the committees that have considered the bill, but it seems to me as a back bencher that we have been talking for a long time about making procurement better.

I have looked at the work of the Infrastructure and Capital Investment Committee, in particular, and I realise that procurement is a very complicated area. There is still a long way to go, because an awful lot of embedded practices need to be rooted out. Kevin Stewart talked about such practices.

A quotation in the committee's report from the Federation of Small Businesses Scotland sums up what we want to achieve. The FSB said that the bill is

"an important step in changing how we view procurement in Scotland, recognising that public spending decisions can affect a number of other policy objectives and expecting our public bodies ... to consider this in a more strategic fashion."

That is at the heart of what the Government and, I think, all members are trying to do. We want procurement to look at the whole picture instead of isolated bits of it. It is a matter of seeing how everything can work together for betterment. Perhaps that is what sustainability means; it is about betterment.

The intention is that the bill will improve the economic, social and environmental wellbeing of local authority areas and facilitate the involvement of small and medium-sized enterprises—like Mary Fee, I hope that microenterprises will be included—third sector bodies and supported businesses.

The final—and hugely important—intention of the bill is to promote innovation. Just in case anyone does not know, I represent East Kilbride, which was Scotland's first and most successful new town. What did we achieve by and what was the worth and value of starting that new town? It was all about innovation and people working together for improvement. That sort of thing can be done; it was being done decades ago and can be done again. However, I think that we have lost some of the innovative spirit that allows us to work together to do these things.

Although innovation is hugely important, it is not always easy. When I last spoke about procurement, I mentioned a report from the Royal Incorporation of Architects in Scotland—and, at this point, I should declare my honorary fellowship of that organisation. A couple of years ago, a president's commission on procurement was set up in light of real concerns, particularly in the construction industry, about how procurement was operating. There were concerns not only about EU regulations but about, as Kevin Stewart suggested, the lack of a level playing field for many people as a result of our public bodies not having a uniform approach to the matter.

Some of the issue comes down to a culture that we have created in which people are terrified to be

innovative or frightened to take risks in case they get the blame for something. So many folk in our public bodies are terrified of getting lambasted and therefore cover their backs to such a degree that they are frightened to do things that would, in fact, benefit our communities.

Neil Findlay: Does the member agree that the Scottish Government should perhaps take the risk of a challenge and implement the living wage through procurement?

Linda Fabiani: From my years of experience in this chamber, I know that when our Government tries to take a risk you are the first on your feet to have a go at it. It is therefore a bit rich for you to sit there and say such things.

The Deputy Presiding Officer (Elaine Smith): Through the chair, please.

Linda Fabiani: I am terribly sorry, Presiding Officer.

We all want to be innovative and take risks—and that applies as much to the Government—but there are rules that have to be followed. I am absolutely confident that the cabinet secretary and the rest of our Government are committed to doing what they can to ensure that everyone in Scotland has a decent living wage and that everything will be done to try to achieve that through this bill, if not through the primary legislation.

The same applies to the fair trade element of the bill. For years now, we have been looking at this matter through the EU. Of course, there are issues to deal with, but it is something that we all want. My personal belief is that Scotland will not truly be a Fair Trade nation until we are able to say that we can procure fairly at home as well as overseas.

As I have said, there are issues to address in relation to that. We have been asking the EU and the UK nation state for years to look at how we can procure fairly; after all, it is something that other nation states have been able to do. Perhaps the cabinet secretary will enlighten me as to whether the UK Government has taken up that challenge directly with the EU.

Yes, I want things to be better, and I want better outcomes for everyone, but the key is simplification, innovation and people working together in order to get, say, the living wage through procurement.

The Deputy Presiding Officer: You must close, please.

Linda Fabiani: We should not be trying to kick the Government on this. After all, it is the first in this country that has really tried to do something about the issue.

15:39

Neil Findlay (Lothian) (Lab): First of all, I declare an interest as a member of Unite the union.

Although, on the face of it, this seems a dry and somewhat humdrum piece of legislation, such an analysis would be completely and utterly wrong. This bill actually has the potential to use the current powers of the Parliament to transform the lives of thousands of Scots and their families. It is not constitutional change that will achieve that, but good old-fashioned political will and guts.

In short, what the Scottish Government puts in this bill will be a measure of its willingness to work for substantial and important political and economic change, whatever the constitutional settlement.

The bill will test the progressive claims of the Scottish Government. Let us see whether the progressive beacon rhetoric is turned into reality or whether it is a faint and rather dull flicker. The public sector in Scotland has an awful lot of money to spend, and we could use that spending power much better and more progressively to ensure that taxpayers' money is spent in a more ethical and fairer way, with better social and economic outcomes for our society and people.

I want to focus on three specific areas. The first is blacklisting, which is now a well-documented human rights abuse whereby men and women have been victimised and have had their careers and livelihoods taken from them for having the temerity to join a trade union, be a trade union organiser or safety representative, or a political or environmental activist.

Who was involved in that organised conspiracy to destroy lives? It was some of our biggest construction companies: household names such as McAlpine, Balfour Beatty, Kier, Skanska, Amey and many others, including the Forth crossing bridge constructors joint venture. They are all companies that are today working on public contracts across Scotland and taking our money, yet they have still to apologise to the 400 Scottish workers affected, have still to admit what they did and have still to pay a penny in compensation. It is a human rights abuse on a grand scale, significantly financed by the taxpayer. We need to send a message out to the construction industry that the game is up on blacklisting.

The Government has moved on this issue, and I commend it for that. It has been achieved through the campaigning of people in this Parliament and through pressure from the Union of Construction, Allied Trades and Technicians, the GMB, Unite and others working with us. There is a commitment from the Government to introduce guidance, but I do not think that that is nearly

enough. We need a section on blacklisting to be written into the bill; otherwise the sharks in the industry will find a way round the guidance and ignore it.

Jim Eadie (Edinburgh Southern) (SNP): I pay tribute to Mr Findlay for leading the campaign on blacklisting. However, does he realise what the Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities said in response to a question from my colleague Mary Fee during the committee's stage 1 consideration of the bill? She said that the Government is

"taking enabling powers ... in addition to the guidance that the First Minister launched a couple of weeks ago".— [Official Report, Infrastructure and Capital Investment Committee, 11 December 2013; c 2352.]

There will be legislation; it is secondary legislation.

Neil Findlay: I appreciate Mr Eadie's intervention. I hope that the cabinet secretary will perhaps elaborate on that in her winding-up speech and say what it will mean in practice on the ground. It would be very welcome if she did that. There is much more that we can do on the subject, and I look forward to what the cabinet secretary will say in winding up.

I also believe that a section on taxation must be introduced into the bill. The bill suggests that there must be an "obligation to pay tax". However, what does that actually mean? Does it mean that firms involved in tax avoidance and evasion will be excluded from public contracts? I hope so. After all, why should companies that have avoided or evaded paying the very tax that supports our public services be allowed to take money from the public purse but not contribute to it? Why should companies that benefit from our education system, roads network and communications systems be allowed to get away with not paying their fair share? Why should big business, with its clever accountants, get away with what small businesses cannot?

Kevin Stewart: Mr Johnstone pointed out earlier that there is a difference between tax avoidance and tax evasion. Would it not be better if the Parliament here had powers over tax so that we could make some of the avoidance schemes illegal?

Neil Findlay: We have an example in this case of the Scottish Parliament having the power and ability to do something now. Are we going to take that opportunity or are we not? That is the question.

Maybe Mr Stewart can learn from his Scottish National Party colleagues at Westminster. Mike Weir and Angus Robertson both signed an early day motion calling on the Westminster Government to

"bring forward a set of legally binding procurement rules that subject companies delivering and bidding for the delivery of public service contracts to high ethical, environmental and anti-tax avoidance standards".

Can the Scottish Government confirm whether it agrees with its Westminster colleagues and whether it will ensure that a similar section is introduced into the Procurement Reform (Scotland) Bill?

I welcome the Government's commitment to lodge an amendment that will exempt health and care contracts from the advertising and competition requirement. That is an extremely important step, especially in light of the scandal that is social care in Scotland at the moment. However, I challenge the Government to use the bill to end poverty pay.

I will leave it at that, as I know that time is tight, but I would appreciate it if the cabinet secretary could address some of the issues that I have raised when she sums up.

15:45

Jim Eadie (Edinburgh Southern) (SNP): I am delighted to have the opportunity to contribute to the debate as a member of the Infrastructure and Capital Investment Committee, which took evidence on the bill and is responsible for scrutinising it.

As Maureen Watt said in her speech on behalf of the committee, there are a number of areas in which the committee seeks clarification and assurances from the Government on behalf of the stakeholders who gave evidence during stage 1, and there will undoubtedly be other areas in which amendments will be lodged by the Government and by back benchers at stage 2 as we seek to strengthen the bill's provisions.

However, as the cabinet secretary made clear, the bill should not be seen in isolation. It is part of a range of measures and Government-led initiatives to improve public procurement, and it should be seen in the context of the process of public sector reform that began under a previous Administration with the publication of John McClelland's report in 2006.

Organisations across a range of sectors have indicated their support for the principles of the bill. As Linda Fabiani said, the Federation of Small Businesses in Scotland has welcomed the bill. It said that it was

"unlikely to solve all small business' difficulties with procurement but it could be an important step in changing how we view procurement in Scotland".

The Scottish Building Federation stated that the bill was

“an important contribution towards the objective of reducing the administrative and financial burden on industry of participating in public sector procurement—and delivering public procurement outcomes that are more sustainable”.

The Coalition of Care and Support Providers in Scotland said:

“The Bill contains a number of important provisions that are likely to result in significant improvements to procurement practice”.

There are areas in which the Government has already provided assurances that the bill will be strengthened. One of those relates to a constituency interest of mine—the University of Edinburgh. Initially, some concern was expressed by Advanced Procurement for Universities and Colleges that the bill could damage the sector’s activities in research excellence. I am glad that the Government has listened to and acted on those concerns, as is reflected in the cabinet secretary’s commitment that

“It is our intention to exempt contracts that are in pursuit of commercial activities, which would include research and development, from the requirement to advertise under the bill.”—[*Official Report, Infrastructure and Capital Investment Committee*, 11 December 2013; c 2374.]

I very much welcome that commitment.

Another issue is that of the unacceptable and illegal practice of blacklisting, which has already been discussed. I repeat my tribute to Neil Findlay for the assiduous way in which he has worked on the issue within and outwith the Parliament. Blacklisting has no place in modern employment practice and I am glad that the Government has made significant progress in tackling it.

In evidence to the committee on 11 December, the cabinet secretary made it clear that the issue would be dealt with through

“secondary legislation that is given anchorage in primary legislation through the bill”.

When I asked her whether the Government had gone as far as it was possible to go, the cabinet secretary stated:

“The on-going dialogue with the trade unions is important. We want to continue to talk to them to make it absolutely clear that anything that we can do to banish blacklisting will be done.”

It was a hero of Mr Findlay’s, Vladimir Ilyich, who once asked the question, “What is to be done?” The cabinet secretary has made it clear that blacklisting will be banished.

The cabinet secretary went on to emphasise that the bill and the regulations

“will make it possible to exclude a company from public contracts when there is evidence that it has been engaged in blacklisting and has not taken appropriate remedial action to put its house in order.”—[*Official Report, Infrastructure and Capital Investment Committee*, 11 December 2013; c 2352-3.]

Neil Findlay: I ask this genuinely: what does it mean that there will be secondary legislation? What will the impact of that be?

Jim Eadie: I do not think that it is possible for the cabinet secretary to be any clearer. It will mean that blacklisting is illegal and that any company that fails to take remedial action will be forced to put its house in order.

Neil Findlay: Will the member take another intervention?

Jim Eadie: I will, but the guidance and legislation have been provided. I do not see what more it is possible for the Government to do.

Neil Findlay: Would it not be easier just to put provisions on blacklisting in the bill?

Jim Eadie: The enabling provisions of the bill are such that it will be possible to outlaw blacklisting. I am certain that, if that was not the case and further action was required, the Government would take further action. I have absolute confidence that we are doing all that we can. The cabinet secretary will elaborate further on that in her winding-up speech.

The cabinet secretary has given a commitment to lodge an amendment at stage 2—as other members have said—to exempt health and care contracts from the requirement to advertise and compete.

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

Jim Eadie: The committee called for that at paragraph 184 of its stage 1 report. That is important because, at present, many authorities consider themselves to be under a strict legal obligation to put contracts and frameworks out to tender routinely. Those include existing contracts on expiry, regardless of service user views and of whether there are any performance issues pertaining. That can lead to major disruption and discontinuity in the provision of services, as well as pressure on the pay, terms and conditions of the workforce. I very much welcome that commitment.

Other members have referred to fair trade. I look forward to a continuing dialogue with the Government on issues around human rights and fair trade, and I hope that further progress can be made during the passage of the bill in that regard.

The overriding challenge for Scotland, and the ultimate test of whether the bill is successful, is whether we can, as James Kelly suggested, drive economic and employment opportunities across the supply chain and across Scotland.

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

Jim Eadie: I am confident that we can do that, and I look forward to further improvements to the proposed legislation.

The Deputy Presiding Officer: I remind members that speeches should be of six minutes. I might have to reduce that time later in the debate.

15:51

Tavish Scott (Shetland Islands) (LD): I endorse the principles of the bill, as outlined by the Deputy First Minister in her opening speech. I do so with one qualification, however, which James Kelly picked up on, following my earlier intervention: the use of the Scottish Futures Trust and the hubcos that now exist across Scotland. Hubcos spend hundreds of millions of pounds of taxpayers' money building essential public buildings, one of which will soon—I hope—be under construction in my constituency, which is very welcome.

It is important that the hubco, a structure or body that was created by the current Government, is compelled to comply with exactly the same principles and guidance that have been fairly outlined this afternoon by many members, including the convener of the Infrastructure and Capital Investment Committee. It seems entirely appropriate that, when vast amounts of public money are spent—we are describing the £9 billion to £10 billion that is spent annually by Government at all levels across Scotland—that spend should be governed by a set of principles. Those principles have been fairly outlined by the Deputy First Minister and they should apply to every part of that spend.

The Federation of Small Businesses said just the other day that it is

“concerned about the hubco model. These are new institutions, spending significant sums of taxpayers' money, who are signing up for contracts which will last for a generation or more but whose remit isn't widely understood and who don't seem accountable to anyone in particular.”

I share that concern. When I ask about the north hubco in relation to the building of the new Anderson high school in Lerwick, about how much money the company is earning from the contract, about what the contract looks like, about what maintenance payments will be made to Miller for the next 25 years—as that is the nature of the contract—and about whether that arrangement is similar to those for the other five schools that are being built in the north-east of Scotland by the hubco, I fail to get an answer. I am not absolutely sure who is responsible or accountable. The very fair test that the Deputy First Minister set out, that of transparency, is surely not being met. Surely it should be met by the bill in relation to Scottish

Futures Trust spending and the hubcos in particular.

As Kevin Stewart did regarding a business in his constituency, I wish to highlight the concerns of the Shetland Architectural Society, which represents a range of architects in Shetland. The society wrote on this subject recently, and said:

“It is our understanding that the end result”

of the hubco model

“for local architects, engineers and quantity surveyors is that small firms (less than 10 staff, which make up the majority of firms in Scotland) will not be able to tender for the work. In other words we will be squeezed out by several larger firms who can compete at that level.”

Those are legitimate concerns for what are, after all, the great majority of businesses that make up the Scottish economy. Such businesses have profound worries about the hubco model. My question for the Deputy First Minister is whether the bill can accommodate those concerns by including the Scottish Futures Trust and the hubco model in the bill. I believe that that is what the Government should do.

I will give the Deputy First Minister one further example. In fairness, it is not about the hubcos but about procurement more generally. The example is a small one, but it epitomises the argument that many small businesses are making. The bill is strong in its support for the small business sector, but there are challenges. My example is about the purchasing of books and why it is not appropriate to apply exactly the same procurement process to a small transaction, the nature of which means that the process is counterproductive in terms of price. In the case of book supply for Scottish libraries, the administration of the procurement process for one book is the same as that for a bulk order. It is little wonder that the Scottish Government book supply contracts that are worth in total more than £50 million per annum have reduced the number of Scottish-owned suppliers to three small businesses, two of which are almost certainly marginal in terms of supply volume. I hope that the bill and the procurement system will address that kind of issue.

I also ask the Deputy First Minister to clarify the scope of the bill in relation to Scotland Excel, which is very much a one-size-fits-all procurement system. It gives some cause for concern around the provision of food for our schools. The sourcing of, for example, frozen food for 28 of our 32 local authorities is organised through Brakes, which, as I understand it, is based in the home counties of England. The basic point is that, just as the Scottish Futures Trust and the hubco model should be included in the scope of the bill, so should Scotland Excel. That would ensure that the very principles that the Deputy First Minister rightly

set out at the beginning of the debate are included and cover those organisations, given their enormous spend in Scotland.

15:57

Chic Brodie (South Scotland) (SNP): I am delighted to participate in the debate. For several years, I have bought widgets and recruitment services and been involved in UK Government large product procurement. I was also part of last year's successful and constructive visit to Brussels that was led by my colleague Maureen Watt, and I heard the explanations and clarity from Scotland Europa on the proposed EU procurement directives and their transposition into Scottish law.

I think that we all agree that the overriding objectives of the proposed reforms have to be openness and transparency, simplicity, competitiveness, efficiency, cost-effectiveness, and ensuring the absolute minimum of bureaucracy, and the bill goes a long way towards those objectives. However, I make no apologies for the fact that my emphasis today will be on SMEs, social enterprise and the third sector involvement in the public procurement landscape.

Karen Bowman of the University of Edinburgh made a key point to the Infrastructure and Capital Investment Committee when she said that she believes that the bill has

"missed an opportunity to place an obligation on public bodies to ensure that their procurement people are trained"—[*Official Report, Infrastructure and Capital Investment Committee*, 13 November 2013; c 2137.]

and trained effectively. I hope that we will discuss and encourage that as the process goes forward.

In that context, it is important that a meaningful and accredited contract organisation or organisations be engaged or constructed to support microbusinesses, SMEs and social enterprises. That might be done in partnership with, for example, organisations such as the FSB or Social Enterprise Scotland, which are two examples among many. From personal experience, I know that the investment that is made in training excellent contract managers is paid back in spades.

Another consideration must be the simplification of contracts and the securing, as best we can, of templates that reduce the fear of breaching EU directives, particularly by businesses of the size that I have mentioned. That said, I express some concern about the suggestion or possibility of contracts being divided into smaller lots. Although the intention behind that objective is laudable, the practicalities in terms of efficiency, costs and administration must be a consideration. The unbundling of such contracts will require a greater degree of management and management control,

which could be fraught with costs and legal implications for interfaces and communities. I adhere to the committee's suggestion that the Government provide clarification on the implementation of the appropriate European directives in this case.

The bill's purpose is to develop a procurement framework that will deliver all the things that I mentioned at the beginning, but also deliver social and environmental benefits, encourage innovation and—I repeat—secure transparency, standardisation, fairness and business friendliness. Given that there is £9 billion or £10 billion plus of procurement, it is right that we establish and secure procurement strategies that form a part of public sector or local authority development plans.

Although I understand the committee report's request for and recommendation of annual procurement reports, it might be that the energy should be diverted into random public audits of company compliance, finance and employee practices, rather than being put into the seeking of information and the production of reports that might not, at the end of the day, achieve the readability that we desire and the outcomes that we seek.

The STUC suggests that every public authority should have at least one contract with a supported business. Notwithstanding the requirement in section 8(1), I believe that our ambition should be to contract with supported businesses wherever they meet the criteria of being suitably qualified and registered and there is a basis for competition between several such businesses.

To help the third sector or social enterprises to participate fully, there will also be advance notification and registration of smaller contracts that are to be awarded. That will sit alongside notification of the larger contracts that is—or was—a characteristic of the *Official Journal of the European Union*.

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

Chic Brodie: I will make two other brief points. First, as members have mentioned, we cannot legally compel suppliers to pay the living wage as a prerequisite or condition of contract. The appropriate paragraphs of the committee's report—122 to 127—make that clear. However, an appropriate commercial due diligence on the relationship between customer service requirements, remuneration and profitability might be a condition of contract determination. We might well look at this place—the Parliament—as a start.

Secondly, successful procurement exists where ethics and transparency prevail. I abhor blacklisting—I hope that Neil Findlay hears that

this time—just as I reject tax evasion and non-compliance with guidance and the law.

The Deputy Presiding Officer: You must close, please.

Chic Brodie: I am just finishing, Presiding Officer.

It is incumbent on all directors, managers and employees of purchasers and contractors to display appropriate behaviour to secure both ethics and transparency.

The Deputy Presiding Officer: I am afraid that members will have to stick to six minutes, and even with that I may have to reduce the time.

16:03

Sarah Boyack (Lothian) (Lab): The Procurement Reform (Scotland) Bill is one of the most important bills that we will debate in the current session. I thank the Infrastructure and Capital Investment Committee and all the witnesses for the work that they have done and the contributions that they have made to date.

The test will be whether we get the legislation that we need or whether it will become a tick-box exercise, so I welcome the cabinet secretary's commitment to support amendments to the bill at stage 2. There have been some valuable suggestions from a range of interested parties on subjects such as fair trade, fresh and local food sourcing, the living wage, best practice in project management and training, but also supported employment and environmental standards.

The question is how we can get the maximum social, environmental and economic value from the £9 billion of public money that is spent on goods and services. As several colleagues have commented this afternoon, the bill has been a long time coming, so let us get it right.

The Jimmy Reid Foundation has correctly identified that the current system disproportionately benefits big companies and that contracts and the process currently drive down cost at the expense of quality.

I was disappointed that the threshold for community benefit clauses has been set at £4 million, and that there is no mechanism for de-bundling large contracts. If we are serious about supporting small businesses and local community businesses, it is vital that we include smaller contracts and that we act on the SCVO's recommendations on care.

I have spoken before about what is happening in the care sector, as exemplified by the low-wage culture and the cuts throughout the country that are impacting on standards and quality. Those factors make it tough for staff to perform the vital

job of caring for the most vulnerable in our society, as well as making the work unattractive and leading to high staff turnover.

Those developments are bad news not just for those who are tasked with the difficult job of delivering high-quality care but for our older and vulnerable people who depend on skilled and committed care staff for their quality of life. I very much welcome the launch of Unison's time to care campaign yesterday, and the SCVO's submission on health and care, which needs to be acted on when we shape the detail of the bill at stage 2. The living wage campaign is also important in that respect.

As many colleagues have said, not only is blacklisting unacceptable, but it leads to a culture in which staff are afraid to raise health and safety concerns. It is not just an issue that affects employees' own interests; we need to be concerned about the wider public interest.

The key test of the bill is that it should enable procurement to help in delivering higher environmental standards and in tackling and mitigating climate change. The bill was initially going to be a sustainable procurement bill, and we need to ensure that we hang on to that principle.

Yesterday, the Parliament passed a bill that will expand the delivery of free school meals throughout the country, which poses a major challenge. I hope that this bill will help us to deliver that policy and ensure that we have quality, fresh, locally sourced, fair trade school dinners and food throughout the country.

We need to ensure that that happens right across the public sector, not just for school meals. We know from the pilots that have been carried out that it can be done, but delivery needs to be embedded in the bill so that local procurement processes make it happen. That trade is huge, and the bill will be transformative if it picks up those issues. We also need the right monitoring framework so that environmental and community benefits are delivered in practice rather than remaining as promises.

With regard to article 19 of the EU public procurement directive, I met a couple last week at my surgery whom I know very well as they previously lobbied me on the threat to Remploy. They have been hard-working employees for more than 50 years between them without even a pause, but since Remploy has gone under they have not worked, and they do not expect to find work. Their hopes have been dashed by the removal of Remploy jobs in the city, and by the fact that we lost Blindcraft too.

We must ensure through the bill that supported employment companies are given a fair chance to deliver, and that the staff who work for those

companies are given a fair chance to work, and to have the dignity of work and the capacity to support themselves so that they are not dependent on benefits and caught up in the benefits system. They are capable of working, but they need the chance, and it is up to us to ensure that the bill delivers a solution in that regard.

The Scottish Government's policy is to ensure that every public sector organisation has at least one supported employment contract, but that is a bare minimum—we need to do better. The bill will potentially deliver £9 billion of procurement contracts, so it needs to deliver environmental, social and economic benefits, and it needs to do so locally. We need to make that happen at stage 2.

The Deputy Presiding Officer: I call Dennis Robertson, but after his speech I may have to reduce members' time to five minutes.

16:09

Dennis Robertson (Aberdeenshire West) (SNP): I, too, support the principles of the bill. I was very taken by Sarah Boyack's comments, and I support virtually everything that she said. James Kelly said that he accepts the bill in principle but that it has problems. I do not accept that it has problems; I prefer to say that it offers opportunities.

The bill presents us all with opportunities to progress in the way that we feel is right to achieve the objective of sustainable economic growth along with the environmental aspect that Sarah Boyack mentioned. I believe that we can do that. The challenge is how we do it. In order to do it, we must have engagement of the sort that the Convention of Scottish Local Authorities displayed in its submission, when it said that its leaders and senior members accepted the principle of the bill.

It is by working together that we can get this right. We are at stage 1, which provides us with the opportunity to take the bill forward.

Like Kevin Stewart, I met Kenny Anderson in Aberdeen earlier this week. The construction industry has an opportunity to develop. However, we need to ensure that there is infrastructure in place that allows our younger people the chance to gain the skills that will enable them to take up opportunities in that industry. We can do that through the apprenticeship model that is in place. We need about 6,000 people to come into the construction industry every year. Where we can see an opportunity, we must take it. It is incumbent on us as politicians in this Parliament to ensure that the opportunities that exist are taken in the best possible way.

As I was reading the report, a couple of questions came to mind, and I hope that the cabinet secretary will be able to answer them for me. On the issue of raising people's awareness that they are able to make applications to the public contract process, I am not sure that the portal is used in the best way that it can be in that regard. How do we ensure that the opportunities are taken? I think that it is by raising awareness. We need to ensure that, when we are moving forward, the ambitions of the Government and the Parliament are heard in the wider community. I believe that the bill should allow us to think about how we address that and ensure that we achieve a much higher awareness in industry that will result in more people getting involved in the public contract sector.

We sometimes miss opportunities. I condemn many of the public authorities, especially the very large ones, for going big. We have innovative and skilled industries in Scotland. Among the information technology and database software people in Scotland there is an amazing array of talent. However, local authorities and health boards tend to go for the larger companies. Perhaps that is because they feel more comfortable with larger companies, but I suggest that organisations probably get a better deal and a much better outcome if they go for local enterprises, which could support them by going around to their office rather than handling matters from some distant portal—often, when people call up those distant companies to say, for example, that they cannot get access to the internet, they are told to go on the internet for an answer, as the person has not listened to their problem.

The issue is one of opportunity, which is what is at the centre of this bill. I believe that we should be taking that forward as best we can.

Sarah Boyack talked about supported business and social enterprise. That is an extremely important issue. I believe that, in closing Remploy, we did a disservice to our community of people with disabilities. That was not the fault of the Scottish Government; it was the fault of a Westminster Government that had no insight into the impact that its policies were having on people and the damage that they were doing to people's attempts to take forward their skills, jobs and livelihoods. Instead, it imposed a regime of welfare cuts that compounded the problems that people faced when they lost their jobs and did not provide an opportunity for them to get back into constructive and dignified employment.

I believe that the bill gives us an opportunity to right some of those wrongs. I sincerely hope that the cabinet secretary can find a way of ensuring that we have a much broader definition of supported business and social enterprise.

16:15

Alison Johnstone (Lothian) (Green):

Procurement is not a word that we are likely to hear in everyday conversation and yet, over the years that I have been involved in politics and green campaigning, issues around how and what the public sector buys have come up time and again. If asked, most people would express a desire for a commonsense approach to purchasing—"Let's use public money to support local businesses and buy local goods where possible, and let's not hand taxpayers' money to companies that don't comply with the taxation system." At around £9 billion a year, the amount spent on public purchasing in Scotland is more than three times the entire gross domestic product of Malawi, so it can potentially transform what goes on at home and overseas.

SNP members will know that, as Sarah Boyack mentioned, the bill started life as a commitment to a sustainable procurement bill in the SNP manifesto. Three years on, and the sustainability aspect has been reduced to a fairly timid duty. I am concerned that the sustainability duty in section 9 conflicts with the general duty in section 8, which says that all bids must be treated "equally and without discrimination".

The aim of the bill must be to shift the procurement culture in Scotland so that, rather than talking in negative terms about discrimination, we proactively use public procurement to implement public policy aims. We need to send an unambiguous message to procurement officers that gives them the certainty to make sustainable choices. However, the balance and weighting between the duties in sections 8 and 9 are confusing and unhelpful so I am pleased that the committee has called for that issue to be addressed.

The sustainability duty calls for consideration of impacts on the contracting authority's area. That area is defined geographically, specifically

"disregarding any areas outside Scotland."

I do not think that I need to explain to members why it makes no sense to have such a narrow definition in the context of national and global sustainability. That should be amended at stage 2. I also think that a further point should be added in section 9 to include a reference to duties under the Climate Change (Scotland) Act 2009.

I know that all MSPs will be very proud of the many groups and institutions in their areas that have collectively helped Scotland to achieve Fairtrade nation status. However, getting fair trade to scale through public procurement has always been the holy grail for fair-trade campaigners and it would bring huge benefits to producers in developing countries. With Fairtrade fortnight

starting on Monday, would it not send a powerful message about this country if we became probably the first country in the world to put the words "fair trade" into a national procurement law? I hope that the cabinet secretary will recognise this opportunity to take the next step on our Fairtrade nation journey.

The principle that is introduced by section 31, which adds new powers to the Climate Change (Scotland) Act 2009, is one of the most interesting parts of the bill. I welcome the power that it creates to allow regulations that will specify proportions of recycled materials, but I question why that power should not be even more ambitious and applicable across a range of sectors to stimulate the development of sustainable industries and jobs in Scotland. I strongly support the submission from Nourish Scotland calling for such an approach, with a proportion of organic food to support moves towards a lower-carbon food system. Similarly, Transform Scotland has suggested that publicly bought vehicle fleets should be required to meet emissions standards. It is very clear that the design of guidelines, enforcement and reporting in relation to the new sustainability duty has to be right if we want to make an impact. It makes sense to give a greater role to Audit Scotland to oversee procurement reporting.

The regulations in section 23, which allow a company to be excluded from a procurement process on certain grounds, is welcome. I am very pleased to see that failure to pay tax is clearly included, but I strongly support the call from Unison and others for the wording in the bill to be strengthened to include aggressive tax avoidance. I hope that we can see a wider range of criteria so that companies with records of human rights abuses or poor safety standards can be excluded wherever in the world those abuses have occurred. I am sure that we all remember the devastating factory collapse in Bangladesh last summer.

We hear every week from ministers about their support for small businesses, yet the briefing that has been provided by the FSB states that almost 60 per cent of spend goes to businesses with more than 250 employees. I support the committee's call to go further in procurement reporting to separate out micro and small businesses from medium and large ones so that we know whether we are really supporting diversity and innovation in our economy.

The Greens, like other parties, want the living wage to be paid as widely as possible—not just to the immediate contractors but to any employees who are taken on via subcontracts. I recognise the legal difficulties with that but urge the cabinet secretary to be as creative and bold as possible.

I very much want the bill to live up to its potential and am pleased that the Government has tried to address many of the issues that I have mentioned. However, the bill can do more to address many of the issues that have been raised, such as community benefit, zero hours, supported businesses and blacklisting. Let us work hard to change and improve it and make it one of the most transformative bills that we will pass this session.

16:20

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): As I represent the biggest fishing-dependent constituency, I am very familiar with the concept of sustainability. I am also very encouraged that the bill's provisions are likely to lead to improved opportunities for employment, particularly for young people, through the embedding of apprenticeship requirements. There is much in the bill to be encouraging about.

We have heard a bit of discussion—most recently from Alison Johnstone—about sustainability. Section 8 is rather confusingly constructed in that it places sustainable procurement as an equal consideration, but then says that it must not trump economic operators, for example, and goes on to exclude the economic operators from EU procurement, but leaves sustainable procurement in place for EU-governed procurement. Therefore, there is scope for the Government to have a careful look at the wording of section 8 to benefit the strength that there ought to be behind sustainable outcomes.

It is worth pointing to the certainty that is provided by section 3, which is on regulated contracts. Amounts are provided. When I was a member of the Local Government and Regeneration Committee and we were looking at regeneration, one thing that emerged was that many council officials appear to advise their councillors, and other officials further down the line, in restrictive terms in relation to amounts, so that councils could not really just give business to local businesses. The certainty that the bill provides may help on that. I look forward to that being the case and to the issue being further developed at stage 2.

Section 9 is on the sustainable procurement duty. I very much welcome the need to “promote innovation” in that section. We must signal absolutely clearly that we want people to be imaginative and to think of new ways of doing things. Innovation might often involve something quite small that would have a big benefit and impact on a local SME or company that employs people in single figures.

I turn to section 22 and section 23, on selection of tenderers. The matters that I will raise may be

covered in secondary legislation; if they are not covered in the minister's summing up, I hope that they will be considered. I want to mention novation—in other words, the general ability in contract law, once someone has been awarded a contract, to sell that contract on to someone else. In general, contracts will say that they can be sold on only to approved people, but there is a general danger that a rigorous sifting process to award the contract to people whom we think are decent enough to get it could be bypassed if they were to sell on the contract. The same issue arises in engagement of subcontractors, of course. I certainly want the secondary legislation to make it clear how those processes will happen when contracts are awarded, in order to ensure that we do not in the first place suborn the selection of tenderers.

Tax avoidance has been the subject of discussion. Neil Findlay and other members used the word “avoidance”, and James Kelly and Alison Johnstone used the words “aggressive tax avoidance”. I absolutely agree with what was said. The trouble is that avoidance is something that we all do every day. I will give a very specific local example. When I pass a filling station that is selling diesel at £1.43 per litre and go to one that is selling it at £1.33 per litre, I am avoiding paying tax because in buying a cheaper product I am paying less tax. That is perfectly proper and to be expected.

We should look at what happens in the United States, where corporate taxation is based on the proportion of economic activity within the jurisdiction. If we can get our taxation on to that basis, many of the problems will disappear. We will not be able to do that terribly quickly, but it would be awfully nice to do it at all.

The principles in the bill are not new and are highly to be commended. I look forward to seeing the bill go through Parliament and hope that it gives more opportunities to small local businesses and improves the sustainability of the products that we buy.

16:25

Jackie Baillie (Dumbarton) (Lab): Today is the world day of social justice and, in my view, the foundation for delivering social justice is the provision of a strong and inclusive economy in which there is decent employment coupled with social protection. That is about equality and fairness in our society and our economy. Although times are tough, that must not be an excuse for adopting an approach that allows finance to dominate all other considerations. We do not need a race to the bottom; we need the reverse. We need to drive up quality and inclusion, and the bill represents an opportunity to do that.

Other members have already—more eloquently than I will—made the case for the living wage. I simply observe that the cost of living crisis that is being experienced by many people in the communities that we represent is not confined to those who are unemployed. Many people who are in work are suffering from poverty; those are the people who are queueing at food banks, running up debt and struggling to pay their utility bills. Part of our approach must, therefore, be to make work pay, and the living wage is a powerful route to doing that.

We have witnessed the increasing casualisation of the workforce, zero-hours contracts, changes to terms and conditions and reductions in hours so that workers are now underemployed. The most striking impact is on women, but I have no doubt that there will also be an adverse effect on people from ethnic minorities and those with disabilities.

We have an opportunity to extend the good practice of many public bodies throughout the country to the businesses that partner and contract with them in delivering services. After all, the services that are delivered are public services and we should expect the same ethos, consideration and approach from them. I quote Councillor Mike Holmes, who is currently the convener of Scotland Excel:

“I think that procurement should be used to drive up standards, to drive up terms and conditions, to create employment and opportunities for young people. We will not give public money if you engage in poor employment practices.”

So say all of us.

The STUC, the SCVO and others have called for the bill to ensure that there is full compliance with the public sector equality duty. I would be grateful to know from the cabinet secretary whether such a provision needs to be included in the bill or whether we can ensure that all contracts and contractors are covered.

What about a socioeconomic duty, so that we can actively promote and monitor action to reduce inequality? I am sure that we would all share that objective.

I am also keen to see initiatives such as equal pay audits being required, which would consider pay gaps by gender, ethnicity, disability and working pattern. The benefits for business are there to see and include improved productivity and improved performance. Such audits have also enabled businesses to retain and attract the very best staff.

Let me touch on community benefit clauses. I am not sure that setting the starting level at £4 million is right. When I read the committee's report, the implication was that the provision would perhaps be focused more on capital contracts than

on revenue. I believe that the threshold should be lower, although it is not the value of the contract that we should focus on but its purpose.

Community benefit clauses have been much promoted by the Scottish Government; Nicola Sturgeon may be surprised to hear that I totally agree with her. However, in the case of the Commonwealth games, we do not know the extent to which contracting with the games has improved women's chances in industries in which they are underrepresented because no gender data are being collected. We need to set out in guidance, at the very start, the need for appropriate data collection. We have seen the difficulty in getting workforce data not just from the Commonwealth games but from some ALEOs. If we do not get that right, we cannot demonstrate equality of access to jobs nor can we pursue any positive action policies that would redress that imbalance. I see the cabinet secretary nodding, so I hope that she will take that on board.

I welcome the fact that health and social care services will be exempt from the provisions of the bill that relate to advertising and competition. However, we need to ensure that those organisations are funded so that they can operate the highest employment standards. Renfrewshire Council has taken the bold step of having all its social care contractors paid the living wage. That might have cost it more money, but if we value care, we need to value the staff who provide it.

If we believe that public sector workers deserve the living wage, equal pay and good terms and conditions, and if we believe that zero-hours contracts and blacklisting are wrong, we must not allow workers who carry out the duties of the public sector to be treated any differently. I hope that the cabinet secretary is open to further improvement to the bill.

The Deputy Presiding Officer: I call Fiona McLeod, who has five minutes.

16:30

Fiona McLeod (Strathkelvin and Bearsden) (SNP): Thank you, Presiding Officer, for finding the time for me to speak.

I will concentrate all my remarks on fair trade under the provisions on the sustainable procurement duty. In true librarian fashion, I was going to go through section 8 point by point, but there is not enough time. I refer members to paragraph 53 of the Infrastructure and Capital Investment Committee report, which summarises what I was going to talk about. Alison Johnstone also very helpfully covered a number of the points that I was going to make.

It has become clear to me that if we want to make sure that sustainable procurement helps to promote fair trade, which many members have mentioned, it will come down to guidance and monitoring. I asked the cabinet secretary questions on both those issues at the end of last year, and the answers made me more convinced about that.

The committee convener talked about how important guidance will be. I thought that James Kelly was rather dismissive of guidance by insisting that everything has to be stated in the bill, as was Neil Findlay, who asked what happens when people ignore guidance.

What I would say in favour of guidance is that it comes from the bill and so has a statutory underpinning, but it allows us to be more flexible. If we put something on the face of a bill, it is fixed. If we do it through guidance, we can be more flexible and adapt to the needs of different times.

The committee convener also talked about how important monitoring will be with regard to section 14, which is on the annual procurement reports. She talked about how important those reports would be for monitoring community benefit aspects. Monitoring will be crucial in finding out whether fair trade is part of the sustainable procurement duty. The annual reports will be incredibly important.

Alison Johnstone talked about putting the words “fair trade” on the face of the bill. I know that the Scottish Fair Trade Forum has talked about that. Initially, that was very appealing to me, especially given that I am a member of the cross-party group on fair trade. There are very active fair trade movements in my constituency. Lenzie is a Fairtrade nation—[*Laughter.*] Sorry—it is a Fairtrade town; Scotland is a Fairtrade nation. I do not have ambitions beyond independence for Scotland. I also have constituents who are working very hard on fair trade. Therefore, putting the words “fair trade” in the bill appeared to be quite appealing. However, when Alison Johnstone suggested it in her speech, I wondered whether that was too fixed and whether putting the words “fair trade” in the bill would tie us to the Fairtrade brand in sustainable procurement. How would we word such a provision in a bill?

Sarah Boyack: Will the member give way?

Fiona McLeod: I just want to finish this point. Could we say in the bill that, under the sustainable procurement duty, we must look to procurement practices that cover fairly traded products? If we talk about fair trade, we are limiting ourselves to the Fairtrade brand. I am sorry that I cannot give way to Ms Boyack because I am terribly short of time.

The other thing I worry about is whether it would fix us too much in time if we put it into statute. It was fantastic that Scotland achieved Fairtrade nation status last year, but what happens if that moves on and is no longer what we are trying to achieve?

For me, the issue is very much about using guidance to ensure that the sustainability duty also encompasses using procurement practices that ensure that we use fairly traded products. I will leave those thoughts with the cabinet secretary.

In my last few seconds I must address what Tavish Scott said. I cannot help it: as a librarian, I cannot ignore what he said. Libraries do not just buy a book and that is what it costs. The cost of purchasing library books is in the title and not the quantity of the books. He got that totally wrong; should I be surprised about that?

The Deputy Presiding Officer: We now move to closing speeches and I remind all members who have participated in the debate that they must be in the chamber.

16:35

Gavin Brown (Lothian) (Con): We have had a useful and interesting debate.

The Procurement Reform (Scotland) Bill is only a piece in the jigsaw, but it is an important piece and it is an important piece of legislation. The bill will not do everything; guidance will follow afterwards and that will be important too. Even more important is what happens on the ground once the bill and all the regulations become law. The culture change in procuring authorities across Scotland will determine whether we have made a difference or not.

I want to pick up on a couple of issues that came through in the debate. The first is one that a number of members raised—I think Malcolm Chisholm raised it first in an intervention on the cabinet secretary—and is to do with the size of contracts. Can the contracts that we put out be unbundled in some way in order to give smaller businesses a greater prospect of getting a contract?

It would not be an easy thing to achieve—Chic Brodie made that point. Whether it can be achieved easily is an interesting question; whether it can be achieved through legislation is another one. I think that the committee reached the right conclusion: the issue ought to be looked at in greater detail, to see whether more can be done at stage 2 or 3.

The FSB once again put forward strong arguments about why it is so important that we look at the issue. Small businesses do not want special treatment and are not looking for favours;

they want the ability to compete and bid for a contract with a reasonable prospect of getting it, if indeed they are the best company for that particular job.

In fairness to the cabinet secretary, in response to that she pointed out a couple of areas of the bill that try to address the issue for small businesses. She correctly referred to section 26, which will remove the ability to charge, and she also referred to section 24, which looks at guidance for tenderers and how they can be selected.

However, neither of those sections nor any other part of the bill refers specifically to the size of the contract. There is nothing that I can see in the bill that refers to unbundling or would even give the Government powers to look at guidance on how contracts might be broken down. It may be too difficult to achieve, but I urge the cabinet secretary to address the point in her closing speech and particularly in her written response to the committee, and for the Government to do all that it can to see whether something additional can be done to give smaller businesses the opportunity to compete.

The second point that I want to pick up on is who ought to be included in the scope of the bill—who ought to be deemed to be contracting authorities as far as the legislation is concerned. There is a list in the schedule to the bill of who is currently included. A number of interesting points were made about other possibilities.

One of the other possibilities was Scottish Water—a point that Alex Johnstone made and a conclusion that the committee reached without division. The committee did not say that Scottish Water must be included; I think that the exact phrase was “there is benefit” in looking at that option. I ask the cabinet secretary to refer specifically to that in her closing speech. Obviously, if the Government has any initial views on the suggestion, it will have to refer to them in any written response.

I was interested in Tavish Scott’s point—he made it initially during an intervention, but he also mentioned it during his speech—about the extent to which the hubco model could and should be included in the bill. Where does the Government sit on that matter? We would be very interested to hear whether it has an initial view before it expresses a final position.

Other members have talked about microbusinesses. The Federation of Small Businesses has strongly put forward a proposal on microbusinesses not only for today’s debate but over the past couple of months, if not years. Could a definition for microbusinesses be included in the bill?

Section 9 specifically mentions small and medium-sized enterprises. The bill says that contracting authorities must facilitate situations to allow SMEs the opportunity to take part in procurement exercises. However, can we extend that duty further? The issue is often raised that the term “SME” includes just about every business in Scotland—I forget whether 95 or 99 per cent of businesses in Scotland are SMEs. The FSB makes the point that, by using that term, the bill will capture businesses that employ up to 250 employees, which is the vast majority of businesses in Scotland. If the bill referred instead to microbusinesses, we could track and monitor how those smaller businesses are genuinely fairing with regard to the legislation and the procurement contracts.

I want to pick up on one other minor issue. It is not something that I saw in the committee reports, I have not seen any evidence about it, and it is not something on which anyone has made representation to me. When we get to section 20 onwards—and particularly part 4, which covers remedies—are we making it too easy for somebody who has lost out on a contract to go to court? It seems as though, if someone does not get a response under section 28 that they like within 30 days, they have an automatic right to raise an action through the court, which ultimately could suspend the implementation of the contract. I am not saying that we have that wrong; I am just asking that the issue is looked at further to ensure that it is not too easy to go to court.

16:42

Mark Griffin (Central Scotland) (Lab): We will support the Procurement Reform (Scotland) Bill because we think that public sector procurement can achieve much more than the positive effect of an individual contract.

We spend more than £9 billion a year on procuring goods and services and we need to see the full economic, environmental and social benefits that that vast sum of money can bring. As Dennis Robertson said, the bill provides the opportunity to achieve those outcomes.

We support the introduction of a public contracts website that will improve access to contracts for smaller companies by introducing a single point of information. However, as other members, including Malcolm Chisholm, Sarah Boyack and Gavin Brown, have said, we want more work to be done on debundling contracts into smaller lots to allow smaller companies that are based in Scotland to benefit from the public spending that they are missing out on.

We also support the introduction of procurement strategies and annual procurement reports.

Although those should help to improve public authorities' procurement performance, the bill needs to go further. In line with the recommendations from the Project Management Institute and as mentioned by Chic Brodie, it must ensure that contracting authorities and contractors take project management best practice into account, providing job classification and career paths for project managers and procurement officers, so that public authorities start to build and retain procurement and project management skills.

Annual procurement reports that contain a summary of the regulated procurements that a public authority expects to commence in the next two years should help companies plan their tendering exercises more effectively.

The section on ensuring that payments to contractors and subcontractors are made within 30 days is also welcome, as it should give smaller firms more security and allow for better planning.

I have spoken about the positive aspects of procurement strategies and annual procurement reports, but an element is missing. Sarah Boyack spoke passionately about the fact that the bill does not require public authorities to say in their annual procurement reports whether contracts have been awarded to supported businesses. At the very least, there should be a stipulation that authorities must report on that.

In its foreword to "Supported Businesses in Scotland: Creating value in a socially responsible way", the Scottish Government said:

"Supported factories and businesses have demonstrated that they can provide good value for money to the public sector, and public bodies are required by the Scottish Sustainable Procurement Action Plan to make the maximum possible use of reserved contracts for supported factories and businesses—at the very least, every public body should aim to have at least one such contract."

The STUC echoed the Government's aim, calling for a requirement for

"each public sector body to have at least one contract with a supported business".

I look forward to hearing the cabinet secretary say how she intends to achieve that aim through the bill.

We welcome the inclusion of community benefit requirements but note that witnesses at the committee and the cabinet secretary herself said that the £4 million threshold should not mean that community benefit clauses are not included in contracts that fall below that threshold. We do not want companies to use the £4 million threshold to lobby against the inclusion of community benefit clauses in contracts below that level. We await further information from the Scottish Government on how the inclusion of community benefit clauses will be encouraged in lower-value contracts.

On exemptions, we welcome the cabinet secretary's decision to lodge amendments at stage 2 in relation to health and social care contracts. As Kevin Stewart said eloquently, continuity of care is of the utmost importance in such contracts. I hope that the amendments will give authorities flexibility to take decisions that are based on what is best for service users, rather than authorities being required to retender and re-advertise.

Like the FSB and others, such as Tavish Scott and Alex Johnstone, we think that we must look again at the spending power of ALEOs and hubcos, which are not covered by the provisions in the bill. Again, we await further information on that.

The Scottish Government, under pressure from trade unions and MSPs, has come a long way on blacklisting. I welcome the publication of the recent Scottish procurement policy note, which adds new questions in that regard to the pre-qualification questionnaire. However, there should be a provision in section 23 that makes a firm declaration that blacklisting is unacceptable and will not be tolerated. I take Fiona McLeod's point about flexibility, but in this case we need a cast-iron commitment in the bill that blacklisting is not acceptable in our public contracts.

Our main ask of the Scottish Government is on the living wage, which is a key measure to reduce in-work poverty. The arguments are well rehearsed. We know that payment of the living wage can lead to a healthier workforce, with lower sickness absence levels, lower turnover, reduced recruiting costs and increased productivity, as well as generating other benefits. Why has the Scottish Government failed to use the billions of pounds that the public sector spends every year to ensure that workers on public sector contracts are paid the living wage? We often hear the word "transformational" in the chamber; the introduction of a requirement for contractors to pay the living wage on public sector contracts would indeed be transformational.

The Scottish Government has worked to ensure that staff whom it employs directly are paid the living wage and local authorities have followed suit. However, the private sector has not kept up to speed, and the bill gives us the opportunity to push the private companies that bid for public contracts on the issue and ensure that such best practice spreads more widely because of the demand for increased wages. That is our key demand with regard to the Procurement Reform (Scotland) Bill as we move towards stage 2.

16:50

Nicola Sturgeon: I thank everyone who has taken part in what, generally speaking, has been a

very good debate. Given that I have only 10 minutes, I will not have time to respond to every comment that has been made or question that has been asked but we will carefully reflect on all of them as we consider our approach to stage 2.

At the outset, I want to say that I am going into stage 2 of the bill with a very open mind. I do not think that I have heard anything this afternoon that I would not be prepared to consider further, and I look forward to discussing those matters.

Before I go into detail on some of the key themes that have emerged from this afternoon's debate, I will make two preliminary points. First, there is broad acceptance that it is important that we try to get this right. Procurement spend is one of our most important economic levers. However, a tension that will always run right through this agenda is that between efficiency and cost effectiveness on the one hand and, on the other, access, to opportunities, particularly for smaller enterprises and third sector organisations, and community benefits. It is really important that we try to get that balance right.

One particular point that is pertinent to striking that balance is, as Gavin Brown made clear in his summing up and Malcolm Chisholm, who is not in the chamber at the moment, highlighted in his speech, the size of contracts and the potential for unbundling. I am not sure whether we can do anything concrete about that in the bill but I certainly recognise the frustrations of small businesses, in particular, on this issue and I am very happy to work with others to find out whether we can do any more as we move into stage 2.

My second general point, which I and others have already made, is that the bill is not a panacea. It sits in the broad sweep of procurement reform. I very much agree with Kevin Stewart's comment that much of what is wrong or perceived to be wrong in procurement can be fixed by a commonsense approach to how it is carried out. Mr Stewart also made an important point about best practice, and the bill is above all else about spreading best practice and making it consistent.

Maureen Watt was right to refer to the importance of using the public portal and standardised PQQs. Of course, the bill is about standardising those examples of best practice. Dennis Robertson was right about the need to raise awareness, and the publication of contract registers will be very important in ensuring that businesses have a clear line of sight to available contract opportunities.

With regard to more specific issues, I will try to run through as much detail as possible and apologise if I miss any particular point that was raised in the debate. First, the bill's scope was highlighted by Maureen Watt, James Kelly, Alex

Johnstone, Tavish Scott and others. I do not want to argue with anyone about that, but will simply try to explain our rationale for covering some bodies but not others.

In the interests of simplicity, understanding and avoiding confusion, we have tried to mirror the Public Contracts (Scotland) Regulations 2012. Scottish Water is not covered by the bill because, under EU legislation, it is covered by different directives. Indeed, utilities in general are covered by different directives. Hubcos are not covered because they are not public bodies but partnerships awarded after Europe-wide competition. Indeed, one of the benefits of hubcos is the flexibility that they then have in the awarding of further contracts.

Whether ALEOs are included or not will depend on the status of the ALEO. If it is a public body, it will be included; if it is more aligned with the hubco model, it will not be. As Scotland Excel is covered by the bill, it will be subject to the sustainability duty.

That is the rationale but, as I said, I am open to further discussion, whether that is about bringing into the bill bodies that are not currently in it or, more pertinently, encouraging bodies that are outside the bill to give a commitment to comply voluntarily with the bill's principles.

Tavish Scott: Will the cabinet secretary take an intervention?

Nicola Sturgeon: Briefly, if the member does not mind, because I have a lot to get through.

Tavish Scott: I very much agree with the answer that the cabinet secretary just provided. Does it mean that in that sense there is no legal impediment to hubcos being brought within the confines of the bill?

Nicola Sturgeon: In general terms, that would be right, although different issues will be applied to different bodies.

I turn now to the living wage, which was mentioned by a number of members. This is not a debate—certainly not between the Labour and SNP benches—about the principle of the living wage, although some comments have made it sound as though it is. Under European law, we cannot make the living wage a requirement of contracts. That is not because we have not asked the right question—members have had the opportunity to see the letter from the relevant European commissioner. I hope that all members will welcome the fact that we on the Government benches are not prepared to accept that we cannot do anything about promoting the living wage through the bill. The bill will give us the power to issue guidance on the workforce matters that contracting authorities can take into account,

which will include, where relevant to the performance of the contract, the living wage. Again, I hope that we can unite around what we can do through the bill while continuing to challenge ourselves to see whether we can do more, rather than appear to debate the principle, on which we actually agree. For those who have talked about what happens if the guidance is ignored, I refer them to section 24(3), which states:

“Contracting authorities must have regard to ... guidance issued under”

the bill.

I turn quickly to the issue of blacklisting. I like a good argument as much as anybody, but I encourage Neil Findlay to recognise when people are trying to agree with him, as was the case on blacklisting, which section 23 enables us to deal with. The provision will enable us to make regulations that cover the circumstances in which a company could be excluded from bidding for contracts; for example, when they have avoided tax or committed grave professional misconduct. We would make it clear in the regulations that blacklisting would be an example of grave professional misconduct. Again, this is an area in which we build on the guidance that has already been issued and launched by the STUC and the First Minister. I put on record my thanks to the trade unions, with whom we continue to work to put into practice our joint determination to stamp out the abhorrent practice of blacklisting.

I turn to community benefit clauses. Mary Fee, Sarah Boyack, Jackie Baillie and others made points about the threshold. I will respond with a few comments on that. First, we arrived at the figure of £4 million because it broadly mirrors the level set in the EU regulations for public works contracts, and it is in recognition of the fact that the evidence says that larger contracts better lend themselves to meaningful and impactful community benefit clauses. However, I am not fixed on the figure of £4 million and am more than happy to have a debate about it at stage 2. Whether the figure is £2 million, £3 million, £4 million or £5 million is not an issue of principle; it is about where we think the level is best set.

My second point on the issue is probably the most important: wherever we set the level, we are not saying that contracts beneath that level should not have community benefit clauses; it is simply setting a level above which the bill mandates those clauses. We must never give the impression that contracts below that level are exempt from doing the right thing in terms of community benefit.

In the two minutes that I have left I will run through a number of small points. They are not smaller in the sense of importance, but in terms of

the number of members who raised them. Linda Fabiani, Fiona McLeod and Alison Johnstone raised the very important issue of fair trade. I think that some disagreements emerged between Fiona McLeod and several others. There are some tricky legal issues involved in fair trade. There are also, as Fiona McLeod articulated very well, some practical issues involved. I have listened carefully to the points that were made today. We will continue to engage closely with the Scottish Fair Trade Forum to try to find the best ways possible of strengthening the bill in that regard.

Chic Brodie, Sarah Boyack and Mark Griffin suggested that every public authority should have at least one contract with a supported business. That is an aspiration that I support 100 per cent. Although its inclusion in the bill was not supported in the consultation that we did, I am happy to consider it further at stage 2. As members will know, we are already raising awareness of supported businesses through the framework agreement that we have in place and we are having some success. However, it is really important that we keep our foot on the pedal.

Some comments were made about the general duties and sections 8 and 9, in particular. Stewart Stevenson and Alison Johnstone made specific points about the wording of sections 8 and 9. I will be happy to consider those points in more detail and to come back to the issue at stage 2.

The debate has given us a lot of food for thought. I take heart from the fact that there is broad support for the bill and the balance that it strikes, but some of the more detailed and specific points that have been made will certainly merit further debate at stage 2.

Procurement Reform (Scotland) Bill: Financial Resolution

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-08677, in the name of John Swinney, on the financial resolution for the Procurement Reform (Scotland) Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Procurement Reform (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.—[*John Swinney.*]

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

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are two questions to be put as a result of today's business.

The first question is, that motion S4M-09051, in the name of Nicola Sturgeon, on the Procurement Reform (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Procurement Reform (Scotland) Bill.

The Presiding Officer: The next question is, that motion S4M-08677, in the name of John Swinney, on the financial resolution for the Procurement Reform (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Procurement Reform (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.

The Presiding Officer: That concludes decision time.

Meeting closed at 17:01.

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