



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Thursday 11 December 2014

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Scottish Parliament

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

General Question Time

Land Ownership

1. Rob Gibson (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government how its proposed land commission will identify landowners and plan diversity of ownership. (S4O-03811)

The Cabinet Secretary for Rural Affairs, Food and Environment (Richard Lochhead): The structure, role and remit of the proposed Scottish land commission is currently out for consultation. However, the commission will play a key role in ensuring that our package of proposals achieves our desired outcome of greater diversity of land ownership in Scotland. The set of proposals published last week are far reaching and build on the measures that we have already taken over the past few years, and they have the potential to transform Scotland's concentrated pattern of land ownership.

Specific measures proposed to encourage greater diversity are: enabling the Scottish ministers to intervene where the scale of land ownership or decisions by landowners are a barrier to local development; improving the existing community right to buy and introducing a new right to buy as part of the current Community Empowerment (Scotland) Bill; and extending the Scottish land fund and increasing it to £10 million per year from 2016 to 2020.

Our land must benefit the many, not the few, and our proposals will ensure that it does just that.

Rob Gibson: The European Union is proposing a fourth money laundering directive, which could reveal beneficial ownership of Scottish trusts, including for landed property. Does the cabinet secretary think that that would be a means for us to find out about ultimate beneficial owners and, indeed, have a register that the entities, estates and properties concerned would have to contribute to?

Richard Lochhead: I certainly hope so. A central theme of the land reform review group's report was the need for better information, transparency and accountability for land ownership. The Government has already committed to completing the land register within 10 years, with public sector land being registered

within five years. Our consultation asks how we can improve further the information that we hold on land ownership and how to make it more transparent, if possible.

It is fair to say that the action being taken in Europe, combined with the measures that I have just outlined that are being taken here in Scotland to improve the transparency and accountability of land ownership, will shine a light into the darkest recesses of land ownership, which will be great for the future of democratising land and how it is used and managed, and the benefits that it can deliver for Scotland in the future.

"Working at the Edge...Childcare" (Government Response)

2. Jim Eadie (Edinburgh Southern) (SNP): To ask the Scottish Government what its response is to the Citizens Advice Scotland report, "Working at the Edge...Childcare". (S4O-03812)

The Minister for Children and Young People (Aileen Campbell): I welcome the Citizens Advice Scotland report of last week, which raised concerns about the cost of childcare and articulated the challenge that parents face. We know and understand that childcare costs are a considerable outlay for families. That is why, through the Children and Young People (Scotland) Act 2014, we are investing £329 million in this financial year and next to expand funded early learning and childcare for three and four-year-olds to 600 hours. That represents an increase of 45 per cent since 2007, which will save families up to £700 per child per year.

That said, we have made clear our wish to go further. The First Minister has outlined this Government's ambition, if re-elected, to deliver an increase in early learning and childcare provision for three and four-year-olds and eligible two-year-olds from 16 hours a week to 30 hours a week by the end of the next session of Parliament.

Jim Eadie: The Citizens Advice Scotland report found that nearly one in four councils report that they do not feel that there is enough childcare for working parents. What more can the Scottish Government do in conjunction with councils to increase the provision of childcare across Scotland and to address specific concerns, including the need for summer holiday childcare for school-aged children and the need for childcare in Edinburgh because school finishes at lunchtime on Fridays? Both of those situations present a real difficulty for working parents on low incomes, who struggle to pay for increased childcare on Fridays during term time and for childcare during the summer months.

Aileen Campbell: On the asymmetric school week, local authority schools have to be open for

190 days each year but it is up to the council to decide on the length and structure of the individual school day, week or year, taking account of local circumstances. Any proposals to change the school week would be subject to consultation involving schools, parents and the wider community.

We absolutely appreciate that the need for childcare does not stop when a child starts school and that finding affordable and flexible provision can be a challenge for parents. That is why the 2014 act has introduced a duty on local authorities to consult locally on out-of-school care, which will broaden the scope for consultation and planning beyond early learning and childcare in order to meet the needs of all families.

Although local authorities are considering ways to reconfigure early learning and childcare services to provide the flexibility that is needed and requested through the legislation—that includes, for instance, bleeding the 600 hours into the summer holidays—the key thing is listening and responding to parents' needs.

In addition, I have asked the early years task force to consider what more we can do on out-of-school care. Professor Iram Siraj's continuing workforce review will also consider out-of-school care as well as early learning and childcare. We look forward to receiving her report in the spring of next year.

If the member wishes to raise his concerns directly with me, I am happy to meet him. I am sure that my colleague Alasdair Allan will be happy to meet him on the specific issue of asymmetric school weeks.

Hairmyres Hospital (Ancillary Services)

3. Linda Fabiani (East Kilbride) (SNP): To ask the Scottish Government what consideration it is giving to Unison's campaign to bring ancillary services in-house at Hairmyres hospital in East Kilbride. (S4O-03813)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): The provision of soft facilities management services, such as cleaning and catering, plays a key role in the delivery of clinical services in NHS Scotland. Therefore, the Scottish Government believes that NHS Scotland should be responsible for the direct delivery of those services wherever possible.

The Hairmyres contract requires the benchmarking of soft facilities management services every seven years. The next benchmarking exercise is currently under way. To satisfy myself that NHS Lanarkshire has explored the options available to it, I have now commissioned the Scottish Futures Trust to undertake an independent review of the situation

and provide a report to my officials. I have requested that NHS Lanarkshire not proceed until I have received that report and considered its findings.

Linda Fabiani: I impress upon the cabinet secretary the concerns that people in East Kilbride have about the recent report into cleanliness at Hairmyres hospital and the fact that the vast majority of them believe that the services should come back in-house. I ask that due consideration be given to the information and findings about the subject that Unison and associated bodies have.

Shona Robison: It has been made very clear to NHS Lanarkshire that the findings of the report into cleanliness standards must be addressed as a matter of urgency. We are reassured that action has been, and is being, taken to do that.

I am well aware of the concerns that Unison has raised. Yesterday, I met Lilian Macer, who is the employee director at NHS Lanarkshire, to inform her of the action that I have taken as set out in my first answer. We need to allow that to take its course.

Elaine Smith (Coatbridge and Chryston) (Lab): I have also been contacted by a number of my constituents on the issue. I ask for clarity: will the minister encourage a bidding process that allows public sector bids to enable the services to be brought back in-house at Hairmyres hospital and Wishaw hospital, rather than just allowing the roll-on of the contracts?

Shona Robison: I am sure that Elaine Smith understands that there are a number of legal issues to be explored. That is why I have asked the Scottish Futures Trust to undertake a review of the situation, consider all of the options and ensure that NHS Lanarkshire has explored all of the options that are available to it.

Such situations are not easy in light of the contracts that are in place. However, I hope that I made it clear through my answer to Elaine Smith and my previous answer to Linda Fabiani that the reason why I have asked the Scottish Futures Trust to consider the matter is to examine whether there are any options that NHS Lanarkshire could take. We have to await the results of that review, which I have urged the Scottish Futures Trust to undertake as quickly as possible.

NHS Lanarkshire (Support)

4. John Pentland (Motherwell and Wishaw) (Lab): To ask the Scottish Government what support it gives to NHS Lanarkshire with recruiting medical staff for emergency and general medicine services. (S4O-03814)

The Cabinet Secretary for Health, Wellbeing and Sport (Shona Robison): The Scottish

Government works with all NHS boards including NHS Lanarkshire and key stakeholders to support their efforts in staff recruitment from Scotland, elsewhere in the United Kingdom and outwith those areas. The Scottish Government is supporting NHS Lanarkshire in aligning its staff to meet patient demand and in implementing a number of site-specific actions.

John Pentland: Is the cabinet secretary aware that, in addition to the fragile situation with Lanarkshire's accident and emergency departments—NHS board continuity planning means closing one of them—our out-of-hours general practice service has been reduced from five centres to three, two and, on several occasions, one centre, staffed by one general practitioner and four nurse practitioners? That is for the whole of Lanarkshire, and it is even before the Christmas holidays are taken into account. What is the Government going to do to address the shortage of on-call GPs, which adds to the pressure that A and E departments are under?

Shona Robison: I reassure the member that NHS Lanarkshire has prepared contingency plans. It is working hard to resolve some of the issues that the member has outlined.

Some of the recruitment difficulties that NHS Lanarkshire is facing are not unique to NHS Lanarkshire. There are challenges in some of the specialisms, not least emergency medicine, as is well known.

The workforce at NHS Lanarkshire is up by more than 11 per cent since 2006, and GP numbers in the area have increased by more than 7 per cent. Although there are challenges—which I absolutely recognise; we are in close contact with NHS Lanarkshire to support them in overcoming those challenges—we have a record number of staff, and it is a matter of helping NHS Lanarkshire to work through the issues that have been identified.

East Ayrshire Economy

5. Willie Coffey (Kilmarnock and Irvine Valley) (SNP): To ask the Scottish Government what plans it has to boost the economy in East Ayrshire. (S4O-03815)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): The Scottish Government is committed to supporting sustainable economic growth across Scotland, including in East Ayrshire. We work closely with a wide range of delivery partners, including Scottish Enterprise and East Ayrshire Council, and use all available levers to deliver growth.

Recent boosts to the East Ayrshire economy include an award of £1.3 million from the Scottish

Government's regeneration capital grant fund to East Ayrshire Council for the Kilmarnock town centre business hub. That complements specific business support, including three regional selective assistance awards in 2014, which are worth more than £2.3 million and which are creating 485 jobs.

Willie Coffey: The cabinet secretary will know that the unemployment rate in East Ayrshire is 10.5 per cent, in comparison with the Scottish figure of 7.1 per cent. Scotland's unemployment rates are improving, but ours in East Ayrshire have worsened since Diageo left in 2009. Given that East Ayrshire Council is today proposing a £10 million investment in economic development, will the cabinet secretary give me some encouragement that the Scottish Government might match that?

John Swinney: I very much welcome East Ayrshire Council's commitment to economic development. That is an example of good practice, where a local authority is investing to support business growth. In the statement that I will make to Parliament this afternoon, I will say more about issues in connection with business encouragement by local authorities.

As for additional funding for the East Ayrshire economy, through the work that the Government takes forward with Scottish Enterprise, we are focused on supporting projects that will deliver economic benefit and on supporting companies with the potential to deliver economic growth. That will remain the focus of all discussions that we have with partners about supporting the East Ayrshire economy.

Capital Infrastructure Projects (Pension Funds Investment)

6. Mark McDonald (Aberdeen Donside) (SNP): To ask the Scottish Government what recent discussions it has had with pension fund administrators regarding investment opportunities to support capital infrastructure projects. (S4O-03816)

The Cabinet Secretary for Infrastructure, Investment and Cities (Keith Brown): The Scottish Futures Trust engages directly with pension funds and a number of third parties acting on their behalf on financing opportunities in Scottish infrastructure projects. As part of that engagement, it has recently had discussions with Aviva, M&G, Prudential, Allianz, Legal & General and Standard Life.

Mark McDonald: At the Local Government and Regeneration Committee recently, the Deputy First Minister indicated frustration with the approach that pension funds have taken to opportunities to support capital projects that would

secure a return on investment, present a more ethical investment than tobacco, for example, and support local employment. Does the cabinet secretary have any plans to approach pension fund administrators, particularly in the public sector, about opportunities to support capital projects in their areas?

Keith Brown: I am well aware of previous efforts to allow local authorities to use pension funds towards infrastructure projects in their areas. In particular, the City of Edinburgh Council previously considered that in relation to the purchase of Edinburgh airport. Other authorities have done something similar.

We have no immediate plans to try to pressure local government pension fund authorities and their pension committees to invest pension fund money in infrastructure projects, because investment decisions are made by local government pension fund committees. Ministers have not intervened in the past; the matter is for local authorities.

Changes to the pension committees are coming in April next year, which will ensure that there is a 50:50 split in local authority representation on the committees. We believe that such investment decisions should remain with local authorities and their representatives on pension committees, in light of their fiduciary duties.

South Scotland (Transport)

7. Claudia Beamish (South Scotland) (Lab): To ask the Scottish Government what action it is taking to improve public transport in South Scotland. (S4O-03817)

The Cabinet Secretary for Infrastructure, Investment and Cities (Keith Brown): As part of our commitment to improve transport connectivity for communities and businesses, the Scottish Government has provided more than £113,000 to third sector organisations for community transport services in South Scotland. It has also provided £353 million of funding for the Borders railway, to ensure that local people can connect directly to our capital city and the wider Scottish rail network. In addition, more than £1 billion is being invested annually across Scotland in public transport, including local bus services and other sustainable transport options, such as cycling.

Claudia Beamish: As the cabinet secretary will be aware, revised timetables for the Lanarkshire services to Glasgow and beyond begin operation at the end of this week. A number of my constituents have contacted me to highlight their concerns about the impact of those changes on work, training, health appointments and leisure. ScotRail has told me that formal consultation on the changes took place in June, yet the first that I

was aware of them was from an email in mid-November.

I am deeply concerned about the lack of public engagement on the proposals. Will the cabinet secretary please clarify for me and my constituents who is responsible for ensuring adequate public engagement on timetable changes? Will he provide assurances that steps will be taken to allow concerned constituents to make their views known on the changes as part of the next timetable consultation?

Keith Brown: I clarify for the member that it is ScotRail's responsibility to ensure that there is public engagement, as it proposes the timetable changes. I will, of course, check that ScotRail went through the proper procedures when the consultation took place in the middle of the year. The issue has also been raised with the Minister for Transport and Islands, who is looking at it, and with the local member, Aileen Campbell.

I am confident that ScotRail went through the correct procedures, but we will check that. If Claudia Beamish would like to meet the transport minister, he would be happy to discuss the issues with her.

Pelamis Wave Power

8. Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): To ask the Scottish Government what action it has taken in relation to Pelamis Wave Power since it went into administration. (S4O-03818)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): Pelamis was unable to find sufficient private investment to avoid administration, despite efforts by the Scottish Government and the enterprise bodies over the past year. Our immediate concern is the impact of redundancies on staff and their families. Support for affected employees is provided through the partnership action for continuing employment—PACE—initiative. The PACE national team spoke to the administrators, KPMG, on Friday 5 December and again on Tuesday 9 December. No redundancies are likely this week and KPMG has undertaken to inform the national PACE team if its services are required.

Mr Ewing has spoken to the administrator directly. Pelamis continues to trade while a buyer is sought. Bids for the company's assets were invited by Tuesday morning and are now being evaluated by KPMG.

In its operations to date, we believe that Pelamis has raised a total of £95 million-worth of funding. The vast majority of that funding—approximately £70 million—is from private sources. Administration arose because private funders

withdrew their further support. The Scottish Government and Scottish Enterprise have been the last remaining funders in Pelamis for some time, but our legal obligations under European Union law prevent us from continuing as sole funders of the company. The Scottish Government is now establishing wave energy Scotland to continue our support for wave energy.

Malcolm Chisholm: I thank the cabinet secretary for his answer and I thank Fergus Ewing for meeting me to discuss the subject. Does the cabinet secretary agree that it would be a tragedy if wave power development no longer took place in Scotland, which is one possible outcome of recent developments? Will he do everything possible to retain in Scotland the expertise built up in Pelamis for wave power development?

John Swinney: First, I agree whole-heartedly with Malcolm Chisholm and I thank him for the way in which he has pursued the issue. Over a sustained period, the Government and its agencies have given significant support to the development of wave power in Scotland. That has been clear from the Government's policy agenda and from our financial decisions. However, as I indicated in my first answer, we have reached the point at which the public sector is the sole remaining funder of the company, and EU law prevents us from acting in such a fashion.

I give Malcolm Chisholm the reassurance that ministers will do absolutely everything that we can. That is why the wave energy Scotland proposal has been developed, because we want to ensure that what Malcolm Chisholm has set out as an objective is delivered and fulfilled, that wave energy can continue to be developed in Scotland and that the fruits and the proceeds of that can be retained as part of our economic strength.

First Minister's Question Time

12:00

Engagements

1. Jackie Baillie (Dumbarton) (Lab): To ask the First Minister what engagements she has planned for the rest of the day. (S4F-02465)

The First Minister (Nicola Sturgeon): I have engagements to take forward the Government's programme for Scotland.

Jackie Baillie: Can the First Minister tell us whether fuel poverty has gone up or down in the past year?

The First Minister: Jackie Baillie will have read the same report that I read earlier in the week, which shows that fuel poverty has increased to levels that are, in my opinion, completely unacceptable. The report is clear that the increase is being driven by an increase in fuel prices. It is quite instructive to consider the fact that, if fuel prices had simply risen in line with inflation rather than by 7 per cent, the fuel poverty rate for 2013 would have been only 11 per cent. Fuel prices are behind the increase, which demonstrates a fundamental failure of the United Kingdom-regulated energy market.

Jackie Baillie will also be aware of the fact that the report is clear that energy efficiency measures for which this Government has a responsibility have operated to mitigate the increase in fuel poverty. The increase, unacceptable though it is, would have been even higher but for the energy efficiency measures that we have taken. We will continue to focus on that as well as continuing to argue strongly for measures that are under the control of the United Kingdom Government to be used to mitigate the increases for people who are finding energy bills difficult to deal with.

Jackie Baillie: There may be a different First Minister, but we hear the same tired old tune about who is to blame. It is always someone else's fault.

Let me be helpful to the First Minister. Margaret Burgess changed the methodology in an attempt to mask the scale of the increase. It is not a 100,000-household increase, as the Government has claimed. By the Scottish Government's own figures, the number of households living in fuel poverty in Scotland increased by almost 300,000. That is the size of the populations of Livingston, Hamilton, Cumbernauld, Dunfermline, Kirkcaldy and Ayr put together.

Today, the number in fuel poverty is nearly 1 million households. The reality is that that is more than 2 million men, women and children in

Scotland who will be freezing this winter. Those are real people: pensioners, disabled people and children whose parents are having to make the choice between heating and eating. Nicola Sturgeon should be ashamed. Can she tell us what her Government has done to tackle fuel poverty in Scotland?

The First Minister: I will begin on a note of agreement with Jackie Baillie: we are talking about real people. That is important to say, because that puts more of a burden on all of us to deal in accurate statistics, and not in politically motivated distortion.

I will take one point that Jackie Baillie made. She said—I think that this is a direct quote—that the change in methodology has masked the increase. Actually, the reverse is true. The change in methodology has increased the scale of the increase in fuel poverty. However, as the report shows—I trust that Jackie Baillie has read the report in as much detail as I have—when we compare like with like, we see that there has been a 4 per cent increase in fuel poverty. That takes the figure to more than 900,000, and Jackie Baillie is absolutely right that there are many people who think that, if that survey were done today, the figure would be closer to, or perhaps more than, 1 million. However, let us not try to distort the figures. In an energy-rich country, those figures are appalling, and we should all unite in making that clear.

The report is also absolutely abundantly and explicitly clear that responsibility for the increase lies with increases in fuel prices—the 7 per cent rise in fuel prices has driven the increase in fuel poverty. It also makes it clear that that increase would have been higher but for the energy efficiency measures for which this Government has been partly responsible.

Jackie Baillie asked me what the Government has been doing, so I will give her some specific information. Since 2009, we have invested more than £300 million on a raft of fuel poverty and energy efficiency programmes, and we will spend a further £94 million this year and a further £94 million next year. Nearly one in three households—about 700,000 households in Scotland—has now received energy efficiency support. Experts in the field acknowledge that the Scottish Government is providing more publicly funded support for energy efficiency than any of our counterparts anywhere else in these islands are providing.

I am in no way complacent about the matter. It is shameful—for all of us—that we live in an energy-rich country where nearly 1 million people are living in fuel poverty. Perhaps we can all, therefore, unite in calling on the UK Government to do more about fuel prices. Jackie Baillie has

previously called for a freeze in energy prices. Will she join me today in calling on the UK Government to go further than that and to restructure energy bills so that we take the burden of energy efficiency off energy bills and deliver a cut?

Jackie Baillie: I listened very carefully to what the First Minister said. She claimed that independent experts think that she is doing a tremendous job, but those independent experts tell a different story. Energy Action Scotland says that the Scottish Government

“can and should ... do more”,

and that the levels of funding that are being provided mean that the promise to abolish fuel poverty by 2016 “will not be met”. The Existing Homes Alliance says that the current budget is “well below” what is needed “to tackle fuel poverty”. Yet, last year, the SNP’s own budget for fuel poverty was underspent by £10 million at a time when the need to spend it was self-evident. The First Minister is shaking her head, but that is the truth. I suggest that she go away and check what her budget was.

The Scottish Federation of Housing Associations says that

“fuel poverty is at crisis levels”,

and even the Minister for Housing and Welfare has called the situation “scandalous”. I could not agree more with her. Why is the First Minister letting down poor people in Scotland?

The First Minister: I question whether Jackie Baillie really did, as she claims, listen to my answer. In an attempt—again—to find some consensus, I do not dispute the experts’ analysis of the problem. I do not want to live in an energy-rich country that has so many people living in fuel poverty, and I hope that we all agree on that. Nor do I take issue with those who put pressure on the Scottish Government to do more. That is exactly what they should be doing, and I accept the responsibility for doing as much as we possibly can. I undertake to Parliament and the public out there that we will strive to do as much as we can within our resources and within our powers.

Jackie Baillie mentioned Energy Action Scotland. I readily concede that Energy Action Scotland will be among the organisations that are pushing the Scottish Government to do more. However, I will quote Norman Kerr of Energy Action Scotland speaking on BBC Radio Scotland on 6 November. He said:

“there is a marked difference ... between Scotland and England. Scotland ... still retains energy efficiency fuel poverty programmes paid for out of the public purse. ... We are certainly streets ahead of what is happening in England.”

I accept the responsibility constantly to challenge the Government to do more. However, surely Jackie Baillie can accept two things. First, unlike the UK Government, we continue to fund energy efficiency measures out of the public purse. That is why one in three households has now received energy efficiency support. Secondly, surely Jackie Baillie can accept that, much as I wish it were different, I do not have powers over regulation of the energy market or powers over fuel prices. Let us come together to ask the UK Government to do more to deal with the issue. I note that she did not join me in calling on the UK Government to take the cost of the energy companies obligation out of energy bills so that we can deliver a cut in people's energy bills, so I give her another opportunity to do so. Will she join me in making that call?

Jackie Baillie: Do you know, what I cannot get over is that the First Minister is content—*[Interruption.]*

The Presiding Officer (Tricia Marwick): Order.

Jackie Baillie: The First Minister is content in her ambition simply to compare fuel poverty in Scotland with fuel poverty in England and to say, "It's so much better here", when we are heading for fuel poverty in Scotland in 1 million households and for 2 million people. What a lack of ambition that represents.

I can honestly say—*[Interruption.]*

The Presiding Officer: Order.

Jackie Baillie: I can honestly say that, although it is wonderful to hear the First Minister call for consensus, she and her Government have, over the past seven years, rejected all the suggestions that members on the Labour side of the chamber have made on fuel poverty.

I know that the First Minister does not like to hear the truth, but she was responsible for tackling fuel poverty for the past two years, and in each of those years, on her watch, fuel poverty levels went up. That is happening in Scotland today, because of decisions that her Government made.

The buck stops—*[Interruption.]*

The Presiding Officer: Order.

Jackie Baillie: The buck stops with the First Minister. For the second week running, I remind her that it was she who said that

"a party that is now in its second term of office cannot avoid taking responsibility for its own failings"—*[Official Report, 12 December 2001; c 4711.]*

Politics has always been about difficult choices. Labour will freeze gas and electricity bills, reform the energy market and improve housing stock in order to tackle fuel poverty. The First Minister and

her party want to give the energy companies a massive tax cut. That is the difference.

The truth is that, as winter begins to bite, fuel poverty is up and millions of people throughout Scotland will be freezing. When the fuel poverty forum meets this afternoon, will the First Minister be there to apologise for abandoning the poor people in Scotland this winter?

The First Minister: Right, okay. I will try to take that step by step. First, I welcome Labour's commitment to reform of the energy market. I merely point out that it was Labour that established the current energy market.

Secondly, I welcome the commitment to an energy price freeze, but I do not think that a freeze goes far enough. We should be coming up with action to reduce people's energy bills, not to freeze them.

Thirdly, I think that it is a bit rich, on the day that Ed Miliband is plastered over the front of *The Independent* newspaper saying that he is about to "wield the axe" on public spending, for Jackie Baillie to come to the chamber and lecture me about public spending.

I have just a few more facts—*[Interruption.]*

The Presiding Officer: Order.

The First Minister: I have just a few more facts, which might be uncomfortable for Jackie Baillie to hear, but I hope that she will bear with me.

Between 2002 and 2007, under a Lib Dem-Labour Administration, the fuel poverty rate in Scotland more than doubled. I expect that Jackie Baillie would have said then much of what I am saying right now: we have had to concentrate on energy efficiency, but we need action on fuel prices.

Jackie Baillie comes to the chamber and calls for more money on the day that Miliband is wielding the axe on public spending, but not once has Labour come to John Swinney in a budget negotiation and asked for more money for fuel poverty. It is fine for Jackie Baillie to come here—*[Interruption.]*

Jackie Baillie: He did.—*[Interruption.]*

The Presiding Officer: Order.

The First Minister: Who is Jackie Baillie pointing at? Is it Patrick Harvie?

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): Aye, he did, but not her.

The Presiding Officer: Order.

The First Minister: Jackie Baillie is apparently defending herself by saying that someone in another party did ask for more money, while Labour did not—[*Interruption.*]

The Presiding Officer: Order.

The First Minister: The real point that I want to make is this. I have now been in this job for almost a month, and already I have come to the conclusion that it does not actually matter what the Scottish National Party does or says: Labour will oppose it, because Labour has stopped being the Labour Party and has become the anti-SNP party. That is probably why one of the candidates for Labour's deputy leadership emailed all of us last week, looking for our votes, and said that nobody trusts Labour anymore.

I will tell members what I am going to do: I will leave to Labour the job of opposition, and I will continue with the job of governing in the interests of this country and doing everything that we can to tackle the scandal of fuel poverty.

Prime Minister (Meetings)

2. Ruth Davidson (Glasgow) (Con): To ask the First Minister when she will next meet the Prime Minister. (S4F-02463)

The First Minister (Nicola Sturgeon): I will meet the Prime Minister on Monday.

Ruth Davidson: Five weeks ago, the then First Minister was asked about a fall in the number of teachers in our schools. His excuse was that the number did not matter because the pupil-teacher ratio was the same and, anyway, it was all Westminster's fault.

Yesterday, the Scottish Government's own figures showed that teacher numbers have fallen by more than 4,000 since the Scottish National Party came into office and that the pupil-teacher ratio is going up.

I ask this First Minister: what is the Government's excuse this time?

The First Minister: I am not here to make excuses. I am disappointed—[*Interruption.*]

The Presiding Officer: Order.

The First Minister: The Opposition wants serious questions to be given serious answers. Ruth Davidson has asked me a serious question, and I will seek to give her a serious answer.

I am disappointed in the drop in teacher numbers. It was a relatively small drop; nevertheless, it has taken place against the background of a rising number of pupils in our schools. I want that to continue to be—as it is right now—a matter of on-going dialogue between us

and local authorities, which are the teachers' employers.

I make it very clear that although the pupil-teacher ratio is not the only measure of success in our schools, it is important to maintain teacher numbers in line with pupil numbers. The headline figure—which itself has to be seen in the context of a 10 per cent cut in the Scottish Government's budget—does not tell the whole story.

I know that Ruth Davidson will have studied the report in as much detail as I have, but she should look at primary education, for example, where there has been a slight deterioration in the pupil-teacher ratio. Teacher numbers in primary education have increased; they have simply not increased fast enough to take account of the rise in pupil numbers. [*Interruption.*] Ruth Davidson is shouting "secondary" at me. In secondary schools, teacher numbers have fallen, but the pupil-teacher ratio has actually improved because pupil numbers have fallen faster than the drop in the number of teachers.

I simply make the point that although the headline figure is disappointing, if members do what I hope that all of us would do and delve into the detail of the statistics, they will see that there is a more complex picture.

There is work to be done—I readily accept that—and of course there are challenges. How could it be otherwise when our budget has been cut by 10 per cent since 2010? This Government's record on education—where there is no room for complacency—is good and strong. I want it to improve even further. It stands very strong comparison with the records of our predecessors.

Ruth Davidson: The First Minister said that it is just a small drop this year and that we need to look at the figures in more detail, so let us do that. In the SNP's first year in government—2008—the numbers went down. In its second year—2009—the numbers went down. In its third year—2010—the numbers went down. In its fourth year—2011—the numbers went down. In its fifth year, the numbers went down. In its sixth year, the numbers went down. This year—for the seventh consecutive year—the numbers have gone down.

The First Minister responded again with the stock response about Westminster budget cuts, which she put at 10 per cent. However, the issue is about political choices. Here is the thing that neither the First Minister nor the education minister will admit: budgets have been restrained right across the United Kingdom and yet elsewhere teacher numbers are going up. Figures that I have here from the Department for Education show that teacher numbers down south have gone up by 12,000 since 2007 and are now at their highest level ever.

There is a reason for that. When headteachers are given the power to run their own school and are freed from the dead hand of central control, they make better decisions for their school, better decisions about staffing and better decisions for their pupils. This SNP Government is failing our children, even by its own measures, because teacher numbers are down, class sizes are up and we are struggling in the international league tables.

If the First Minister looked around the world, she would see that school reform is the answer, so why is her Government so against it?

The First Minister: In all seriousness, Ruth Davidson cannot say that the Government that has just introduced the biggest reform in school education that I can remember in the form of curriculum for excellence is somehow against reform. However, it might not be precisely the kind of reform that Ruth Davidson is arguing for. We will continue to have those debates across the chamber and elsewhere.

I give Ruth Davidson this undertaking: the education of our children is so fundamentally important to every aspect of our society that I and the education secretary will continue to have an open mind about and a focus on what works best to improve attainment in our schools. I will listen to ideas from wherever they come, in the interests of ensuring that we discharge our responsibility to continue to improve our education system.

I return to some of the detail that Ruth Davidson put to me. She talked about the years over which we have been in office, having begun by posing a question about the pupil-teacher ratio. In the first years that she cited, pupil numbers were declining. That is part of the reason why teacher numbers were declining. I said that I was concerned about the latest statistics because we are no longer in a time of declining pupil numbers—pupil numbers are rising. That is why the discussions that I referred to with the Convention of Scottish Local Authorities and local authorities are so important. We need to make sure that we have the right number of teachers in our schools for the number of pupils who are being taught.

I do not for a second move away from saying that work needs to be done, but if we look at 2006, we find that the number of primary 1 pupils in classes of more than 26 was 16,845. Today, the number of primary 1 pupils in classes of more than 26 is 451. That is a 97 per cent reduction, so although there is more to do, considerable progress has been made. If we look at the school estate, in which we have invested significantly, we find that, in 2007, only 61 per cent of school buildings were classed as good or satisfactory, whereas today the figure is 83 per cent.

In the interests of consensus, I accept that we have work to do. We will always have work to do in a service as important as education, but surely Ruth Davidson can acknowledge that, against the background of a 10 per cent cut in our budget—which I cite as context, not as an excuse—the progress that I have outlined is to be celebrated.

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-02462)

The First Minister (Nicola Sturgeon): Matters of importance to the people of Scotland.

Willie Rennie: This morning, in his press release on Revenue Scotland, John Swinney said that the Scottish Government was doing “excellent work” that had been “widely praised”, but the Audit Scotland report on Revenue Scotland jars with that and paints a completely different picture. It talks about contingency plans being made and says that a decision on whether to implement them is to be made in December. Can the First Minister tell the chamber what those contingency plans are?

The First Minister: I can do better than that, I hope—I can give the chamber a full update on the issue.

This morning, I spoke to the head of Revenue Scotland. I am glad that Willie Rennie has raised the issue, because it gives me the opportunity to assure not just Parliament but the public that Revenue Scotland is on track to manage the collection of the new devolved taxes from 1 April.

It is important to note, by way of context, that Audit Scotland said:

“The Scottish Government established clear structures for managing the set-up of Revenue Scotland and there are now well-developed project plans for implementing the devolved taxes.”

As far as the criticisms that the Audit Scotland report made are concerned, I will be as brief as possible, Presiding Officer, but this is important. *[Laughter.]*

The Presiding Officer: Order.

The First Minister: On staffing, Audit Scotland’s criticism was that staff were not in place early enough. It said that, as of the end of October, offers had been made in 10 out of the 40 posts. As of this morning, in 16 out of those 40 posts, offers have been accepted. In another five, offers of employment have been made and the human resources processes are under way; five are going through normal Scottish Government recruitment processes; and the remaining 14 posts will be advertised, as planned, in January. The

most critical specialist posts—those in accountancy, legal, tax and statistics—are among the 16 that have already been filled and the five in relation to which offers have been made to people from other Government departments.

On information technology, there was a delay earlier this year, because a decision was taken—I think, for the right reasons—to move from developing an in-house IT system to going to an external supplier. Internal testing of the IT system is under way and external testing will take place in January.

I hope that Willie Rennie appreciates that update. Of course there are contingency plans in place, but there is no intention to activate any of them.

Willie Rennie: I am sure that, in the discussion that she had this morning, the First Minister will have discussed the contingency plans in detail. I know that she wants the process to go well—everyone wants it to go well—but I am sure that the chamber would welcome some description of those contingency plans. Do they involve HM Revenue and Customs continuing to have a role? Will the new taxes be delayed? Will the contingency plans involve moving to a paper-based system?

I know that the First Minister wants the process to go well, but we have a right to know what the contingency plans are; £441 million is at stake, so we deserve answers from her.

The First Minister: I have been trying to give Willie Rennie some fairly detailed answers. I am more than happy to correspond with him and to provide as much detail on the matter as possible.

In any exercise such as this, contingency plans would be in place. What Willie Rennie said about HMRC continuing to have a role or taxes being delayed is not the case. Some paper processes will continue to be used, because some users will want to use paper processes.

The key point that I would have thought members would want to hear is the assurance that the taxes will begin to be collected on 1 April and that Revenue Scotland is on track. The other assurance that I give, which members would expect me to give, is that the finance secretary and I will closely monitor progress between now and the go-live day, 1 April. I am satisfied that all the steps that should be being taken at the moment are being taken. I hope that that gives not just Willie Rennie but the entire Parliament the assurance that members seek.

Hunger in the United Kingdom (UK Parliamentary Inquiry)

4. Kevin Stewart (Aberdeen Central) (SNP):

To ask the First Minister how the Scottish Government will respond to the findings of the all-party UK parliamentary inquiry into hunger in the UK. (S4F-02471)

The First Minister (Nicola Sturgeon): The report of the findings of the inquiry highlights the scale of food poverty across the UK. As I said about the latest Scottish statistics two weeks ago, the numbers are completely unacceptable.

The report highlights the need for action to improve the welfare system, cut delays in benefit payments, tackle the cost of living and raise household incomes. I support the call that the report makes in that regard and I confirmed in my statement on our programme for Government that we will continue to take action in those areas, through our commitments on the social wage and the living wage.

Kevin Stewart: The report makes horrendous reading. I visited the Trussell Trust food bank in Seaton, in Aberdeen, on Friday. The Trussell Trust alone experienced a 400 per cent increase in the use of its food banks in Scotland between 31 March last year and 1 April this year, during which period 22,387 children had to access three-day emergency food supplies.

Tory Baroness Jenkin believes that the growth in food bank use is down to people being unable to cook. Does the First Minister think that Baroness Jenkin is right, or does she agree with me that the situation is down to the Con-Dem Government's ill-thought-out, austerity-driven welfare reforms?

The First Minister: I have certainly seen no evidence, from my constituency experience or my wider experience in dealing with food banks, that people are visiting food banks on the basis of their cooking ability. I agree with the member and think that Baroness Jenkin is wrong in that regard.

The Trussell Trust itself pointed out last month that welfare problems account for the highest proportion of those who use its food banks. Contrary to what others might want to say on the matter, the recent report is, sadly, a further indictment of the UK Government's programme of welfare cuts.

National Waiting Time Guarantees (Gastroenterology)

5. Jenny Marra (North East Scotland) (Lab):

To ask the First Minister what the Scottish Government is doing to meet its national waiting time guarantees for gastroenterology. (S4F-02461)

The First Minister (Nicola Sturgeon): NHS Scotland continues to deliver the overarching standard of 90 per cent of patients being seen and treated within 18 weeks of initial referral. It has been made clear to all boards that all parts of the patient pathway should be as swift as possible.

The Scottish Government is working with national health service boards whose performance on gastroenterology has fallen short of our expectations.

Jenny Marra: On referral, my constituent was told by NHS Tayside that it aimed to see her within 12 weeks. Only when the 12 weeks were up did NHS Tayside tell her that its waiting time for routine referral was actually 28 weeks, or seven months. Does the First Minister think that patients should be told the real waiting time when they are first referred? Does she think that a seven-month wait is acceptable? What is she doing to reduce waiting times?

The First Minister: Yes I do, and no I do not think that that is acceptable. I will not go into details, for reasons of patient confidentiality, but I am familiar with the case that Jenny Marra raises and I understand that her constituent has now been offered an appointment.

NHS Tayside has experienced a high turnover of staff in the specialty and is currently recruiting an additional consultant and an endoscopy nurse, to improve its capacity. The board continues, as it should do, to consider other ways to reduce unacceptably long waits for an appointment to the specialty, and the Government's access support team is monitoring performance in the area.

We are working with boards to put plans in place to reduce long waits. We take the matter seriously. If the member wants to discuss the matter in more detail, on behalf of her constituent, I know that the health secretary will be more than happy to do so.

Drink-driving Limit

6. Kenneth Gibson (Cunninghame North) (SNP): To ask the First Minister what impact the Scottish Government anticipates the lower drink-driving limit will have on driver behaviour this festive season. (S4F-02464)

The First Minister (Nicola Sturgeon): We believe that the lower drink-drive limit will make Scotland's roads safer and will save lives. The central message of the festive campaign to publicise the new limit has been

"The best advice is none",

when it comes to drinking and driving. We hope that the lower limit will reduce the number of drink-drive arrests and of prosecutions by encouraging drivers not to consume any alcohol before driving.

I am certainly encouraged by the results in the Republic of Ireland, where drivers adjusted their behaviour to take account of the lower limit that was introduced in October 2011.

Kenneth Gibson: According to the World Health Organization, Scotland has some of the safest roads in the industrialised world, but drink driving at this time of year has been a problem for decades. Thus, I commend the Scottish Government for taking action and for the on-going advertising campaign. As well as supporting that campaign's core message, will the First Minister join me in calling on drivers to abstain from drink altogether on each day that they drive, not only during the festive season but for the months and years beyond?

The First Minister: Certainly, anybody who intends to drive should always refrain from drinking, as alcohol at any level impairs driving. During the festive season and at any other time of year, our central message always has been and always will be: don't drink and drive.

Deaf Children (Educational Disadvantage)

The Deputy Presiding Officer (John Scott):

The next item of business is a members' business debate on motion S4M-11628, in the name of Kenneth Gibson, on educational disadvantage and deaf children in Scotland. The debate will be concluded without any question being put. I invite members who wish to speak to press their request-to-speak buttons now.

Motion debated,

That the Parliament recognises that the National Deaf Children's Society (NDCS) is an organisation of families, parents and carers, providing emotional and practical support for families with deaf children and is the leading provider of impartial information and individual advocacy on every aspect of childhood deafness; is aware that NDCS estimates that there are up to 3,850 deaf children in Scotland; understands that about 80% of school-age deaf children are taught in mainstream schools and that 31% of teachers of deaf children are not fully qualified to do so, suggesting that the statutory duty to provide minimum levels of teachers qualified to work with deaf children is not being fully implemented; further understands that there is a significant gap in educational attainment for Scotland's deaf learners, including in Cunninghame North, which develops early and is evident through to school leaving age and beyond; notes calls for investigation into the causes for this significant gap in attainment, particularly around the provision of support to children and families, the provision of additional support for learning to deaf learners, and the emotional health and wellbeing of deaf children and young people, and considers that this is an urgent problem and that action is required to address and close this gap for deaf children and young people, to ensure that all are ready to succeed when leaving school and have an equal opportunity to contribute to their own and Scotland's economic future prosperity.

12:35

Kenneth Gibson (Cunninghame North) (SNP): First, I want to recognise the National Deaf Children's Society, without whose tireless work advocating on behalf of the members, families and carers of the young deaf community we would not be having this debate today. I also thank all MSPs who supported my motion.

The NDCS is the leading United Kingdom charity for deaf people and it has been very successful in campaigning to reduce barriers and ensure equal access to opportunities for young deaf people. I believe that, given early diagnosis and a healthy, supportive environment, deaf children and young people are capable of achieving and accomplishing as much in life as anyone else is. Working in areas such as my own Cunninghame North constituency to educate families on how to support a child with deafness, the NDCS hosts a variety of events to promote deaf children's healthy social and intellectual development and provides access to support

groups and hotlines to ensure that help is available to all families with one or more deaf children when and however they require it.

Besides putting on events and providing resources in communities, the charity runs a variety of campaigns, targeted specifically at policy makers, to raise awareness of the problems that are faced by the young deaf community and to ensure that their educational standards and employment opportunities are and remain a priority for the Government. In this debate, I will highlight the educational attainment gap for young deaf learners in Scotland and its negative impact on their future achievement.

Earlier today, Máire McCormack from the office of Scotland's Commissioner for Children and Young People contacted me to point out that article 29(a) of the United Nations Conventions on the Rights of the Child notes that the

"education of the child shall be directed to ... The development of the child's personality, talents and mental and physical abilities to their fullest potential".

The implication of that article is that we must ensure that children who use British Sign Language as their main—indeed, often sole—language receive access to quality education from someone who is proficient in that language, but many children are failing to have the right met because local authorities are unable to provide a curriculum that is accessible to them.

As is made clear in the NDCS report "Close the Gap: Promoting positive post-school transitions for deaf young people", which was published earlier this year, there is a distinct and unfair marginalisation of deaf students in the Scottish educational system. With 80 per cent of deaf students currently attending mainstream schools, research from the deaf achievement Scotland project found that, compared with non-deaf pupils, pupils with any degree of deafness consistently score lower and leave school with fewer to no qualifications. Surveys of the 2012-13 academic year show that nearly 10 per cent of students with hearing impairment left school with no qualifications, compared with a figure of less than 1 per cent for those who do not have additional support needs. The research also found that children who are only mildly deaf also consistently score well below the average. Because those students often possess better speech skills, serious learning problems can be easily overlooked.

Of course, there is no reason why children with any degree of deafness should achieve any less than their hearing counterparts. Deafness is not a learning disability; it does not inherently cause any mental health issue or involve any cognitive impairment. The failure to meet these children's educational needs lies with our education system,

with regard to both the social environment and, indeed, the interaction with home life.

First, on the school environment, studies found that up to a third of teachers of the deaf are underqualified or lack the knowledge and skill set needed to educate hearing impaired children adequately. Beyond that, over the past three years there has been a 16 per cent decrease in the number of teachers for the deaf in Scotland, and it is expected that more than half of the remaining specialist teachers will retire within 15 years. The basic educational support system for deaf children is lacking in both skill set and number. That is especially concerning while the number of deaf young people grows steadily in Scotland.

We see further problems when examining the socialisation aspect of school. Deaf children are especially vulnerable to isolation, bullying and low self-esteem, and they are more than twice as likely to be abused as other children. Although deafness does not innately predispose an individual to mental health problems, deaf children are 60 per cent more likely to experience mental health issues than non-deaf children are. Therefore, addressing the social needs of young deaf children is just as vital to their overall health and success as meeting their academic needs.

Regarding the home environment, with 90 per cent of deaf children born to hearing families, the need for active and mutual communication between school and home is especially important to ensure that the child's requirements are being met. Parents are the primary advocate for their child and, in the case of a hearing impaired child, that role becomes pivotal to the child's intellectual development.

Unfortunately, as the deaf achievement Scotland project found, communication between teachers and parents of deaf children is poor or non-existent. Teachers are often unsure how to communicate learning issues to parents, specifically in cases dealing with families from deprived communities. In nearly half of cases, researchers found that parents consistently held low expectations for their child's development, which negatively impacted on their academic performance.

The Scottish Government has taken decisive steps to provide support in the early development of deaf children through such approaches as getting it right for every child, which helps to focus on what makes a positive difference for children and young people. We can also act to deliver those improvements through the see hear strategy, which provides a framework for meeting the needs of people with a sensory impairment.

Although such initiatives provide an excellent grounding, there is a definite need for policies that

outline more specific standards and monitoring systems to ensure that the young deaf community has access to the same educational opportunities as other children. That said, I will make three final points on how to reduce the educational attainment gap.

The first is a need to address the overall lack of information that the Government has on the issue. Good policy requires accurate and relevant data, but even when determining those affected by deafness, the numbers vary. A common standard for assessing and counting the number of children with deafness is required. The best way to move forward on improving the educational outcomes of deaf children is to gain a clear understanding of the struggles that individuals face and then, from that, to create specific and effective policy.

Secondly, I hope that the Parliament will support the passage of the British Sign Language (Scotland) Bill. I note that many families with deaf children struggle to gain access to resources that would help them best teach and communicate with their child. I trust that, with the bill's passage, those resources might be made more easily and widely available.

Thirdly, I point out that the attainment gap does not end when deaf children leave school; it carries almost directly over into employment. According to the deaf achievement Scotland project, the employment rate for young deaf people is consistently and significantly less than for young non-deaf people without disabilities. Educational deficiencies early on have lasting, damaging effects on the success of the individual. I ask the Government to do all in its power to ensure that everyone has an equal opportunity to contribute to their own and Scotland's economic future prosperity, not least young deaf people.

12:43

Jayne Baxter (Mid Scotland and Fife) (Lab): I congratulate Kenneth Gibson on securing the debate.

For my fellow Education and Culture Committee members, our visit to Falkirk high school on Tuesday will be fresh in our minds. Although it was primarily to explore issues in relation to Mark Griffin's British Sign Language (Scotland) Bill, the visit also provided us with the opportunity to consider many other issues, including the challenges facing deaf learners—and their families—who find themselves in a mainstream school setting. I thank the pupils and staff who took the time to meet us.

Earlier this year, I was lucky enough to meet the National Deaf Children's Society and one of its young activists as they sought to highlight the findings of the research into the post-16 outcomes

achieved by young people. That young person was engaging and articulate and gave me ample insight into what she wanted to see changed for her and her peers.

Unfortunately, the experiences of many deaf young people do not match their aspirations as they encounter barriers from employers or in accessing higher education. I am grateful that the Cabinet Secretary for Fair Work, Skills and Training was able to respond when I raised such issues during yesterday's portfolio question time. I look forward to seeing how the Scottish Government takes on board the challenges in responding to the recommendations of the Wood commission.

Most recently, the educational needs of deaf learners have been brought home to me through my correspondence and meeting with a constituent in Fife who raised the issue of teacher qualifications to properly support deaf children who are in mainstream schooling.

Across the Fife local authority area, more than 300 deaf children are registered with the sensory support service. The majority of them are in mainstream placements across 75 primary schools, 19 secondary schools and four special schools. In the week in which the latest statistics on full-time equivalent teacher numbers were published, it is interesting to note that those 311 learners are supported by just 13.6 teachers of the deaf, one educational audiologist and just 6.5 pupil support assistants.

It will be interesting to see how local authorities and the Scottish Government respond to such challenges in the current financial climate. I hope that the Education and Culture Committee continues to give its full attention to that matter.

My constituent raised an interesting proposition about the need to change the law on the minimum level of qualifications and British Sign Language skills required by those who teach deaf pupils. They are keen that a teacher of the deaf or pupil support assistant must have a minimum of a level 3 BSL qualification, with a view to advancing to level 6 over a period of time.

It seems a very interesting proposition that the current minimum BSL language requirement of level 2 may not be sufficiently advanced to effectively deliver the curriculum and support learners who are undertaking national 5s or higher. That is certainly my constituent's view, and I would be extremely interested to hear from the minister on that point. If that is true, surely that is part of the problem that we face. We cannot assist pupils in increasing their attainment levels if the teaching and support staff are not in place or are not properly equipped to enable them to achieve their full potential.

Other members have highlighted the stark warnings about the 6 per cent decrease in the number of teachers of the deaf over the past three years, but we should also reiterate the potential time bomb in education services across the country. It has been estimated that more than half of all teachers of the deaf are due to retire within 15 years. There is a recruitment nightmare just waiting to happen, let alone the impact that that will have on the support that is available to deaf children and young people in education across Scotland.

I thank the member once again for securing the debate and I look forward to hearing from the minister.

12:47

Mary Scanlon (Highlands and Islands) (Con):

I, too, thank Kenneth Gibson for lodging the motion and commend his speech. I was very pleased that he mentioned mental health with regard to deaf children, as that issue was raised last week in the cross-party group on mental health.

As the debate clearly demonstrates, the attainment gap is not just a socioeconomic issue; it is also a serious hurdle for deaf Scottish children. There are nearly 4,000 deaf children in Scotland who face significant barriers to obtaining school qualifications and accessing further and higher education opportunities and employment. However, as I learned on the Education and Culture Committee's visit to Falkirk this week, there seem to be various opinions on a proper definition of a child or person who is deaf.

The recent report entitled "Close the Gap: Promoting positive post-school transitions for deaf young people in Scotland", which was produced by the University of Edinburgh on behalf of the National Deaf Children's Society, brought forward quite a few issues in that regard. It said:

"researchers found support to be particularly lacking within the college sector, which is concerning given that this is the chosen post-16 destination for 38% of deaf school leavers in Scotland."

It said:

"The research revealed a marked difference in support available for deaf students between the college and university sectors. This raises concerns about disparities in funding across sectors, and particularly how colleges are resourced to address student support needs."

Given the recent cuts in further education, it is deeply worrying that that also has a significant impact on people with learning impairments.

That brings to light another aspect of the report. It highlighted the lack of support for transitional planning that deaf children receive in schools, despite the statutory requirements in the

Education (Additional Support for Learning) (Scotland) Act 2009 code of practice, as Kenny Gibson mentioned. As he and Jayne Baxter both said, on top of that, the number of posts for teachers of the deaf has reduced by 15 per cent in the past two years alone, and another 50 per cent are due to retire in 15 years.

When we were in Falkirk, we also heard about the serious difficulties and barriers that are faced by teachers who want to learn BSL as part of their continuous professional development. One of the witnesses talked about paying £2,800 for her daughter to learn BSL. I find that one difficult to understand when we have free tuition. However, we are only at stage 1 of the bill.

The debate is timely, given the committee's visit to Falkirk high school, where we heard about the excellent support for school pupils and their whole family.

Kenny Gibson has brought forward this debate. To make progress on issues, we need champions not only in the Parliament but locally. I do not think that any member of the committee could have been left with a more positive impression of a local champion than that given by Alan Sanders, who not only came along to give evidence but helps parents, the police, the national health service and so many others.

I commend Mark Griffin for his bill. I have no doubt that it will raise awareness and highlight issues that have been raised today. I appreciate that we are at the early stage of consultation on it, but I am already worrying about whether it really will go far enough to address the issues raised by Kenny Gibson and Jayne Baxter, which I am sure that others, too, will raise, to ensure that deaf children across Scotland are not educationally disadvantaged. I welcome the bill. It is a step forward, but I think that we should all be asking whether it goes far enough.

12:51

Hanzala Malik (Glasgow) (Lab): I am happy to join today's debate on educational disadvantage and deaf children in Scotland, and I thank Kenny Gibson for securing it.

In primary schools, children are recognised for their talents and for the mental and physical conditions that might need to be supported in order to ensure that their development happens at the same pace as that of other youngsters in the class. Students who are hearing impaired need access to additional support in the classroom, but in many cases that help is not provided by the teachers—up to 30 per cent of teachers are not trained to provide it.

According to research conducted by the National Deaf Children's Society, 90 per cent of deaf children are born to hearing-able parents who have minimal experience in communicating with people who are hearing impaired and struggle with how to provide appropriate support to their children.

If a child struggles to communicate, they might not develop language or communication skills, hence the Scottish Government should find additional ways of supporting youngsters who fall behind due to the lack of resources in schools and in their communities.

The shortage of resources in Scottish schools for children with a hearing impairment can create an educational attainment gap for those children—regardless of the fact that deafness is not a learning disability—who might fall behind and not achieve their full potential.

Some voluntary organisations, such as the National Deaf Children's Society and Deaf Action, and specialist projects such as the Asian deaf club and Ishara, which focus on ethnic-minority communities, are trying to fill the gap that the Government leaves. I thank all those organisations for the wonderful work that they do. It is always true that not all classrooms are able to fulfil our children's full requirements, so those organisations play an essential role. All those organisations strive to provide support to hearing-impaired children and their families. It is essential that the Government supports the organisations to stay afloat and supports them financially and morally so that they can continue to carry out their work.

It is easy to say that schools must reach their targets, but the fact is that 30 per cent of our teachers are not able to support deaf youngsters and it takes time to train teachers. It also takes time to train people in communities to support such youngsters.

I think that we sometimes overlook how community organisations support family members to overcome their difficulties in this area. It is essential that people who have disabilities are supported to such a degree that they do not suffer when they go to university or, in particular, into employment. People who are hearing impaired need to feel that they are part of the community, and they should not feel undermined in any way. I therefore suggest that the Government continues to support the community organisations that support people in the community at large.

12:56

Dennis Robertson (Aberdeenshire West) (SNP): I thank Kenneth Gibson for bringing this debate to the chamber, and I welcome our guests in the public gallery. I suggest that this debate is

not only about them and their aspirations but about how we as politicians can—I hope—meet their needs.

Kenneth Gibson was right to say that being deaf does not mean that someone has a learning disability. We have to get away from the perception that deaf children are different—they are not. However, if we are to aspire to getting it right for every child and getting curriculum for excellence right, we need to ensure that we treat each child as an individual. That means that even from the pre-school stage we need to be able to identify their specific needs.

Too often, we look just at the support in school for children who are deaf or hard of hearing, but we need to extend that to look at what is happening at home. For instance, do their parents have appropriate language skills, such as BSL? Do their peers or siblings have those skills? It is all very well saying that we need more teachers who are appropriately qualified in the language skills—I agree, though, with the members who have spoken about that—but we need to ensure that that kind of support is taken home as well.

The responsibility to offer support perhaps belongs to not just the school and parents but health visitors and others working in the community. If we work together in a co-ordinated way, we can do much better for deaf children, because if we get it right from the start they do not have to be disadvantaged or attain less than other children.

On school pathways, I had the privilege yesterday of speaking here in Parliament to children from Finzean primary school. When I told them that I was coming to this debate, one of the young children said that her sister who is deaf attends Aboyne academy, which is in my constituency. I will not go into the details but it is apparent that the majority of children who are deaf or, indeed, have any sensory loss are in mainstream schools, which is right. It might not be right for every child, but it is right for most, because they are part of the community.

Ensuring that children in schools have the language skills to interact with children who are deaf is also very important. Some children are isolated and perhaps bullied in school because of others' lack of knowledge and awareness.

Therefore, when we move forward, it is important that we ensure that, from a young age, our children do not treat children who are deaf as different but treat them as having a different language that they must, should or can learn. It is also important for us to remember that people who are deaf who come to this country, perhaps from eastern Europe, might not have British Sign Language as their first language either.

We have a lot to learn, but the Scottish Government is committed to getting it right for every child, and the curriculum for excellence will ensure that every child moves forward through the pathway of education and then the transition from school to college, university and work. However, all too often, deaf children are still left behind and deaf adults do not get a job. That needs to change. With a debate such as this raising the awareness and with champions such as Kenneth Gibson, we will move forward.

13:01

Liam McArthur (Orkney Islands) (LD): I join others in congratulating Kenneth Gibson on, and thanking him for, bringing the debate to the Parliament.

As Jayne Baxter and Mary Scanlon indicated, the debate follows on from a visit that the Education and Culture Committee made to Falkirk high school earlier in the week. That visit was made in the context of not only the work that we are doing on the British Sign Language (Scotland) Bill but work that we plan to do in relation to attainment for deaf children and young people. It was exceptionally helpful in that regard.

Educational outcomes and access to education for deaf children and young people are poor and, as Kenneth Gibson indicated, that rolls on into employment opportunities. It is absolutely right for us to be clear at the outset that, as Dennis Robertson reiterated, there is no reason why the outcomes for deaf children and young people should be any different or why their aspirations should be any less.

That point was reiterated to me in a recent meeting with the National Deaf Children's Society. I pay personal tribute to the society's efforts on behalf of deaf children and their families. At that meeting, I was joined by Jonathon Moir—I think that I see him up in the public gallery and I am delighted that he is joining us for the debate—who was able to give a personal perspective on the challenges at school and subsequently with finding employment, which Kenneth Gibson and others outlined. Those were reinforced by the pupils and, indeed, staff whom we met at Falkirk high school earlier this week.

Falkirk Council, in collaboration with Stirling Council, is doing comparatively well but, even there, there are gaps. However, the NDCS has confirmed that there are particular problems with meeting the needs of deaf children and young people in rural areas. It is not necessarily difficult to understand that, and I am sure that the minister will appreciate it more than most. However, I understand that Highland Council might be bucking that trend. I do not know the reasons for

that or whether there are lessons that can be learned from it.

A point that was illustrated in some of the briefings for the debate is that any level of deafness can affect attainment—the level does not matter. That was very much in evidence at Falkirk. There was no difference in communication skills between some of the pupils, but their levels of communication and attainment varied enormously.

That also points to the importance of the home environment and providing suitable support there. However, the point has been made that, when it is not detected, mild hearing loss can also result in disruptive behaviour and a reduction in attainment. Therefore, those who are profoundly deaf are not the only ones who need support.

Rachel O'Neill, a lecturer and researcher in deaf education at the University of Edinburgh, has talked about the need to improve school acoustics. I understand that standards exist in England but not yet in Scotland. Bad acoustics will clearly have an effect on all children in a classroom. Perhaps the minister could pursue that.

The importance of early identification has been reiterated by Jonathon Moir, Falkirk high school pupils, the NDCS and Rachel O'Neill. Ms O'Neill suggests that attainment gaps go back to the pre-school differences in language skills.

The Scottish sensory centre has developed early years standards, with the aims of responding to the newborn hearing screening—which is pretty comprehensive—and putting in place programmes of language development, whether for speech, for signing or for a combination of both. Where such measures are used, the results appear to be good, but they are clearly not being implemented across the country.

Education Scotland is not inspecting early years services for deaf children. However, Falkirk high school was very complimentary about its engagement with Education Scotland. One point is that the approach is not systematic enough, and that relates to the point about the qualification of teachers, which Jayne Baxter quite rightly focused on and which we need to get to grips with.

I again thank Kenneth Gibson for bringing this important debate to the chamber. I applaud the work of the National Deaf Children's Society. While acknowledging that the Scottish Government has made significant strides in a number of areas, I echo the comments of Dennis Robertson that there is clearly much more work that we still need to do.

13:06

Jenny Marra (North East Scotland) (Lab): I thank Kenneth Gibson for securing today's debate, and for his continuing support for this issue.

Last Saturday tea time, I was transfixed by a TV programme that I ended up watching quite by chance. It was Channel 4's "Unreported World", reporting from Nigeria, I think, about the lack of education for deaf children. The programme followed three or four children and their lives. The children had been born deaf and were not able to communicate with anyone at all—not even their own parents—because they had never been taught how to sign.

We can come across such things serendipitously. That programme struck me as a stark reminder of the importance of BSL and communication for the deaf, and of the world that that opens up.

Thankfully, here in Scotland, we are light-years ahead of that. As convener of the cross-party group on deafness, I very much enjoy the work that I do with the deaf community, and especially with organisations that represent children.

I commend Kenny Gibson for his motion, which acknowledges the National Deaf Children's Society's most recent findings and its campaign to close the gap for deaf children in Scotland, which I helped to launch earlier this year.

As we have heard in the debate, the gap in educational attainment continues to challenge the lives of deaf and hard-of-hearing children in Scotland. The "Close the Gap" report found that almost 10 per cent of deaf children leave school with no qualifications, and that only a quarter of them enter higher education. A quarter of school leavers move into employment, but only one sixth of deaf young people do the same, which further affects their employment opportunities later in life. Liam McArthur referred to the recent study from the University of Edinburgh, which found that the employment rate for deaf young people was only 31 per cent, which is incredibly lower than the national average of 53 per cent.

That attainment gap does not come from a lack of ability or inherent learning difficulties; it is a result of the ability or otherwise of local education provision to deliver the right quality, quantity and scope of support to allow a deaf child to flourish. The NDCS also recently found that the gap in educational attainment comes from a lack of trained teachers—a problem that will only get worse, given that half of all teachers of the deaf who have been correctly trained are due to retire in the next 15 years. That highlights a problem: there needs to be regulation and monitoring to ensure that there are adequately trained teachers of all ages throughout our system to support our

deaf and hard-of-hearing children. I ask the minister to address that point in his closing speech.

The attainment gap during school years has an even bigger impact when we look at college education. The NDCS has found that deaf children flourish in further education but, with increasing college cuts and fewer places, that avenue is starting to narrow—and to narrow quickly.

During my time as convener of the cross-party group on deafness, I have seen some changes. In particular, the British Sign Language (Scotland) Bill, which was brought to the Parliament through the hard work of my colleague Mark Griffin and is now at stage 1—is a huge step towards securing the place of BSL as a recognised language in our society. I have been heartened to hear members of the Education and Culture Committee say in the debate that they are scrutinising the bill very closely because there is still much to be done and, unfortunately, the attainment gap continues to widen.

It is imperative that, as policy makers, we continue to tackle the barriers that face deaf and hard-of-hearing children in accessing the help and support that they need. I am happy to support today's motion. I thank Kenneth Gibson for lodging it and I hope that we can tackle the challenges together.

13:10

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): I congratulate Kenneth Gibson on securing today's members' business debate on education for children and young people with hearing impairments. I say at the outset that I recognise—as do other members—that there is much more to do. Mr Gibson rightly drew our attention to that.

However, working together, I believe that there is no reason why we cannot create in Scotland an education system that lives up to all our aspirations and unlocks the true potential of all our pupils. To achieve that, we need to raise levels of attainment and achievement for every pupil, not least young people with hearing impairments.

The latest Scottish Government data shows that the average tariff score for deaf learners has increased by 5.4 per cent; the number of deaf pupils going into employment has increased by 2 per cent; and the number of deaf leavers who are unemployed has fallen by 6.3 per cent. All that said, I accept—as I have accepted previously—that an attainment gap exists for deaf people that we need to work to close.

As Mr Robertson stressed, in most cases—although not in all—mainstream schools will be the

setting for the education of young people with hearing impairments and the place where we need to work to close the gap. We want all children and young people to get the support that they need to reach their full potential and, as Mr Gibson pointed out, to reach the international standards that are expected.

Dennis Robertson: Does the minister accept that it is also important that we have the right pre-school system in place for deaf children? We expect children who are not deaf to learn language skills before they go to school, and deaf children require support at pre-school level—at that early stage of language development.

Dr Allan: Yes, I agree that through GIRFEC and lots of other interventions, we need to ensure at the earliest possible point that not just individuals but families have the skills that they need to promote communication. Indeed, as Mr Robertson stressed, the different people have different needs, and our approach has to be very personalised.

Curriculum for excellence supports that personalised approach and is all about ensuring that young people make the most of the educational opportunities that are available to them, to enable them to reach their potential. On that point, Jayne Baxter raised questions about qualifications in BSL. It is worth noting that the Requirements for Teachers (Scotland) Regulations 2005 say that

"where ... an education authority employ a teacher wholly or mainly to teach hearing impaired pupils that teacher"

must

"possess an appropriate qualification to teach such pupils."

As Hanzala Malik said, we cannot change the qualifications of all teachers at once, but we must work to improve the qualifications of all teachers who are teaching the deaf.

Jenny Marra: Does the minister know what percentage of teachers who currently teach deaf children have the appropriate qualifications? What targets has he put in place for that percentage to improve?

Dr Allan: In a mainstream secondary school, the number of teachers who are involved in a young person's life is significant. I do not have the figure to hand, although I will try to get it for Jenny Marra.

Questions have been raised about the data. For example, Mary Scanlon and others have raised questions about the absolute number of pupils who have a hearing impairment. I can confirm that 2,534 pupils are recorded as having a hearing impairment, and that 42 are recorded as deaf-blind.

In 2011, the then Minister for Public Health and Sport formally announced the Government's recognition of BSL as a language in Scotland. As someone who has an interest in languages, I think that that really is an important point for people to understand. BSL is not English in another form; it is a very distinctive first language for many people.

The Government continues to recognise the importance of BSL to the deaf community in Scotland, and the wider contribution that it makes to the rich and varied experience of language in Scotland today.

It is worth mentioning, as others have done, the British Sign Language (Scotland) Bill, which, as members will be aware, was introduced recently as a member's bill by Mark Griffin. The bill's main purpose is to promote the use and understanding of British Sign Language in Scotland. Among other things, it requires the Scottish ministers and listed public authorities to prepare and publish BSL plans.

I am delighted to announce today that the Government supports the principles of the bill. We share Mr Griffin's view that it will help to promote the use of BSL in Scotland, and we feel that it is consistent with our commitment to build a fairer, inclusive Scotland with opportunities for all.

I have offered to work with Mark Griffin to explore ways of simplifying and streamlining the reporting and review processes. We believe that that would strengthen the bill's provisions.

In answer to Mary Scanlon's question, I note that the support that is provided at college and university is important. The Government is committed to ensuring that, throughout their time in education, whether they are in college or university, all students with a disability are offered targeted support, through measures such as the disabled students allowance.

Dennis Robertson: Will the member give way?

Dr Allan: I fear that I am in my last minute.

The Deputy Presiding Officer: The minister is indeed in his last minute.

Dennis Robertson: It is a point of clarification.

The Deputy Presiding Officer: I am sorry, Mr Robertson.

Dr Allan: There are many things that we can be proud of. However, like Mr Gibson, I know that, although there is an improving picture, we cannot be complacent, as there is more to be done.

I believe that Mr Gibson has done deaf people a service by raising the issues today. Like him, and like others who have spoken today, I want to put an end to the days when those with hearing impairments disengaged from learning through

lack of support. There is no reason why every child and young person should not receive the help and support that they need to grow and prosper. That is their entitlement, and the Scottish Government will do everything in its power to make that a consistent reality across Scotland.

13:18

Meeting suspended.

14:30

On resuming—

Flexibility and Autonomy in Local Government

The Deputy Presiding Officer (John Scott): Good afternoon. The first item of business is a Local Government and Regeneration Committee debate on motion S4M-11811, in the name of Kevin Stewart, on flexibility and autonomy in local government.

I call Kevin Stewart to speak to and move the motion on behalf of the committee. Mr Stewart, you have 13 minutes exactly.

Kevin Stewart (Aberdeen Central) (SNP): It gives me great pleasure to open on the Local Government and Regeneration Committee's behalf this debate on our report on flexibility and autonomy in local government. The report was completed shortly before the summer recess, and the Parliament has the benefit of the Scottish Government's response to it. Also relevant is the report of the commission on strengthening local democracy, which was set up and run by the Convention of Scottish Local Authorities. I might touch on aspects of that report later but, for now, I will concentrate on our report.

Earlier this year, the committee agreed to undertake a short inquiry into the levels of flexibility and autonomy available to local government in Scotland. In many ways, it was a natural follow-on from other work that we have undertaken this session, such as our three-stage report on public service reform, our work on the delivery of regeneration and our report on turnout at the previous local government elections.

We wanted to inform the on-going debate on whether local democratic structures need to be strengthened and enhanced. We thought that our work would be timely, given the other activity that was taking place across our country, but we never realised just how timely it would turn out to be as the year unfolded and the focus turned more and more towards local democracy. In particular, we wanted to know how local government could become more effective, more accountable and more accessible to people and communities.

In the course of our inquiry, three committee members went on a whistle-stop tour of Hamburg, Copenhagen and Malmö during this year's Easter recess to talk to local politicians in each place and compare how their local democratic systems worked. We heard from academics, council leaders, members of the commission that I mentioned earlier, leaders of minority groupings on councils and the office bearers in the newly re-established Scottish Provosts Association. We

also used videolink technology to speak to politicians in the Åland Islands, before hearing from the then Minister for Local Government and Planning.

Of course, we were extremely keen to hear local people's views. The committee does a lot of that; in fact, in the past couple of years, we have covered the length and breadth of the country, from Shetland to Dumfries and from Stornoway to Glasgow, Ayr, Cumbernauld, Dundee and, of course, Aberdeen. We have used Twitter to run discussions; we have listened to folks on web exchanges; and we are now the first committee on these islands to have its own Instagram account—although I must be honest and say that I do not really know how it works.

We have lots of tales to tell, but the one constant message that we have received loud and clear is that democracy must not start and finish at national or even council headquarters level. It must become more effective, more accountable and more accessible to people and communities. The Parliament should remember that we wrote our report before the events of 18 September and the mobilisation of civic Scotland in becoming involved in decisions that affect it.

Even before we started our current scrutiny of the Community Empowerment (Scotland) Bill, we knew—because we had been told again and again—that if communities are to be empowered those powers must be passed down through the tiers of government. Let me say straight away that local authorities have powers to devolve functions and budgets to a community level. We know that, and they know that, but it is not happening and we were keen to find out why it was not.

We divided our report into five parts, and I will say a few words about each while concentrating mostly on flexibility. I repeat that there is ample opportunity for local authorities to be more flexible, devolve down and not only involve but empower local people.

It is interesting that the report of the commission on strengthening local democracy majors on increasing the number of local authorities and councillors while agreeing with us about the need to devolve power to the most appropriate level, to enhance subsidiarity and to remove centralist controlling tendencies. The message that we received from those in the communities that we consulted was clear—they have no interest in authorities' size or structure; what concerns them is their ability to influence bodies.

We agree with the Scottish Provosts Association, which consists of long-serving councillors who have lived through previous reorganisations. It advised against significant change to existing structures. Like a number of

other witnesses, the association's representatives pointed to changes that are happening that range from the sharing of services and functions to joint boards and, of course, the sharing of budgets. The association was clear, as was the minister, that any new structures would be a distraction and simply divert attention from devolving powers.

The Scottish Community Alliance suggested that there is no doubt that councils have invested heavily in attempting to engage communities more effectively, before adding that most attempts have resulted in abject failure. We wondered why that was, as local authorities talk constantly about subsidiarity. Most communities disagreed with the suggestion. They told us that councillors are too remote and in particular that power is centralised. That happened in the Western Isles, where communities think that there is far too much focus on Stornoway; it also happened just the other week when we visited Fort William, where communities think that power is centralised far too much in Inverness.

Local communities—to a man, woman and schoolchild—all want more influence, involvement and autonomy. We were frequently told, "Our opinions do not count; the decision has been made." However, some councillors told us that it is very easy to work with communities if we put our minds to it. That is not about having a chat with people; it is about empowering the community.

Why is that not happening? Why are communities not being empowered to make local decisions? Local authority councillors and officials told us that they are restricted in what they are allowed to do and the actions that they can take. Examples were given of restrictions preventing them from devolving budgets or empowering local communities. Every time we heard that, we asked what the barrier was, what was preventing them from acting, what was the reason for the restriction and why action could not happen. Do you know what, Presiding Officer? They generally admitted that the barrier was their own self-given restrictions and internal cultures. They agreed that they have the tools and ability and that the barriers exist mainly in their mindsets.

Addressing that takes courage and willpower. That applies on both sides. Local authorities must display that courage and willpower, but so too must communities, to demand empowerment then take it and use it when offered. Many opportunities are coming in the Community Empowerment (Scotland) Bill but, frankly, many exist. The bill is largely a measure to force authorities to do what they should have been doing for many years—engaging meaningfully, involving communities and devolving responsibility and accountability to the lowest possible level.

We heard about and discussed who should exercise devolved powers in communities. There was a lot of talk about community councils getting more powers—mainly, it has to be said, from community councillors. Frankly, we do not think that it matters who the powers go to, as long as they are representative of the community. We need a flexible approach, and if a body is respected by and representative of the community—be it a residents, housing or tenants association, a community trust or centre or whatever—it should be offered powers to exercise on the community's behalf. Those powers should be accompanied by budgets to exercise on behalf of the same communities.

Our second strand, on public engagement, also covered turnout at local elections. In our report on the 2012 local government elections, we made a number of recommendations covering voter turnout, postal and proxy voting, ordering of the ballot paper and the timing of elections. We made recommendations about increasing diversity, the age of voters and other equality matters. Perhaps the minister will update the Parliament on when the results of his subsequent consultation will be published and how the recommendations that we made are to be addressed.

I do not propose to dwell on our third strand, which related to funding mechanisms, as the committee unanimously agreed that those mechanisms require to be addressed and that a resolution requires to be reached before the next local elections in 2017. We recommended that an independent cross-party commission be established to take that work forward. I am pleased that the Government seems to agree with us and look forward to that commission starting its work soon. Perhaps the minister will take the opportunity to update us on the plans and to confirm what the commission will look at.

Our fourth strand looked at remote, peripheral and island communities. We support the principle of joint working between the island authorities and their receiving more powers. That would allow them to implement bespoke policies in their areas. A flexible approach is required. We were pleased to learn that the Lerwick declaration applies equally to all parts of Scotland. We did not see a need or see it as desirable for all local authorities to have identical powers.

In our fifth strand, we considered the level of legal flexibility and autonomy from central Government that local government should enjoy. Local authorities exercise many duties on the people's behalf. Some duties are mandatory, such as schooling, social welfare and housing duties; other powers—to promote economic development, the arts and tourism, for example—are discretionary.

When academic witnesses wondered why devolution had not followed through to local government, they talked about a tendency for central control and suggested that parties in opposition are generally keen on decentralisation and that parties in government centralise. They said that the same applies to councils, which perhaps illustrates a controlling tendency across all politicians at whatever level when they are in power. I do not think that that necessarily applies to all politicians. The Community Empowerment (Scotland) Bill is an example that shows where we can do much better.

In a number of our reports, we have said that retaining control at the centre—whether that is Inverness, Stornoway, Edinburgh or Westminster—stifles innovation and stops risk taking. Governments and councils have democratic mandates, but we maintain that they should be exercised with or by the people and that things should not be done to people. We expect the risk-aversion culture to be addressed. Only in that way will staff and communities become empowered, and only then will innovation be encouraged.

We want local authorities to use their existing powers better and to adopt greater flexibility in their policies and practices. Structures should suit communities, not the centre, and we expect different structures in different places, within and across authorities.

The role of central Government should be to specify core services and set minimum standards. Thereafter, local authorities should be free—indeed, they are free at the moment—to determine which standards need to be exceeded locally, whether that is across their region or in more discrete areas. They should be able to act flexibly to reflect local need and, in making such decisions, we are clear that they are properly exercising their democratic functions. We expect services to differ to meet needs across the country. Communities should not all expect identical service provision beyond agreed levels.

Our report is fairly wide ranging, albeit that it is on the single subject of local government. It was unanimous; all of us agreed with every one of our conclusions. I hope that members agree that it was timely. I look forward to hearing contributions from members across the chamber.

I am delighted to move the motion. I move,

That the Parliament notes the findings of the Local Government and Regeneration Committee's 8th Report 2014 (Session 4), *Flexibility and Autonomy in Local Government* (SP Paper 573).

14:43

The Minister for Local Government and Community Empowerment (Marco Biagi): I thank, on behalf of the Scottish Government, the Local Government and Regeneration Committee for its inquiry report, and congratulate it on securing the debate.

Local government is an essential part of Scotland's government. It carries weighty responsibilities for delivering the services that the man and woman in the street need, starting with the street itself and going on to schools, housing, social care, parks, libraries, nurseries, support for business and town centres. The list is endless.

Increasing the voice of the man or woman in the street through empowerment and engagement of their communities is an essential part of my ministerial role. It is not by accident that the portfolio is local government and community empowerment.

Since the committee published its report, there have been three events that have emphasised its timeliness and importance. First, the referendum saw levels of voter participation that are unparalleled in our democratic history; the 85 per cent turnout demonstrated a huge popular appetite for participating in decision making.

The ensuing Smith report is the second event. Although members across the chamber no doubt have different opinions on the next steps for the report as a whole, I hope that we can rally around two key sections. The first is Lord Smith's foreword referencing

"the transfer of powers from Holyrood to local communities".

The second is the proposal to give Holyrood control over its own elections, which will enable this Parliament to extend the franchise to 16 and 17-year-olds in time for our next elections in 2016—we hope.

Thirdly, the publication of our programme for government has set the empowering and engaging of communities in its rightful place—at the heart of everything that we do.

All that has happened in just three short months. Today is the right time to air the questions about where we will go from here. In that regard, the committee's report is not just timely; it is also substantial.

We have always known that the electorate is keenly interested in how the nation is run, but the independence referendum was a passionate engagement in democracy—one that contrasts starkly with the turnout of under 40 per cent for the previous local government elections and, indeed, with the 50 per cent turnout for the last Holyrood election. On local election voter turnout, the

committee concluded that the relatively low level of engagement in formal local politics is partly related to the nature of the relationship that citizens and communities have with government, and is also because people are more interested in how functions are exercised and, crucially, whether they can influence them, than they are in considerations such as the number of councillors. We endorse those important conclusions. We note that the independent commission on strengthening local democracy that was established by COSLA considered that issue at length, too.

As Kevin Stewart said, earlier this year our consultation on Scotland's electoral future sought views on how to encourage wider engagement and participation in the electoral process. My predecessor, Derek Mackay, established a group that brought together representatives from key sectors including the third sector, youth organisations and political parties to discuss the way forward. In the new year, the Minister for Parliamentary Business and I will return to the group with the results of that consultation in order to consider collaboratively the next steps.

The committee also rightly reported that how people feel they are governed and how empowered they are to influence decisions that affect their lives are not just about devolution from Westminster to here or from here to local government; they are also about devolving responsibilities to communities. Participatory budgeting is already being promoted by the Scottish Government, with free training being provided to local authorities and others in order to raise awareness of that grass-roots participatory activity. In the past two months, delegates from 26 local authority areas have attended six training events across Scotland.

Participatory budgeting empowers communities by providing them with direct influence over how and where public funds are to be used in those communities. I will repeat what the First Minister said in her statement on the programme for government:

"fostering a sense of participation is about ... more than consulting."—[*Official Report*, 26 November 2014; c 20.]

We are therefore also providing funding direct to grass-roots community bodies up and down the country to support their work and to help to build their capacity to act. We are investing £7.9 million this year and £9.4 million next year to support community-led regeneration through the people and communities fund. In the programme for government we also announced £10 million investment through the empowering communities fund. That will build on and complement existing support in order to help communities to work more on tackling inequalities on their own terms.

There is no one template for enabling communities to be partners in decision making. Different communities will, by their nature, have different concerns, different attitudes to risk and a desire to create different structures, as a result. Those have to be seen as natural parts of democracy rather than barriers to it; in that regard we also note the committee report's well-made observations on arm's-length external organisations.

In short, we cannot be prescriptive about which are the right powers to be exercised by communities. We are always open to new approaches in that regard, which is perhaps shown most clearly by the ground-breaking discussions with the island areas ministerial working group that culminated in our new prospectus for the islands.

What we must do, however, is ensure that all communities will be able to take advantage of the new rights and powers that will come from the Community Empowerment (Scotland) Bill. The bill is an important step towards ensuring that Scotland's current civic interest can grow or perhaps blossom—to borrow a word from elsewhere—into a wholesale democratic renewal. In the spirit of working in partnership and as the new minister in charge of the bill, I therefore take this opportunity to offer to meet the spokespersons of all four Opposition parties early in the new year to discuss the bill and to listen to views or proposals that they want to put forward. We can sit around a table and by a bit of collaboration and maybe a bit of frank discussion ensure that what the bill sets out to do can reflect and do justice to the common goal that I think we all share.

As a Government, we are also keen to encourage participation from all sides of the chamber on the future of local taxation. Local government already has greater fiscal autonomy than the Parliament, with significant tax and borrowing powers and scope to raise revenues from charging and trading, which it does to the tune of over £2 billion. Since 2008, all Scotland's council tax payers have been benefiting from a council tax freeze, which every local authority has chosen to apply and which the Government has matched with additional resources to make up for councils' forgone income. Through that partnership we have helped to keep household expenses down at a time when household incomes have been coming under pressure.

Partnership is at the heart of our approach to local government; I therefore reiterate our commitment to working with COSLA to establish an independent commission to examine fairer alternatives to the council tax as a long-term solution. We are currently at the stage of engaging with the COSLA leadership on the commission,

and we will also engage with all political parties on it. I have sensed a definite willingness from COSLA to engage and I hope to be able to update members on it soon. Council tax contributes nearly £2 billion to funding local services and is paid by over 2 million households, so the importance of the commission and its work cannot be overstated. The need for such a commission is another conclusion of the committee's report that the Government shares.

In coming to its conclusions, the Local Government and Regeneration Committee has had to explore difficult and detailed areas that might often have become contentious, but it has done so with knowledge, skill and tact. I finish simply by acknowledging that work again.

14:52

Sarah Boyack (Lothian) (Lab): First, I note that this debate will be followed by a statement on the local government financial settlement, so I hope that members will accept that I will have to leave the chamber at some point this afternoon.

I very much welcome this chance to debate the Local Government and Regeneration Committee report. I think that 2014 will go down as an important year for the development of thinking about devolution, not just on the referendum question of independence versus devolution but on the stronger Scottish Parliament that will come from that. However, a debate that has been going on in parallel and to which Kevin Stewart and Margo Biagi have referred is the debate about double devolution, which is what I think we are here to discuss this afternoon.

I welcome the minister to his new post and say to him that it is important that we think about not only transferring power from the UK level to the Scottish level and from the Scottish level to local authorities, but transferring power to our communities. The committee rightly referenced the huge contribution to that debate that was made by the commission on strengthening local democracy in Scotland. The range of discussions and the number of people involved in that process and the length of time that it went on were helpful.

The Labour Party's powers-for-a-purpose devolution commission looked at a fundamental question that I want to reflect on, particularly given the minister's comments about finance and local government's huge opportunities to shape its destiny.

One of the fundamental questions that we believe needs to be looked at is the extent to which local government exists to administer statutory services directed by this Parliament and paid for by the Scottish Government. What is local government's role in implementing legislation and

Scottish Government policy? What is the balance in terms of local accountability in representing democratic views across our different communities? What is the scope for local government to have a local state with the ambition that it wants and the capacity to intervene locally?

There is a balancing issue. Paradoxically, in the past few years, there has been more and more talk about community empowerment while there has been a centralising state in Scotland. That remains a live issue for the work that must be at the heart of the debate about finance.

The committee's recommendations for genuine—

Kevin Stewart: Will Sarah Boyack give way?

Sarah Boyack: I was just referring to the committee, so I will take Kevin Stewart if he is brief.

Kevin Stewart: Does Ms Boyack agree that, since the demise of ring fencing, local government has had more flexibility over what it wants to do than it ever had before? Does she also agree that local authorities could go even further but sometimes—as is outlined in the report—are a little risk averse to going their own way?

Sarah Boyack: Although the headline is about more scope and power for local government, if we look at the detail of the council tax freeze and its implications for local government funding, the irony is that local government does not have the flexibility in day-to-day decision making that Mr Stewart claims for it. I will come on to that.

I welcome the principle of cross-party discussions and I agree with the committee that they need to concern more than just the council tax. We need to consider other funding issues that local government has to deal with and other fundraising opportunities. The problem is that, at the moment, local government is fixed on raising income through increasing charges, which does not satisfy the test of social equality or social inclusion. Increasing charges for services that used to be free means that people who are on council tax benefit and a low income are hit by the cost-of-living crisis.

The issue is complex and difficult, which is why I support the committee's recommendation that we need to go beyond considering only the council tax. It is a relatively small part of councils' income, most of which now comes directly from the Scottish Government. Although we talk about local government, we need to think about where we want the balance to lie. The COSLA-funded commission is absolutely clear about that, but the Scottish Government's approach to the deals that have been struck with COSLA does not genuinely empower local authorities or local communities.

In a way, that is why I was so interested in the our islands, our future recommendations. They are radical and different. They say that one size does not and should not fit all. However, there is a bit in the middle that we need to think about. If cities have city deals and the island communities have the our islands, our future recommendations, what happens to the small or relatively modestly sized councils—such as Clackmannanshire Council and Perth and Kinross Council—that are caught in the middle and not automatically part of those wider debates?

Kevin Stewart: Will Sarah Boyack give way on that point?

Sarah Boyack: No, I definitely will not.

The Smith agreement transfers new powers to the Scottish Government, and I hope that the Scottish Government will consider transferring those powers on to local government.

The funding crisis that local government faces is severe and needs to be owned up to. I had a look at the City of Edinburgh Council's budget challenge, in which Edinburgh residents go online and decide how they want to spend the council's money. Once people start going in to change the sliders, they realise just how difficult those decisions are. With the health board cash-strapped and everyone agreeing that we need to transfer resource into social care, people need only try to change the social care budget and move up the housing budget and the services for local care and they will see how difficult that is to do with a £67 million overspend. Many of the budgets that people would want to shift further back will come up with a red-line issue saying that, if they did that, the council would not be able to ensure that it scrutinised its budget properly, which would lead to other problems.

Councils are at one of the toughest times since the mid period of the previous Conservative Government decades ago.

Mike MacKenzie (Highlands and Islands) (SNP): Will Sarah Boyack give way?

Sarah Boyack: No.

The Deputy Presiding Officer: The member is about to close.

Sarah Boyack: We should be trying to shift funding for older people's care in the health budgets towards local authorities. Health and social care integration is the right thing to do in principle, but I observe that it is not currently happening. If we are considering a review of local government finance, how we make that work in practice is one of the issues that must be addressed. Just lecturing people and being disappointed in them for not delivering integration

is not good enough. We need to be able to make sure that it happens.

14:59

Cameron Buchanan (Lothian) (Con): I, too, welcome the new minister to his post. I hope that he will display the same charm and knowledge that his predecessor did.

Kevin Stewart: Sook!

Cameron Buchanan: Shut up! [*Laughter.*] That was unparliamentary language—I am sorry, Presiding Officer.

I welcome this opportunity to discuss local government. In particular, it is welcome that we are discussing the findings of a report concerning the flexibility and autonomy of local government. Often, debates on such matters have been entirely focused on specific policy areas. Although those might be important, that has avoided the overreaching questions about the role, position and power of local authorities.

We Scottish Conservatives said in the report of the Strathclyde commission that the centralisation of powers from local government to central Government should be reversed. That is the crux of the issue at hand.

Before going into debates about where power should lie and how best to work in local communities' best interests, there is an important point to be acknowledged. Community engagement with local government, both democratically at elections and procedurally, is far below the level that one would hope for. Indeed, the Scottish Community Alliance described attempts to engage communities in local government as an "abject failure".

We cannot ignore that situation, and we need to understand its underlying causes. Addressing disengagement should be a primary objective within our desires to change the set-up of local government. To highlight the scale of the disconnect, we have only to compare turnout at Scottish local elections with turnout in other European countries. Turnout in our local government elections in 2012 was a rather pathetic 40 per cent, whereas the figure was 60 per cent in Germany in 2008. It was as high as 72 per cent in Denmark in 2013. Those figures demonstrate that high turnouts can be achieved, as we have seen recently, and we would do well to set out to improve our own figures.

As a starting point, I look forward to the results of the Scottish Government's consultation on a range of other matters concerning voting habits. In the referendum, it became relevant: people felt that every vote counted. It seems from the discussions that we had that people did not think

that their vote counted in local elections, as has already been discussed.

Furthermore, disenchantment with local politics is widespread, with many people feeling terribly detached from local government processes. The 2012 Scottish household survey found that only 21 per cent of adults in Scotland

“agreed that they could influence decisions affecting their local area.”

That is a shocking figure. It is not good enough. The committee report highlights some of the issues that may be causing that disenchantment, such as the finding that some consultations by local authorities are perceived as “tokenistic” and that they should be made more “meaningful and timely.”

Another point that the report draws attention to is the variety of associations that are involved in local politics and the inconsistency in their powers. In our various discussions with community groups throughout Scotland, when we went out to engage with the public, the variety not in organisations’ powers but in their names was highlighted. They are called community councils, residents associations, community trusts and tenants associations, but they all basically have the same aims.

The point is that some of the disengagement from local politics is possibly due to its complexity. We must recognise that there is inconsistency between the powers and functions of community councils and those of other local organisations, which can make opportunities for members of the public to contribute far from obvious.

The problem may not be the variety, but rather the lack of transparency that such variety can bring. Reform to make it clearer where responsibility lies in each area would, in my opinion, help to restore widespread community engagement. That ties in with the committee report’s point about consultations being tokenistic, and thereby underlines the message that participation and clarity in local government are in need of improvement.

One of the most important aspects of local government when it comes to flexibility and autonomy is finances, as has already been touched on. With local authority funding and expenditure in the current year expected to exceed £11.5 billion across the 32 local authorities, that is no small matter.

We may be able to claim that there is a cross-party consensus that the present model of council funding—through council tax, Scottish Government grants, fees, business rates and other income—needs to change, but a crucial decision on how to reform has yet to be made. I

welcome what the minster has said about cross-party discussions on that. The options for adjusting the share raised by each of those funding avenues is certainly a topic of debate—one that I think we should enter into during this session.

In that respect, the report has rather hit the nail on the head in saying:

“meaningful debate on alternative approaches”

to funding needs to happen

“within the lifetime of this Parliament ... with the aim of having a new system identified in time for the next local government elections in 2017.”

Having said that, I make it clear that proper, detailed debate needs to happen at all levels of public life, before the report’s suggestion that local authorities should have powers to raise sums locally can be committed to. That is an option that, among others, should be looked at in considerable detail, which is what the Scottish Conservatives will do.

I do not think that the apparently favoured policy of the Scottish National Party—to set up a local income tax—would help. It would cause considerable difficulties. Accordingly, I hope that my colleagues in the chamber will agree with me that we must accurately assess the present state of local authorities and local politics before embarking on programmes to reshape them. In that respect, a principal problem is voter disengagement, which has been caused by a number of factors—which we have gone into.

Later in the debate, I will go into more of the details of the report, which has highlighted some important points, while leaving room for constructive debate to take place. I reiterate that the central point to be discussed is how, in the present climate, we and local authorities can work together to reverse the centralisation of powers.

15:05

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I have been a member of a political party now for 53 years and I am going to say some things that are perhaps negative about the involvement of political parties when they get close to communities. First, let me visit a little bit of history. In 1831, there were fewer than 3,000 electors in Scotland for parliamentary elections. Therefore, the connection with the wider community was all but nil. Incidentally, we tend to forget that the 1832 great reform act removed the right of female persons to vote in parliamentary elections, although it left them able to vote in council elections, subject to the property qualification. When we look at the history of this topic, we see quite a lot of interesting things.

Of course, until the Pontefract by-election, which took place on 15 August 1872, people voted by going up to the front, to the returning officer, and saying what candidate they were going to vote for. Indeed, before 1872, the way in which people voted was published. I have the electoral roll for the Blofield district, which happens to be near Norwich; it was the only one that I could readily find. It shows that in the 1871 parliamentary by-election, James Bond voted Tory but his neighbour on the electoral roll, John Bailey, voted Whig. People's votes were all recorded. Of course, democracy worked in a substantially different way from how it worked once the 1872 Ballot Act came into operation, for the 1872 elections.

That is relatively recent history because all my grandparents were already born by the time of the Pontefract by-election, so a lot has changed in recent times. Indeed, it is as well to remember what has happened in the 20th century. When Churchill lost his seat in 1922 in the general election—at that point, he was an MP for Dundee—Dundee elected two members in a single first-past-the-post ballot, so it was actually a first and second-past-the-post ballot. Even though people had only one vote, they elected two members. When my mother first voted, she had two votes, because university graduates had a vote for a university MP as well as for their own constituency member. Indeed, the university vote was by single, transferable vote, which continued until the 1950 general election, so quite a lot has changed and continues to change.

What effect do such changes have on people's engagement? The answer is, as far as I can make out, almost none. As regards international comparisons, the figures that I was able to conveniently find cover a period from 1960 to 1995—an arbitrary period, but it is probably useful. Top of the league is Malta, which in that period—without compulsory voting—had an average turnout of 94 per cent. Helpfully, the committee has visited some Scandinavian countries. In the period between 1960 and 1995, Denmark had 87 per cent turnout, Sweden had 86 per cent turnout and the UK had 76 per cent turnout.

In the United States, turnout in that period was lower, at 48 per cent. That is interesting because the US has a very different model of democracy. Basically, all power is held at the bottom of the heap and the states choose what powers to give back up to the top. However, that does not seem to make any difference to engagement, although instinctively I feel that I would be a little bit more comfortable with that model.

Marco Biagi: Has the member considered the model of town hall democracy that is very common in New England, and the levels of participation that that affords? Perhaps he will be arranging another

Local Government and Regeneration Committee fact-finding trip?

Stewart Stevenson: I think that some of the smaller communities, perhaps in the West Indies or the Indian Ocean, would be the appropriate places to go. However, as I am only a substitute member of the committee, I shall be left guarding the gates back here.

We talk about turnout going down, but the turnout among those who could vote in the 1945 general election was 70.05 per cent, and the turnout in the 1997 general election was almost identical, at 69.39 per cent. So, what motivates people to vote is perhaps something quite subtle. The high turnout that we had in the referendum might be because people felt that they could change the system, which they wanted to do, rather than simply change the faces, which they were perhaps less interested in doing.

I have some useful proposals in relation to local elections in particular, and I know that the committee has not considered them. We talked about randomising the order of people on the ballot paper. However, there is a much easier way of doing it: have circular ballot papers, which could just be turned around, with nobody being at the top and nobody being at the bottom. That would work.

When I first voted, the party designation did not appear on the ballot paper. I wonder whether, particularly in local elections, it would be helpful if people voted only for people whom they actually knew, free from any influence of party—I say that as a member of a party for 53 years.

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

Stewart Stevenson: I will close on the issue of a postcode lottery, which the committee touched on. I am in favour of variable delivery, which allows for core requirements to be met but does not require every community to do the same thing. We need strong messages that reinforce that throughout Scotland if we want people to be engaged.

15:11

Hugh Henry (Renfrewshire South) (Lab): I want to start with the point that Stewart Stevenson finished on, about variability of service delivery, which I think is at the heart of this debate.

One of the problems with what is before us today is that we are talking about flexibility and autonomy in local government rather than flexibility and autonomy in the delivery of local services. It is not just local government that is fundamental to the delivery of critical local services in local communities; we have a swathe

of other public institutions and organisations that are beyond local accountability and local democracy, yet are as vital to communities as councils are. Health is but one example. Health boards are completely remote from the lives of the people they serve. They are accountable to the centre, yet they have to interact on a daily basis with councils that are accountable to local communities.

Stewart Stevenson: I like the member's direction of travel. Does he suggest that there is a case for aligning a series of administrative boundaries covering different services, of which the health board might be one?

Hugh Henry: That would be something to welcome, because there is confusion and clutter in that area.

The other organisations that I was going to mention are the arm's-length bodies. There are good reasons why councils have set up such bodies. There are financial imperatives in tight times that require public bodies to make savings. However, as Willie Coffey and others who have sat on the Public Audit Committee know, there are concerns about the democratic accountability of arm's-length external organisations, which are responsible for huge sums of money. Confusion is also caused by the fact that councillors who sit on the boards of those ALEOs are not quite clear whether their responsibility is to the council or to the ALEO. In fact, as the ALEO is a legally constituted and independent body, they must be responsible purely to the ALEO. However, they have a torn identity, which I think often causes confusion. We have to find ways of introducing a more democratic construction there, as well.

Kevin Stewart: One of the easiest ways of resolving that would be if this Parliament had control of things such as VAT and was able to deal with the rates situation, which is currently governed by the Westminster Parliament. If that were the case, there would be no need to set up ALEOs to make savings.

Hugh Henry: That is not necessarily the case. It suggests that the VAT system in Scotland would be constructed completely differently, but it is the existence of VAT that is the issue, not which body controls it.

There is another issue. I do not mean to be critical of the Local Government and Regeneration Committee or its individual members, including my Labour colleagues who sit on it, but there is a tension at the heart of all this. Earlier this week, in the debate on the Smith commission, Tavish Scott posed questions about the centralising approach of the Parliament in drawing more and more away from local communities. I remember the debate ahead of the foundation of the Parliament, in

which assurances were given that the Parliament would not centralise or take powers and responsibilities away from local communities, yet the opposite has happened. I am not criticising the present Administration, as that has happened since the Parliament's creation.

There is also a tension when individual members such as me complain about what we call the postcode lottery in the delivery of services. Avoiding a postcode lottery would inevitably mean the implementation of consistent service delivery throughout the country, which would fundamentally undermine what we are talking about—local communities and councils being responsible. In the debate yesterday and again today, members have talked about teacher numbers and class sizes. Neil Bibby reminded me that Labour talks about class sizes and staffing levels in secondary 1 and S2 for maths and English, yet, like what the SNP is doing in the early years, that is inevitably about taking power away from local authorities. Why should we not allow a successful local authority—for example, East Renfrewshire Council—to determine how best to deliver its services and be held accountable to its electorate if it fails to deliver a consistent, top-quality local service?

Clare Adamson (Central Scotland) (SNP): Will the member take an intervention?

Hugh Henry: No, thank you.

We need to make our minds up. Do we want local government to become more accountable to its electorate, as the committee report and other speakers have said, or do we simply want the Scottish Parliament to determine and dictate what the services and standards will be? There are contradictions and inconsistencies, and we need to make our minds up. Do we want a vibrant, healthy, functional, democratic, accountable series of local councils throughout Scotland or do we want, as Sarah Boyack suggested, organisations that simply administer and deliver what we, at the centre dictate? Until all of us, right across the parties, decide what the answer is and until we sort out our contradictions, we will make no advance on getting truly accountable, democratic local organisations.

15:18

Clare Adamson (Central Scotland) (SNP): I thank the convener of the Local Government and Regeneration Committee, which I joined last week, and the previous members of the committee for their extensive work in this area and the report that they have produced, which we are debating. Not having taken part in the deliberations surrounding the report, I am by no means an expert in the area; however, I am interested in the five strands

that the convener outlined and how this important work was approached. I am especially interested in how the island communities are accommodated within local government structures and in the fact that one of the strands considered the level of legal flexibility and autonomy from central Government that local government should enjoy.

The convener and the minister, as well as Sarah Boyack, mentioned the commission on strengthening local democracy. On page 9 of its report "Effective Democracy: Reconnecting with Communities", seven principles for a stronger democracy in Scotland are outlined. I commend those principles to the chamber. I will not discuss them in detail, but I will go through them briefly. The first is the principle of sovereignty lying with the people. The second is the principle of subsidiarity: that decisions should be taken as close to communities as possible. The third is the principle of transparency in the decision-making process, and the fourth is the principle of participation and community engagement in any development process. The fifth is about having spheres and not tiers of governance, and the idea that local government should move towards working interdependently and co-operatively, engaging with local people, rather than working in a top-down dictatorial manner. The final principle is that wellbeing should be at the heart of the decision-making process. All those principles set out a strong argument for how we should move forward.

Having not taken part in the deliberations that led to the committee's report, I thought that I could best use my time this afternoon by describing a local project that I think typifies what could be achieved throughout the whole of Scotland. Indeed, the project might be enhanced by some of the provisions in the Community Empowerment (Scotland) Bill.

As a local government councillor, I represented the area of Gowkthrapple; it is one of the oldest place names in Scotland, and means "cuckoo's throat". It is an area that has not had its troubles to seek: it features among the 15 per cent of areas with the most deprivation in the Scottish index of multiple deprivation and has the typical problems that stem from poverty and low employment. It has recently had the advantage of a strong Polish community coming into the area, but that has brought some challenges too.

In November, I was delighted to be invited by the Big Lottery Fund to Scotland's celebrating communities event, at which Garrion People's Housing Co-operative demonstrated some of the work that it had done at its CentrePoint hub in the Gowkthrapple area.

The co-operative is an Industrial & Provident Society and a fully mutual co-operative. It owns

256 properties in Wishaw and is registered with the Scottish Housing Regulator. It is responsible for the running and day-to-day ownership of the CentrePoint hub.

CentrePoint was established as a partnership project between North Lanarkshire Council, the Big Lottery Fund, the Scottish Government, Clydesdale Bank and Garrion People's Housing Cooperative. They came together with a very tight brief for a new, single-storey building to meet the needs of local residents in Gowkthrapple and to offer a large amount of regeneration and support to the community.

The new building houses offices for the housing co-operative and North Lanarkshire Council; a locally run cafe; pre and after-school care; and a corner shop and local pharmacy. It also has flexible meeting rooms for use by a variety of local groups and features on the Royal Incorporation of Architects in Scotland website as an example of an innovative design for such a project.

CentrePoint received a grant of £835,000 from the Big Lottery Fund's growing community assets fund, which helped to finance the project. Other funding was provided by North Lanarkshire Council, the housing co-operative and the Scottish Government.

The hub is owned and managed by the housing co-operative, but very much for the benefit of the local people. At the project's launch, Rona Alexander, the head of programmes for the Big Lottery Fund in Scotland, said:

"we invested in a community which we knew had the enthusiasm, drive and determination to make things happen."

The Deputy Presiding Officer: Will the member be returning to the committee report at some point?

Clare Adamson: I was giving an example of the type of project to which the committee report refers in relation to the importance of empowering local people. We can talk about the figures and the facts, and what local democracy means, but an example of that in action brings the concept home to members in the chamber.

I want to highlight the work of a young volunteer from the area, Patryk Topolski, who is a member of the Polish community. He is not only one of the nine Saltire award winners from among the project's young volunteers in the local community, but he has been instrumental in a number of projects to integrate the Polish community with the people of Gowkthrapple.

I am glad that the report has been published and the work has been done by the Local Government and Regeneration Committee, and I

look forward to our deliberations on the bill in the coming year.

15:24

Willie Rennie (Mid Scotland and Fife) (LD): I always enjoy seeing Stewart Stevenson about to take to his feet when I come into the chamber, because I know that we will get another history lesson. This time it covered a 200-year period and I found it very enjoyable and entertaining. I was only disappointed that the most profound recommendation that he could come up with was circular ballot papers. I expected something much more significant.

Stewart Stevenson's comments on the postcode lottery chimed with those of Hugh Henry. Both members made very good speeches about the balance between ensuring that we have the standards that we want nationally and having real power and democracy locally. Do we want local administrators or do we want real democracy? That is the challenge that we face.

Hugh Henry put that across excellently and I will reflect on what he said. However, I disagree with him in one regard. The desire for politicians centrally to do away with clutter and confusion is misguided. Government in general is quite confusing and complex. What we need are clear lines of responsibility, to ensure that government operates effectively. If we just want clean maps and clean lines, we will undermine the effectiveness of democracy. The overriding objective is not to clear up clutter and confusion—if you want to describe it in that way. I would argue that effective government with real, local power is the objective in mind.

Sarah Boyack referred to Lord Smith's opening remarks in the Smith commission report, which have done us a service. We have had quite a monumental debate over the past three years and it is now the turn of local government to be the subject of that kind of big debate, in which we will discuss what kind of local democracy we want and how effective we want it to be. There were two big winners in the referendum: people aged 16 and 17 who got to vote; and the island communities. I would like the third big winner to be local government, so that we can have real constitutional reform in Scotland.

We know the context. Kevin Stewart is right when he talks about the removal of ring fencing in the early days of the SNP Government. That was welcome, as it was required to give local authorities much more flexibility. I must say that the record since then has not been as promising. Members will know my views on the centralisation of the police and fire services. The real test of local policing plans took place when Highland

Council declared that it did not want the nationwide policy of arming police to be applied in Highland.

Mike MacKenzie: Will the member give way?

Willie Rennie: In a second.

The council did not want that policy to be applied in Highland. The chief constable was able to ignore that demand—that expression of local democracy—which proved that we do not have local police services with local accountability any more.

Kevin Stewart: Will Willie Rennie give way?

Willie Rennie: I will give way in a second. Wait until I finish this point.

If we are going to have true local democracy, it must mean something at those critical points.

Kevin Stewart: Willie Rennie is giving one example. John Finnie and I visited Elgin very recently as members of the Justice Sub-Committee on Policing, where we discussed ward policing plans. We tried to get Elgin community council and the other community activists to give us one bad example in the plan for their area, but they could not and would not, because it was the plan that they wanted in place, with their priorities. Surely that is true community democracy.

Willie Rennie: I am sure that there are good examples of where it works. It worked in the past—

Mike MacKenzie rose—

Willie Rennie: Not just now.

It worked when local police officers could turn up to community councils and have proper engagement with them. That was there in practice. There will be good examples; I will give that to Kevin Stewart. However, there is a feeling in local government that power has been stripped away; that local authorities do not have the authority that they once had.

I commend the committee's report, because it drew on a range of evidence from different bodies, including the Conservative Party's commission, the Labour Party's commission and the white paper. I was only sorry that it was unable to read the Campbell commission's report. I am going to give the committee a flavour of what was in the Campbell commission's report, because it was good work about trying to change local authorities for the better.

We recommended that the same principle that should apply to the Scottish Parliament—that it should raise the majority of the money that it spends—should also apply to local government, so that it has the same flexibility, accountability

and responsibility at the local level. That means freeing up the council tax, allowing business rates to be set locally and providing for the majority of the money that is spent by local authorities to be raised by local authorities.

We also recommended the creation of new burgh councils. We are not proposing the creation of additional authorities or massive reorganisation. We are proposing that, when communities such as Auchtermuchty want to create a burgh council to run services in their community, they should be allowed to do so by local government. That chimes with some of the things that the committee said. For example, it said that local authorities should not just be one homogeneous mass and that there should be a much greater flowering of local democracy.

The Deputy Presiding Officer (Elaine Smith): I am afraid that you must close, please.

Willie Rennie: I commend the committee's report. A lot more work requires to be done in this area, but I hope that the report starts a big debate about the reform of local democracy.

15:30

Stuart McMillan (West Scotland) (SNP): I welcome Marco Biagi to his role as Minister for Local Government and Community Empowerment.

If this debate had taken place a couple of weeks ago, I would still have been a member of the Local Government and Regeneration Committee. I wanted to speak in the debate because of my involvement in the inquiry and the work that went into producing the report. I also wanted to offer my sincere thanks and express my appreciation to my former colleagues on the committee and the committee's clerks. I think that the Local Government and Regeneration Committee's clerks do a huge amount of work in an area that has a wide policy reach, and they are always willing—indeed, I would say that they go out of their way—to assist, and I, for one, appreciated their assistance. I know that the committee's new members, Clare Adamson and Willie Coffey, are in good hands with its excellent clerking team.

I welcome the report and concur with what Kevin Stewart said about the move away from a centralising agenda. The fact that there has been a huge reduction in the ring fencing of funds, from £2.7 billion in 2007 to just over £200 million in 2013-14, highlights the extent of the change that has taken place in that area. I understand the politics of why the claim is occasionally made that the Government has a centralising agenda. The reduction in the amount of ring fencing highlights that the exact opposite is the case.

Furthermore, there has been a change in how the Government and local authorities work together. More joined-up working now takes place and legislation has been passed in the Parliament that has enabled local authorities to work in different ways from how they used to work. A good example of that is the introduction of self-directed support.

In my opinion, politicians—regardless of their colour—are custodians of the public purse and should always attempt to get the best value for the public pound. We need to work to serve the public to enable them to access the best possible services. Within the finite resources of the Parliament, progress has been made in making changes to service delivery, but we all agree that there is still a long way to go.

Despite the budgetary pressures that are a result of Westminster cuts, local government has been treated fairly under the SNP Government. The local government finance settlements have been maintained from 2012 to 2016 on a like-with-like basis, and extra money has been provided for new duties. That has resulted in a total settlement that, in 2014-15, amounted to more than £10.6 billion and which, in 2015-16, the current budget process is set to increase to almost £10.8 billion. The fact that the local government finance settlements have been maintained was reflected in last year's vote on the settlement, in which no member opposed the funding package for local authorities.

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

Much of the work that the committee has undertaken has not been carried out in isolation. Over the course of the parliamentary session, it has undertaken a number of inquiries on public service reform. Its strand 1 inquiry was on partnerships and outcomes, its strand 2 inquiry was on benchmarking and performance measurement, and its strand 3 inquiry was on developing new ways of delivering services. The committee has also considered the implications of procurement reform for public services and community regeneration. Every area of activity seemed to fall into the realm of other areas of local government activity, which reinforced for me just how broad local government activity is.

The report that we are talking about focuses on a few areas. I will talk about strand 1. We considered whether size matters and how many councils, councillors and wards we need. Scotland has a lower number of councillors per head of

population, so that was a legitimate area to consider.

When we read articles about how good local government is elsewhere, our judgment about what we have can be clouded. However, given our multimember wards and the improved working partnerships with other bodies that are a consequence of health and social care integration and the use of community planning partnerships, the committee considered that structural change to local government should not happen at this time. The evidence was clear that people outside academia and COSLA are less concerned about the number of councils and councillors, the size of wards and so on than they are about the services that are delivered to communities and the level of dialogue that they have with their representatives.

Willie Rennie talked about the referendum debate and votes for 16 and 17-year-olds, and I agree with him that there has been a significant increase in political engagement. We must ensure that that engagement continues. Part of that is about showing the impact that local authorities have on people's everyday lives, whether we are talking about children's education, a cleaner environment or protection for the vulnerable.

I am conscious of the time, Presiding Officer, so I will close. I welcome the report and this debate. I know that the committee's work will continue to inform the debate about flexibility and autonomy in Scotland's local government.

15:36

Anne McTaggart (Glasgow) (Lab): I am particularly pleased to speak in this debate because I am a member of the Local Government and Regeneration Committee. I thank and congratulate my colleagues on the committee and our wonderful clerking team. Given that we have produced our eighth report, I am sure that the clerks will take a well-earned rest now.

I hope that the report's recommendations will inform the decisions that the Parliament makes on how to promote flexibility and autonomy in local government, right down to its lowest levels.

I know that I share with most members the belief that, on many issues, government is best when it is local. As Scotland prepares to receive more devolved powers from the Westminster Government, we should be considering what powers should move down from this Parliament to local authorities and from local authorities to community level.

In its report, the committee cited the president of COSLA, who told the committee:

"Power should lie at the most appropriate level. Sometimes it is appropriate for it to be at community level;

sometimes at local authority level; and sometimes at national level."—[*Official Report, Local Government and Regeneration Committee*, 23 April 2014; c 3388.]

In seeking to follow that suggestion, the committee explored five strands, each of which represented an important area that requires some sort of determination about where power should lie. In each case, the desire is to move power as close to the community as is appropriate and to enable local authorities to do so, too.

An important area on which we made suggestions was public engagement and interaction with local government, including turnout at local elections. The committee found that low levels of public engagement in local politics are largely the result of the lack of a relationship between citizens and communities, and local government.

Kevin Stewart: Although the committee found examples of poor community engagement in the country, we also found good experiences, for example in Dundee. Does Anne McTaggart agree that some local authorities could learn lessons from what Dundee is doing on community engagement?

Anne McTaggart: Yes, I most certainly agree with Kevin Stewart that we could learn lessons from some areas.

Part of the issue is that the powers that community authorities hold are not those that community members believe most affect them. I therefore agree with the recommendation in the report that powers be moved to the lowest appropriate level. However, part of moving power closer to communities is about seeking to engage them in decisions. That is also brought up in the report. Community members will be engaged simply by having issues of importance put under the authority of community bodies, but those bodies must also actively engage citizens. That will create two mechanisms of engaging people in the workings of local government.

The second area that we recommended for reform is the process by which local authorities and community government get their funding, namely the current council tax system, which we say should be moved away from. We recommend that, within this session of Parliament, steps should be taken to create a new system for taxation prior to the local government elections of 2017. That would best be done through an independent cross-party commission. The goal, which I support, is to fix a broken system and, in the process, to use help from local authorities to determine what is appropriate for them. That is inclusive government and not top-down direction.

Going hand in hand with the two strands that I have mentioned is the desire to outline a better

way to guarantee for local government legal flexibility and autonomy from central Government. I note that the report recognises that structures that are put in place to affirm local control will be different throughout the country, or even within authority areas, in a way that is seen as fit for each area. That strand is ultimately about how the devolving of power to local government, and indeed the whole notion of local governance, should be framed.

The Scottish Parliament must have the goal of moving more power to local authorities, but that should not be an impediment to any community. Just as important in respect of that strand of the report is the determination that we will not create a process and we do not deem it appropriate to say who should do what. It is a local issue, and we trust local authorities to devolve powers to the lowest appropriate level.

I am happy to see the report from the Local Government and Regeneration Committee and I offer my support for the results, particularly in the areas that I have spoken about.

15:42

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I welcome our new minister, Marco Biagi, to his seat on the front benches. I, too, am delighted to contribute to the debate, as a new member of the Local Government and Regeneration Committee and as a former councillor who was first elected to Kilmarnock and Loudoun District Council in the grand old days of the early 1990s.

I have read the committee's report and the Scottish Government's positive response to it, and I must congratulate the members and former members for all the hard work that they put into it. However, much of it comes as no real surprise to me, as a former councillor. Perhaps the biggest surprise is that we have not yet found the keys to local empowerment that we all seem to want. The report contains some really important messages on empowerment, accountability, flexibility and the desire to devolve budgets. Equally, there are messages about why some of that just has not happened over the years. In the convener's foreword to the report, he uses the phrase "internal cultural restrictions". All members who are former councillors will recognise what he means by that.

I was interested to read the comments by Professor Jim Mitchell on whether councils need constitutional protection to give them that sense of security from abolition or reform and, through that, perhaps adopt a more progressive approach to local innovation. He said that constitutional protection is not enough on its own, and I imagine

that those of us who have been there can see that it probably requires more than that if councils are to embrace the empowerment agenda.

The report emphasises again and again the importance of empowering local people, but it also recognises that progress in achieving that has been slow. According to the report, people want to be part of decision-making processes, but they often feel that consultation can be tokenistic because the decisions have already been taken.

What exactly do we mean by "empowerment"? Is it about devolving decision-making powers, with some budgetary responsibilities thrown in? For me and I suspect for many local people—and, given his opening remarks, for the minister, too—consultation is not empowerment at all, and neither is handing over a little power and a budget to work within. It has to be more than that. Surely real empowerment is about giving local people the freedom to innovate and drive forward ideas and solutions that they might have devised for themselves, or about their at least feeling that they are genuinely shaping the decisions that their councils take. Who says that our councillors and officials are the ones who always know best?

I particularly liked the comment made by COSLA, which is highlighted in paragraph 52 of the report, that

"We need a new ideology, where democracy is designed from the bottom up".—[*Official Report, Local Government and Regeneration Committee*, 23 April 2014; c 3375.]

That statement chimes with comments made by a constituent of mine who asked why we could not have a kind of people's convention where ideas could develop and mature, turn into policy and then be delivered by a receptive council that encouraged such a process. As one witness pointed out to the committee, councils—and, to be fair, Governments—basically impose the changes that they want on the people. They devise the capital programmes for our housing, whether people need or want the upgrades on offer; and they determine the development of local settlements through their local plans, which are almost impossible for ordinary people to shape.

What would empowerment look like in those contexts? Perhaps local people could identify their own housing improvement needs, agree the programmes that they want and set up the contracts to deliver them, and perhaps it should be up to local people to determine how and whether their own communities expand with more or less housing and industrial developments in their settlements. Are such powers too dangerous to be left in our communities' hands? Would we get inconsistency and chaos—or would we see the emergence of a confident community that valued that level of engagement and began to feel really empowered?

In his speech, the convener of the Local Government and Regeneration Committee talked about our democratic structures and the numbers of councils and councillors. As Stuart McMillan pointed out, the public had no interest at all in the size or structures of local government—they were more interested in the ability to influence matters that affected their lives. That, again, is about real engagement and empowerment.

I think that an opportunity was missed in the previous local government review, which really did nothing other than top up councillors' salaries a bit. At the same time, it was claimed that the review would encourage wider participation in local government, with a new breed of younger and perhaps more professional individuals becoming councillors. However, that did not happen, and we still have broadly the same councillor profile that we have always had: mostly older and retired men, and younger councillors who still have to work in their day jobs to support their families.

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

Willie Coffey: Given such constraints and the huge increase in their workload and obligations as a result of having to serve bigger council wards, I think that our councillors have worked wonders.

If we want communities to be truly empowered, we need to help our councillors and equip them much better to engage with the task. Perhaps we need to consider matching their salaries during their term of office, and perhaps their employers need to offer sabbaticals to allow them to serve their councils full time. I know that that will be not easy, but if we do not do that we will struggle to make the changes that we are hoping for.

The committee report is a fascinating read. It presents some familiar scenarios, but it also offers valuable insights into how we can deliver better local democracy for our communities. I am delighted to support the convener's motion and ask that we note and act on the report's contents.

The Deputy Presiding Officer: Many thanks. Our final speaker in the open debate is Alison Johnstone.

15:49

Alison Johnstone (Lothian) (Green): I, too, welcome Marco Biagi to his new ministerial role.

Throughout the referendum campaign, I consistently argued that new powers for Scotland should not be about creating a mini-Westminster here in Edinburgh and that our Parliament should be brave and mature enough to devolve powers away from the centre and down to local authorities and beyond. We have to realise that Scotland is

the odd one out in Europe. The scale of administrative centralisation is literally off the charts in some of the reports that I have seen—one can argue that local government in Scotland is a misnomer.

In the past 60 years, there has been a 92 per cent reduction in the number of local councils, giving Scotland the most concentrated local government in Europe. The mean population per council in Scotland is 166,000, whereas the European Union average is 5,600.

During the referendum, the Green yes campaign published a discussion paper with a plan for a system of smaller, truly local councils, each serving about 20,000 people. Such councils could be tied together by a larger strategic body, and they would be free to work together where that made sense.

Stuart McMillan: Will the member give way?

Alison Johnstone: Let me make some headway first.

Those councils would remain accountable and connected to their electors. That is not written-in-stone Green Party policy—we are open to other reforms that would increase and empower local government—but I am disappointed to see the committee's report rule out any form of structural change.

Stuart McMillan: Where would the finances come from to undertake the Green Party's recommendation?

Alison Johnstone: When we see turnouts of below 40 per cent—the previous local government election in 2012 saw a woeful turnout of 39 per cent, which was the lowest since 1975—it is time to take action. The Government has a duty to look at what may be required.

In 2007, the only local tax-raising power left with Scottish councils was frozen. Councils are largely treated like children: a child is given pocket money to spend, whereas an adult is allowed to earn a wage for their keep. It is time that we treated councils with more respect. We need to return a significant level of financial independence to them.

Our party's local democracy paper suggests that councils should raise at least 50 per cent of their revenue through a range of tax-raising powers, such as land or property taxes. My recent motion on allowing councils to charge a visitor levy if they so desired gained support from only one member outside our group.

The Smith commission has proposed assigning the first 10p of VAT to Scotland. We could think of similar ways to fund regional administrations. Local government could be given a fixed, statutory share of national income tax. For example,

municipalities and regional councils could be guaranteed 50 per cent of the proceeds raised by income tax, providing them with funding for public services based on population and an incentive to make local improvements to attract people to their area.

It is completely unfair that council tax banding has been left to become incredibly out of date. A centrally imposed freeze is disempowering and unsustainable, and it has not been funded in real terms. We urgently need to create a fairer, reformed tax.

Land value tax is our long-established alternative, and we look forward to engaging with the proposed independent commission in 2015, but we need a crystal-clear commitment from the Government that the reforms will be implemented.

In 2012, land reform expert Andy Wightman authored a report for Green MSPs setting out how a land tax could work in Scotland. He argues:

“Land reform is still unfinished business in Scotland, and land ownership continues to be rife with inequalities. A Land Value Tax would make three quarters of Scots households better off, tackle urban blight and land banking, and stabilise the housing market.”

The Scottish Council for Voluntary Organisations also argues that local government should not be where devolution stops. It wants to see more participative democracy, where people are directly involved in decision making. That is an important check and balance on power that is held in elected hands.

Kevin Stewart: A lot of that movement of power can be done. Mr Rennie gave the example of Auchtermuchty. Nothing is preventing Fife Council from giving the residents of Auchtermuchty those powers—it is just that that is not happening. Therefore, the issue is not about new powers but about using the powers that people already have.

Alison Johnstone: Absolutely. However, financial power is extremely important, and it is ironic that a Government that has campaigned so vociferously for its financial independence does not see the need to devolve that power further.

The Community Empowerment (Scotland) Bill is a good step on the journey, but culture change will be key. The SCVO says:

“Elected representatives need to nourish and support the role of these community organisations—not see them as a rival.”

I read the report of the commission on strengthening local democracy and felt excited by its principles and the radical vision for what local democracy could be like. That commission believed that that radical change is worth fighting for.

I thank the committee for its work, but its report appears to close down some of the possibilities. It appears to dismiss the input of COSLA and academia. I agree with Andy Wightman, who said that there is clearly a

“divide between those who think democracy works just fine in Scotland and are content to pursue policies that undermine local democracy”

and those who believe, as I do, that there is a need for

“fundamental reform in our democratic structures.”

Post-referendum, devolution is being scrutinised as never before, but it really is time that we give the same attention to double devolution.

15:55

Cameron Buchanan: The discussion should have raised some important and contentious issues. Although we may not all agree on how best to reform local government, I welcome the insistence from across the chamber on the need to take the debate further.

We have heard what some of the main issues are, from public disengagement and a lack of transparency in decision-making processes to overarching tendencies towards centralisation. The report offers very useful insights, which the Local Government and Regeneration Committee can consider in detail. It is important that, when we consider the future of local government, we look to examples of successful initiatives on which to build.

As we all know, centralisation can come in many forms. It is no secret that the Government has centralised power, as the many disagreements about COSLA membership have shown. Other examples set a worrying trend of centralisation, including the creation of Police Scotland, but those are for another day. The point that I am trying to make is that the report has been written at a time when councils face pressure from central Government. We must consider its recommendations in that context.

That said, the report is right to highlight that local authorities have the ability to devolve power to levels of government that are closer to local communities. As my colleague Kevin Stewart touched on, there is a considerable variety of organisations that are closer to communities, from residents associations, tenants associations, community development companies and community trusts to community councils. There are 1,200 community councils in Scotland and an estimated 12,000 community councillors—a considerable resource whose full potential remains as yet slightly untapped. There is also great variation in their effectiveness.

With that in mind, I welcome the report's expectation that local authorities will draw up schemes to have power exercised at the lowest appropriate level in all areas. The key phrase is "the lowest appropriate level". That can vary, depending on the powers involved and the particular circumstances of local communities. It is important that local authorities have the flexibility to work with local organisations to determine the lowest appropriate level to which to devolve functions.

One of the key areas that the report deals with is the level of legal flexibility that local government enjoys. It is right to highlight that there is a perception of control by the centre in local authorities, which could be addressed by greater flexibility. That could come in the form of flexibility in determining the most appropriate level at which to place responsibility for local government; there are a number of other policies and practices that we in the Parliament can help with.

The report says that, where legislative barriers are in place that prevent the differentiation of services to meet local needs, they should be removed. That is exactly the sort of flexibility that can energise local government.

Of course I agree that core services such as education and social security should be provided universally, but universal standards do not need to be enforced in all policy areas. For example, the economics of refuse collection service frequency will vary depending on the area—that particularly applies to rural areas, of course. The report is right to draw attention to the issue, and we should reinforce the point.

We can use the attention that a debate in the chamber brings to highlight that, as has been mentioned, councils are often afraid to use the powers that they have, that they are very risk averse, and that more could be done to encourage them to use the powers and flexibility that they already have—they probably do not even realise that they have that flexibility.

Finally, although the debate and the report have focused on tensions between central Government and councils and on the disconnect between local authorities and local communities, that is not the whole story. There are shining examples of success stories concerning partnerships between central Government and local councils that are achieving real results for local communities.

The most prominent example of that is the city deal, and particularly the city deal for Glasgow. In August, the UK and Scottish Governments announced that £1 billion was to be invested in Glasgow, with £500 million from each Government and a further £130 million from local authorities in the Glasgow and Clyde valley area. That example

of the UK Government, the Scottish Government and local authorities co-operating to deliver massive investment is a model that I am sure we all hope can be repeated. Furthermore, it highlights the fact that the UK Government can have an important role. It is clearly in everyone's interest to see Scotland's communities thrive.

As the Scottish Conservatives' Strathclyde commission commented:

"the Coalition's City Deals programme is another example of how significant powers can be devolved closer to the citizens."

However, there is a distinction here. City deals are a partnership between levels of government, rather than permanent devolution. That does not diminish the example, but it is important to remember it.

I hope that the report and our debate shed new light on the issues of centralisation, flexibility and autonomy for local government. Those are absolutely crucial issues for our country and deserve our unwavering attention.

A great number of important issues and potential solutions have been discussed, but I feel that they can all be summed up by one statement: local communities need their local authorities to have the flexibility to suit local interests. This Parliament should do all that it can to allow that to happen.

16:00

Alex Rowley (Cowdenbeath) (Lab): I welcome the report by the Local Government and Regeneration Committee and the debate that has taken place. We must first acknowledge the role and importance of local government and the army of councillors and public servants who are out there day in, day out, delivering services that impact on the lives of people in communities the length and breadth of Scotland.

When Anne McTaggart said that this was the committee's eighth report, I wondered what difference the other seven had made. I am sure that Kevin Stewart will tell me more about that.

There is an opportunity to see the report as the starting point for a debate. As many other members have said, along with the committee's report, we have the report of the commission on strengthening local democracy, which COSLA chaired. As Alison Johnstone said, the opportunity should not be lost.

I was the chairman of Fife Regional Council's finance committee at the time of the previous local government reorganisation, and I went on to be the leader of the first new Fife Council. I am well aware of the bureaucratic nightmare that having to bring about a new structure through reorganisation

would present. Kevin Stewart said that it would be a distraction. My experience suggests that it would be, but that should not be a reason for us not to look at how we do more.

The minister used the term “blossom”. I have skimmed through a lot of the book of the same name. We are certainly miles away from the vision that Lesley Riddoch presents of the type of local government that exists in Scandinavian countries. I have to confess that I have not read the Campbell commission’s report, to which Willie Rennie referred—I would welcome the opportunity to get a copy of it.

To pick up Willie Rennie’s example, despite what Kevin Stewart would have us believe, it is not quite as simple as Fife Council just recreating the burgh of Auchtermuchty.

Kevin Stewart: Will the member give way?

Alex Rowley: I am sorry, but I do not have time.

We need to engage with the report of the commission chaired by COSLA and the committee’s report. One of the big things that came out of the committee’s report was the recommendation to look at how local government is financed, which will be a key issue.

I certainly welcome the fact that the Scottish Government has said that it is engaging with COSLA and taking a cross-party approach to how local government is financed. As Sarah Boyack said, that must look much more widely than simply at the council tax versus a local income tax versus some form of property tax. We must look in much more detail. One member said that the discussion has to be much wider; it has to be a discussion with communities across Scotland.

It is the easiest thing in the world for any Government to cut taxes. Some countries and Governments pride themselves on their low levels of taxation. However, very low levels of public services sit alongside that. We should have a much wider public debate on that, outwith politicians debating it in the chamber or elsewhere.

The minister talked about 16 and 17-year-olds having the vote. I think that in the Parliament we are united on trying to get the power for 16 and 17-year-olds to vote not only in the Scottish Parliament elections in 2016 but in the local government elections in 2017.

As an aside, I mentioned yesterday that elections for three community councils in my constituency had been triggered in the past few weeks, and the turnout for them was 22 or 23 per cent. One of the key points that came through in the evidence that the committee took was that, in countries where people believe that local government has real powers and strength, voter turnout is higher. We need to learn lessons from

that. My view is that there is a fourth tier of government in Scotland, which is community councils. There are mixed views on that, but empowering that fourth tier more should certainly be discussed as part of the wider debate.

We must not simply bury the committee’s report but take it as a starting point and sit it alongside the commission’s report. We can use both reports to get discussion going more widely out there about how we finance local government and take more powers down to the community level.

Community planning partnerships have not been mentioned much. Hugh Henry talked about health, and we now have health and social care. We need to discuss more widely how we hold boards to account on those aspects and involve them. As Hugh Henry said, the key point is whether we are talking simply about giving local authorities money and telling them what to do or truly having local government so that locally elected people can make decisions at the local level and be held to account for those decisions when they ask the electorate for re-election on their performance. That is the key question that is coming out of today’s debate. The debate has been good, but let us now move forward and use the committee’s report and the commission’s report to talk about how we can have true local democracy in the future.

16:07

Marco Biagi: The debate has been quite interesting in that we have often touched on core philosophical issues of democratic principle. One of the things that I have heard most reference to from the different sides in the debate is the 50:50 finance balance, which I am sure we will continue to debate at length. It is interesting that that aspect has been linked to the commission, but I urge caution, because the commission might best be served by focusing on how we deal with the pressing problem of the council tax.

The balance between the Scottish Government, local government and local communities will continue to be an issue, so perhaps we should try not to put too much on it but instead to retain a narrow focus. We are open to any discussion on that, and we have certainly heard COSLA’s views. However, we should keep our feet on the ground.

Before I move on to all the things on which we agree with members—I agree with many members’ contributions—I will go back to Sarah Boyack’s comment that local councils’ finances have not been so hard pressed since the era of the Tories. Councils’ share of the Scottish Government’s budget amounts to 36.4 per cent, but we do not have to go back to the Tory era to

see a smaller figure; we need to go back just to 2006-07, when the share stood at 34.7 per cent.

As Stuart McMillan was at pains to say, the financial pain is being felt all around. The Scottish Government has lost 10 per cent of its budget in real terms, so we should have a bit more of a realisation that local government front-line services are—proportionately—doing rather well.

The tax report was referenced by Cameron Buchanan, Alex Rowley and others, and I am glad to hear that there is consensus on it and a wish to buy into it. I was also glad to hear the comments about the importance of public engagement, because it is not enough for the five parties in the Parliament to engage on the issue and—who knows?—agree to come to a consensus on it; it is also important that we hear from the public and that they participate and feel that the process is theirs as well.

Participation has been a bit of a theme. Stewart Stevenson certainly made some interesting points. I always like to bandy esoteric knowledge with him, so I point out that, in 1907, Lavinia Malcolm became the first female town councillor, some years before the vote was given to women in parliamentary elections. That shows the possibility of innovation in participation in community-level representation.

The Deputy Presiding Officer: Minister, I am sorry, but we cannot hear you if you turn round.

Marco Biagi: I am sorry.

I say to Stewart Stevenson that his example of a James Bond as a voter in Blofield might call into question the authenticity of the source. Perhaps he should have another go at Google searching.

Stewart Stevenson: It is true.

Marco Biagi: At the end of his speech, Stewart Stevenson touched on variability. That is an interesting area of discussion that was developed more by Hugh Henry, who I notice is no longer in the chamber. It concerns what happens if people fail and what happens in the differentiation of services. That is at the core of what happens if we empower local democracy. We must be aware that different communities have different desires and will create different structures while somehow reconciling that with the importance of universal services.

For example, Hugh Henry asked whether East Renfrewshire Council should be free to innovate on childcare. That is one issue. Would everyone who supports that council having the freedom to innovate on childcare also support giving a council the freedom to innovate on the national health service, which is cherished as a universal service wherever someone is in the country?

Stuart McMillan: Does the minister agree that the introduction of the benchmarking tool will allow local authorities to innovate even more, because they will be able to learn from positive lessons from elsewhere in the country?

Marco Biagi: Yes, and there are definitely lessons to be learned from around the country. On Friday, I was in Highland on my first visit as the Minister for Local Government and Community Empowerment—I wanted to go to one of the councils that I know wants to have more engagement from Edinburgh—and I heard about some of the really interesting and exciting innovation there. Highland Council has a remarkable degree of delegated decision making at ward level. That almost suggests that we could set up burgh councils if we devolved power to ward level and, as the committee pointed out, there is nothing to prevent that from happening. There needs to be more sharing of such ideas.

Kevin Stewart: Highland Council has developed a ward budget system but, the other week in Fort William, the committee heard from the people of Lochaber and the surrounding areas that they have absolutely no say in how those ward budgets are spent. How do we deal with that situation so that people are involved?

Marco Biagi: That is where we get into the complex matter of what happens if we create the electoral structures but still have a barrier to popular participation. In my opening speech, I pointed to participatory budgeting as something in which I have a great interest and which offers a chance for the person in the street to make their views heard in an intense way that is more than voting but perhaps less than having to sit on a committee. I would like a range of councils around the country to explore that widely.

I was very pleased—perhaps more than the Presiding Officer who was in the chair at the time—to hear of the Gowkthrapple example that Clare Adamson gave from her constituency. That is notable because it shows the variation, innovation and potential that exist. It stemmed from a housing organisation, and such bodies have been the anchor organisations for many such initiatives. I visited Govanhill, where I saw that a community development trust that is anchored in the housing association has been able to achieve a level of community empowerment that many other communities would envy and has done so despite a great many challenges that come from different communities overlapping in one locality.

What are communities? They are people who share an interest and communicate with one another, who are not always the same as all the people who live in one area. However much we debate the details and structure of our system of government, we must remember that power

comes from the ordinary people who live in communities up and down the country and that it is they whom we are here to serve, whom we are here to represent and whose welfare and wellbeing we must ultimately be concerned about.

The Deputy Presiding Officer: I now call John Wilson to wind up the debate on behalf of the Local Government and Regeneration Committee.

16:15

John Wilson (Central Scotland) (Ind): First, I declare an interest. As well as being a committee member and the deputy convener, I am involved, as people will see if they check my entry in the register of interests, in a community organisation that is actively engaged in real community empowerment where I live.

I thank all the members who have participated in the debate today. In particular, I thank the witnesses who provided the committee with oral evidence, as well as those who provided written evidence. I also put on record my thanks to the community representatives who gave us evidence.

The committee heard clear evidence from communities. In all our work as a committee, we have tried to speak to people in the communities involved, and not just to officials, elected members, academia and representatives of agencies. We have tried to get to the grass roots to find out what the reality is when it comes to some of the things that are going on.

The committee's report has been produced in tandem with a number of other reports. As members have heard, this is the eighth report that the committee has produced this year. The committee's work has concerned the Community Empowerment (Scotland) Bill. Many of the issues that have been identified in the report will reflect some of those that are being dealt with in other areas of work that we carried out leading up to the report. They will continue to influence our recommendations regarding the Community Empowerment (Scotland) Bill.

I turn now to the speeches that have been made in the debate. I welcome Marco Biagi to his new role as Minister for Local Government and Community Empowerment, and I look forward to a fruitful relationship between the minister and the committee as we pursue some of the issues that we have identified.

The Local Government and Regeneration Committee is unique. When the report was being prepared, out of the seven members of the committee, five had served as elected members in local government in various capacities. They have served as opposition members and, in some cases, in majority administrations. That helped to

shape the committee's work on the report that is now before us. Many of us have had practical experiences of dealing not only with the decision-making structures within local authorities, but with communities and the reality of what they wanted.

The minister gave a clear indication that he welcomed the committee's report, and that he looks forward to pursuing some of the issues that we identified. He also referred to particular issues that were raised by some witnesses. Among them were concerns about ALEOs and their democratic accountability. He also referred to the island areas working group that has been established by the Scottish Government. We look forward to some of the developments that will come from that.

Sarah Boyack was right to identify the debate that took place in relation to the referendum and double devolution. If we want devolution and greater powers for the Parliament, we need to look forward to greater powers for local government, too.

Members need to consider the committee's report carefully. We are not just talking about greater powers for local government; we are also talking about greater powers for communities. In many respects, local government does not automatically equate to communities—that is the message that the committee is trying to get over. When we are discussing the devolution of power, we must be clear that we are talking about the devolution of power to the grass roots, within communities. Whether we think of the Auchtermuchty example that Willie Rennie spoke about, or the Gowkthrapple example that Clare Adamson spoke about, we have to consider new and challenging ways to proceed.

Sarah Boyack: I very much agree with John Wilson. I have suggested devolution from councils to their local communities. I also refer to the Crown Estate and to licensing issues going down to local communities, rather than just being dealt with by local authorities.

John Wilson: There are opportunities afforded to us to consider those issues. However, at the heart of all this is ensuring that communities feel actively engaged. Cameron Buchanan raised a number of issues, including how we engage with communities.

It is always interesting to listen to Stewart Stevenson, who gave us a history lesson about the voting system in 1872. On voter turnout, he gave the example of Malta, which had a 94 per cent turnout with a population of 400,000. Perhaps that high turnout is because they feel closer to Government than we do in Scotland. On Stewart Stevenson's proposal for a circular ballot paper, I am sure that we can ask the commission and others to consider that.

I refer Hugh Henry to paragraphs 142 and 143 of the report, which might answer some of his concerns. Stuart McMillan referred to chasing the public pound. It is about communities understanding what the public pound can do for them and how they engage in making decisions.

Willie Coffey talked about consultation being tokenistic. That is clearly one of the feelings that the committee has picked up from speaking to many community representatives. There is engagement and there are decision-making structures, but many people feel that the decision has already been made; consultations are tokenistic and local authorities have already decided what they will do and will do it anyway. We must ensure that local government carries out meaningful consultation and deliberation, and that it can provide evidence that it has taken on board communities' views and issues.

Alison Johnstone raised the issue of the committee's relationship with COSLA and academia. I refer her to paragraph 40 of our findings. Although there were issues, and there are continuing issues, for the committee in relation to engaging with COSLA in particular and getting evidence from it, we welcome evidence, no matter where it comes from. However, when we sometimes get blocked and we do not get the evidence that we are seeking, the difficulty is around how we then represent that in our reports. We have tried to engage with everyone in the process to ensure that we present to Parliament the views of wider society—including COSLA and academia. I look forward to working with the minister on the issues that have been raised in the report, as well as on other issues.

I will make particular reference to Alex Rowley's comment about the 22 to 23 per cent turnout in community council elections in his constituency. I think that we are seeing greater involvement from communities because of the referendum—people want to get actively involved. I remind the member that in 2012, the turnout was less than 22 per cent in some local government ward elections. If we are getting a turnout of about 22 per cent for community council elections, I think that society is moving forward—there is greater engagement and people want that engagement.

Finally, we need to think about perception versus reality. We may think that we are doing things right; we may think that we are fully engaging with communities. However, the reality for many of the communities that we spoke to around Scotland is that they still feel left behind, excluded and ignored. We have to ensure as a Parliament and at local government level that we engage fully with the communities that we claim to represent and that we take forward the policies that they desire.

Local Government Finance Settlement

The Presiding Officer (Tricia Marwick): The next item of business is a statement by John Swinney on the local government finance settlement 2015-16 and the autumn statement. The Deputy First Minister will take questions at the end of his statement. There should, therefore, be no interventions or interruptions.

16:24

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): I am grateful for the opportunity today to respond to the United Kingdom Government's autumn statement of 3 December, and to update Parliament on non-domestic rates in Scotland and the terms of the provisional local government settlement for 2015-16.

Summary tables containing the key financial information on the local government settlement are available at the back of the chamber.

The Scottish economy has performed strongly this year with output now above pre-recession levels. The most recent labour market statistics show Scotland outperforming the other nations of the UK on unemployment, employment and economic activity.

That success reflects our approach to growing the economy, and this Government will continue to focus on securing economic growth, protecting our public services and tackling inequality.

However, the UK Government's approach to austerity harmed the recovery, and the growth we are now seeing follows years of underperformance.

By the end of 2015, the UK economy is forecast to be almost 4 per cent smaller than was projected in 2010 when the Chancellor of the Exchequer first entered office. Real wages also remain subdued. As a result, borrowing this year will be £50 billion higher than the chancellor predicted in 2010.

Looking forward, the Office for Budget Responsibility forecasts that 60 per cent of the UK Government's cuts are still to come. They will reduce UK spending on public services to the lowest level as a share of our economy since the 1930s.

Since 2010, the Scottish Government has taken steps to mitigate the impact of those cuts, by protecting the health budget, increasing the provision of free nursery education, investing more than £1.7 billion in housing and addressing the impact of welfare reform. However, we are not

immune from the UK Government's austerity agenda. Scotland's share of the cumulative real-terms cut that is planned for the next five years is estimated to be around £15 billion.

There are measures in the autumn statement that I welcome, including the abolition of employers' national insurance contributions for young apprentices. I can also confirm that the Scottish Government will pass on the £127 million Barnett consequential arising from increased Department of Health expenditure to the national health service in Scotland. The Government will take decisions about other consequential in due course.

Other announcements were disappointing. The chancellor confirmed that Northern Ireland will have the ability to vary corporation tax, but the UK Government continues to block devolving that power to Scotland, which continues to deprive us of key job-creating powers. However, devolved taxation is clearly good for the chancellor: despite ample opportunity to redesign the outdated and distortive slab structure of stamp duty land tax, the chancellor waited to copy the reforms that this Parliament has introduced.

The rates and bands for the land and buildings transaction tax that were proposed in October by the Scottish Government were designed for the Scottish housing market, where the average house price is £100,000 lower than the average price across the UK and only one third of the average house price in London. The rates that were originally proposed would benefit 90 per cent of home buyers in Scotland and take 5,000 transactions out of tax at the bottom end of the market, helping first-time buyers directly.

The chancellor might have moved the goalposts but, with our proposals continuing to ensure that 80 per cent of taxpayers in Scotland will pay either no tax or less tax than they would under the new UK regime that was announced last week, our scheme continues to support first-time buyers and to be relevant to the Scottish housing market.

Parliament has been advised of the delay in reaching agreement on the block grant adjustment that comes with the devolution of tax powers. I have spoken to the Chief Secretary to the Treasury about this issue and I am anxious to resolve that before Christmas. That factor is, of course, material to my consideration of the changes that the chancellor has made.

Our proposals also replaced the distortive slab system with a progressive rate structure for non-residential property transactions, ensuring that Scotland remains a competitive and attractive location for business investment.

The Scottish Government has a clear commitment to the most competitive package of

business taxation in the UK. At the heart of our approach is the small business bonus scheme. Recent statistics show more than 96,000—or two in five—rateable properties benefiting this year, which is a record high. Eligible businesses will this year be up to £3,140 better off than competitors that are located in England, even allowing for the temporary extension to the chancellor's equivalent scheme.

I take the opportunity today to reiterate my previous confirmation that the public health supplement will conclude at the end of this financial year.

I am also pleased to announce that agreement has been reached with the Convention of Scottish Local Authorities on a revised business rates incentivisation scheme that is more tightly focused on rewarding growth in the underlying tax base. Full details of the scheme and the agreed targets that come into effect in 2014-15 are set out in the local government finance circular, which is published today.

In addition, our Community Empowerment (Scotland) Bill, which is currently before Parliament, contains provision for local authorities to offer targeted rates relief to stimulate economic growth in their localities. In 2012-13, we began our review of the rates system ahead of the next revaluation in 2017. Our consultation in 2012-13 led to a 20-point action plan that included a review of the appeals system, and I am pleased to publish our consultation paper on the future of the appeals system today.

I can confirm that, in 2015-16, to maintain our competitive position, we will continue to match English poundage rates, in contrast to previous Administrations, which imposed higher rates and put Scottish businesses at a competitive disadvantage for years. Our overall package of rates reliefs provides increasing support to businesses that is estimated at £618 million for 2015-16. Scotland remains the most competitive business tax environment in the United Kingdom.

Non-domestic rates are a key component of the funding package that we provide to local authorities through the local government finance settlement. In 2015-16, we will provide a total package of resource and capital funding of almost £10.85 billion in support of local authorities' services. That settlement is set against the challenging fiscal environment and the austerity measures that are set to continue, with further damaging cuts to public services from Westminster. Despite that context, the offer to local government continues to represent a very fair settlement.

Local government and the essential services that it delivers are an integral part of the overall

good governance of Scotland, and local authorities continue to be critical partners in the Scottish Government's transformative programme of public service reform. The settlement builds on our joint priorities and is focused on growing the economy, protecting front-line services and supporting the most vulnerable in our society.

The local government settlement maintains funding on a like-for-like basis in both 2014-15 and 2015-16, with the allocation of additional money for new responsibilities. The 2015-16 revenue allocations have been increased by £241 million since the draft budget 2014-15 was set out, with £54 million to give all children in primary 1 to P3 access to a free school meal; £44 million to fund extended pre-school entitlement; £38 million for the Scottish welfare fund; £35 million to fully mitigate the impact of the bedroom tax; and £6.5 million to support the administration costs of the council tax reduction scheme. The 2015-16 capital allocations have increased by £39 million to support the extended pre-school entitlement.

In 2014-15, the main additional sums are a further £18.5 million for early learning and childcare resulting from the Children and Young People (Scotland) Act 2014; almost £16.5 million for the delivery of free school meals to children in P1 to P3; £15 million to allow us to fully mitigate the impact of the bedroom tax; £12 million to cover the cost of the enterprise areas business rates relief scheme; £5 million to provide additional teachers' support resulting from the new national qualifications; and £2 million to help local authorities to fund the teachers' pay award. I can confirm that, following agreement with COSLA earlier this year, the needs-based formula has again been applied in its entirety to the settlement for 2015-16.

In return for that package of resources, local authorities will be required to deliver a council tax freeze for the eighth consecutive year and secure places for all probationer teachers who require one under the teacher induction scheme. The Scottish Government and COSLA have also agreed to work together with others towards reaching an in-principle agreement on an educational outcomes-based approach. That approach will consider a broad range of indicators of educational improvement and should include teacher numbers as an important contributory factor. The process will be inclusive and will engage other parties, notably trade unions, parent bodies and others with an interest in educational outcomes, and it must be satisfactory to both the Scottish Government and local government.

In addition, national health service boards and local authorities are working to deliver integration of the adult health and social care system. We have also committed additional funding to tackle

child poverty and will work with COSLA to extend financial support to kinship carers. The Government is also supporting the Glasgow and Clyde Valley city deal with £15 million of Scottish Government funding from 2015-16, the first part of our £500 million contribution to a £1 billion package over 20 years that has been agreed with the UK Government.

We are supporting our capital city, using our new growth accelerator model to support an £850 million investment in the St James quarter in Edinburgh city centre with just under £100 million from the Scottish Government over a 25-year period, and we remain interested in proposals from all our cities for how they can be helped to grow and develop.

My statement today marks the start of the consultation process with local government on the provisional 2015-16 revenue allocations. Once those are confirmed, I will bring the final figures to Parliament early in the new year.

The Presiding Officer: The Deputy First Minister will now take questions on the issues that were raised in his statement. I intend to allow until 5 pm for questions, after which we will move to decision time. It would be helpful if members who wish to ask a question of the Deputy First Minister were to press their request-to-speak buttons now.

Sarah Boyack (Lothian) (Lab): This year, there is no sign of a flat-cash settlement, and several local authorities have received cuts. Will the Deputy First Minister admit that when he says that he will work to achieve an educational-outcomes-based approach, that is code for dropping the commitment on teacher numbers and class sizes? What does he have to say to the Educational Institute of Scotland, which has described that as a "betrayal"? What does he have to say to Unison, which has predicted that a further 40,000 jobs will be lost as a result of the settlement that has been announced today?

Given the cost rises for local authorities of 10 per cent since 2007, the fact that the Scottish Government now controls 82 per cent of local authority budgets, and the fact that people on lower incomes in disadvantaged areas are hit hardest by cuts to local government services, will the Deputy First Minister agree to widen the scope of the cross-party talks that he has proposed on what will come after the council tax—as recommended by the Local Government and Regeneration Committee—to include local government finance more widely and to enable more financial flexibility for local authorities to be considered?

John Swinney: On the first part of Sarah Boyack's question, about the pattern of local authority expenditure, the table that I have made

available to members indicates that in 2014-15, with a number of factors removed to ensure a like-with-like comparison, total local authority expenditure will be £9.435 billion. It is estimated that in 2015-16, it will be £9.5 billion. That indicates the strength of the local government finance settlement that we have put in place.

On teachers, I set out in my statement the contents of the approach that we are taking with local government to consider how we can concentrate and develop a model that is designed to improve educational outcomes. That should, after all, be the focus of our education investment and our education policy. Fundamental to that is the involvement of our education trade union partners, including the Educational Institute of Scotland, and of parents, who clearly have a significant interest in the whole issue.

On the wider question that Sarah Boyack asked about Unison's perspective on the impact of the local authority settlement on employment, I acknowledge that employment in local authorities has fallen, and that employment in the public sector has faced acute challenges as a consequence of the general financial climate in which we are operating. If the Scottish Government's budget has gone down in real terms by 10 per cent since the United Kingdom Government was elected in 2010, it is little surprise that there are financial strains, as a consequence. Some of those are being dealt with by the Scottish Government directly and some of them are, inevitably, being dealt with by our local authorities, but we address those issues in the spirit of partnership in order to achieve the most that we can achieve from the resources that are available to us in the climate of austerity.

On Sarah Boyack's final point about the cross-party discussions that have been encouraged by the Local Government and Regeneration Committee—which was the subject of debate in Parliament earlier this afternoon—the Government has not fixed the remit of that process. We have had a number of discussions with COSLA about those questions, and we are very anxious to progress the inquiry in a spirit of partnership with our local authority partners. We have invited all political parties to be involved in the process, as the First Minister emphasised when she set out the programme for government, and we are certainly open to considering the relevant issues as we address what I acknowledge to be a significant issue for local authorities in Scotland.

Gavin Brown (Lothian) (Con): I thank the Deputy First Minister for advance sight of his statement and I apologise to him and Parliament for missing the opening minute.

I have a couple of questions. First, how much of the autumn statement's consequentials come from measures related to business rates?

Secondly, I give a cautious welcome to the Deputy First Minister's announcement on the business rates incentivisation scheme, although obviously I want to see the detail. He mentioned that targets have been set for 2014-15 onwards, but will he say what happened to financial year 2013-14?

The Deputy First Minister talked about local government having expenditure of £10.85 billion next year, whereas the draft budget says £10.75 billion. Will he explain the difference between those two figures?

Finally, the Deputy First Minister normally mentions the local government share of Scottish Government spending. Has the share for 2015-16 gone down from that in 2014-15, has it gone up or has it remained the same?

John Swinney: The consequentials from business rates are about £63 million, if my mental arithmetic has not deserted me this afternoon.

On the business rates incentivisation scheme, the Government has put in place the arrangements for 2014-15 and 2015-16, which I announced today. We acknowledged that there was a difficulty with the operation of the previous scheme that we conceived. The one that we have moved to is focused intently on business rate growth: on core economic growth, as opposed to the other factors that were skewing the earlier business rates incentivisation scheme. We have a stronger foundation for that approach and I am very pleased that we have secured agreement with local government on that question.

Local government's share of the Scottish Government budget stands at 36.7 per cent in 2014-15 and stands at 36.4 per cent for 2015-16. Obviously a factor that has an effect on the share of the budget that is allocated to local government is the fact that we are passing on a real-terms increase to the health service, which I know is a policy position of which Gavin Brown has been supportive.

In the context of the acute financial pressures with which we are wrestling, we are delivering a strong financial settlement to local government, which commands a greater share of the Scottish Government's budget—the resources that we have at our disposal—than it did when this Government came to office.

Kenneth Gibson (Cunninghame North) (SNP): I welcome the cabinet secretary's statement.

A difficulty that emerged from the recession, which was highlighted by both the Office for

Budget Responsibility and the Institute for Fiscal Studies, is that productivity in the UK has unexpectedly stagnated in recent years, which has placed a major drag on economic growth. What steps is the cabinet secretary taking to raise productivity in the Scottish economy and enhance our competitiveness?

John Swinney: The Government is taking measures in its wider agenda to advance many of the priorities in the remit of the new Cabinet Secretary for Fair Work, Skills and Training, Roseanna Cunningham, through which we will concentrate on improving the remuneration and quality of employment that is available to members of the public in Scotland. That will be a product of the investment that we make in skills and learning, and of our encouragement of measures such as payment of the living wage.

Yesterday the Government held the 14th meeting of the national economic forum, which brings together a variety of private sector, public sector, third sector and trade union leaders to focus on shared priorities that are very much at the heart of Ms Cunningham's remit. One of the employers who spoke at yesterday's event, at which our focus was on improving the quality of work and on issues of productivity, had as part of his preparation for it examined and explored the implications for his company of paying the living wage. He announced at the national economic forum that he is going to go ahead and do that, because he is concerned that, as an employer, he has not responded positively on the issue when it has been raised with him. That is a great example of how employers can lead by example. The living wage is central to the process.

I highlight the emphasis in the Government's existing economic strategy, which will also be central to the new economic strategy that we set out in the spring, on delivering an ever-greater focus on innovation and how it can—if it is applied right across our economy—enhance the quality of employment and, as a consequence, improve productivity.

Willie Rennie (Mid Scotland and Fife) (LD): I thank the Deputy First Minister for the advance copy of his statement and for his recognition of the UK economic recovery, which is based on the UK Government's economic plan. That is welcome.

John Swinney indicated that the extra funds from the Barnett consequential will go directly to the NHS. Would he be willing to consider further investment in nursery education, for which I have argued for some time, so that we can at last catch up with England on two-year-olds?

Will the funding that Aberdeen City Council receives this year reach the 85 per cent threshold,

or will this year be like every other year, when there has been a failure to meet it?

John Swinney: On Mr Rennie's first point about the UK economic recovery, it is undoubtedly the case that progress is being made on the UK economy, but we are recovering from highly significant difficulties and, as I indicated in my statement, the level of growth falls significantly short of what the chancellor predicted in 2010 would be the case. The practical consequence of that, in financial terms, is that £50 billion extra is having to be borrowed in this financial year compared with what the chancellor estimated back in 2010 would be necessary back.

The fact that the chancellor went out of his way to praise the level of employment growth in Scotland must vindicate my economic strategy, which I know that Mr Rennie has long been waiting to applaud, celebrate, compliment and shower with the volume of rose petals that he always deploys in the chamber. There is a lot to be confident about as far as recovery is concerned, but let us not underestimate the significance of the economic impact that we face.

The Scottish Government has invested significantly in nursery education. We have expanded provision to the extent that the volume of provision in Scotland is more significant than is the case south of the border, and the provision that I have made in the Government's overall budget and in the local authority settlement reflects that.

In 2014-15, Aberdeen City Council had at its disposal £318 million in Government grant; in 2015-16, it will have at its disposal £328 million, which is an increase of £10 million—or £9.637 million, to be absolutely precise. That represents a 3.02 per cent year-on-year change. The 85 per cent threshold has been applied in relation to the funding for Aberdeen City Council, and it will deliver significant benefit to the city.

John Mason (Glasgow Shettleston) (SNP): Can the cabinet secretary confirm that the local authority distribution formula is the one that was agreed by COSLA last year as a result of its internal deliberations on that matter?

John Swinney: Local government agreed to apply the distribution formula as previously set out, and that has been applied to the information that is before Parliament this afternoon.

Iain Gray (East Lothian) (Lab): I welcome the confirmation that, on this occasion at least, the cabinet secretary has allocated all health consequential to the NHS. In his statement, he also mentioned the role of the NHS in the delivery of integrated health and social care. What steps will he take to make sure that that additional funding ensures that the NHS plays a greater role

in the delivery of health and social care in order to turn the tide of the growing bedblocking crisis?

John Swinney: On the first point, the Government has fulfilled, utterly, its commitment to pass on the Barnett consequential to the health service. We said in 2011 that we would do that and we have fulfilled that commitment every year since then.

On the second point, health and social care integration is being taken forward jointly by the national health service and local government. There is an intense level of co-operation between health boards and local authorities locally, and the health secretary and the social justice secretary are very much involved in ensuring that that takes its course.

Mr Gray is of course correct to say that there is a direct relationship with delayed discharge, given the opportunities to resolve many such questions through health and social care integration. I assure him that the issues have significant attention at ministerial level. The Government will work in partnership with local authorities and health boards to ensure that that important part of our public sector reform programme is delivered timeously and effectively, so that members of the public receive appropriate care and support.

Mark McDonald (Aberdeen Donside) (SNP): At a recent meeting of the Local Government and Regeneration Committee, I asked the Deputy First Minister about the use of local authority reserves to invest in preventative spend and transformation of services. Given that commentary after the autumn statement warns of colossal cuts to come as part of the continued austerity agenda, does the cabinet secretary agree that local authorities that are holding substantial reserves, such as Aberdeen City Council, which has £116 million in cash reserves, should use them in such a fashion?

John Swinney: On the substantive point about shifting the emphasis in public services much more to a preventative model, such an approach is central to the Government's public services reform agenda. Indeed, at the heart of the approach to health and social care integration are attempts to anticipate and predict demand on public services and to find ways of meeting demand in a less costly setting, rather than through more expensive support.

A strong example of the approach is the drive to ensure that more vulnerable elderly people in our community are properly supported and equipped in their homes, so that we do not face some of the difficulties with emergency admission to hospital, which is a much more expensive care setting and where demand is much stronger. The shift to more preventative interventions lies at the heart of the Government's agenda, and our local authority

partners and the health service are jointly focused on how to deliver the approach. The substance of that agenda is something that I encourage.

On utilisation of reserves, local authorities have a prudential responsibility to exercise control over reserves that they hold. Audit Scotland gives guidance to local authorities on what is an appropriate level of general reserve to carry to meet particular circumstances, and I make assumptions about local authority reserves, for example in the application of the Bellwin formula, when I anticipate that local authorities have certain reserves to deal with emergencies.

Notwithstanding the identification of purposes for reserves or the Audit Scotland direction on holding sustainable levels of reserves, it is valid for local authorities to consider using reserves to facilitate and finance service transformation that will bring about a more preventative approach to the delivery of public services. That is to be welcomed and encouraged.

Ken Macintosh (Eastwood) (Lab): Parents in East Renfrewshire and throughout Scotland who face drastic cuts to their children's school budgets will be particularly anxious about the line in the cabinet secretary's statement in which he referred to

"teacher numbers as an important contributory factor"

in our children's education. Will he confirm that that means that he has officially abandoned his commitment to maintain teacher numbers, which he has singularly failed to meet in any event?

John Swinney: No. I will not confirm what Mr Macintosh said, because that is not the Government's position.

Jim Eadie (Edinburgh Southern) (SNP): The City of Edinburgh Council has committed 7 per cent of its transport budget to cycling. With that in mind, may I invite the Deputy First Minister to match that ambition and allocate some of the funds that are coming to Scotland under the Barnett formula to cycling, so that the Government is in the strongest possible position to meet its vision of 10 per cent of all journeys being made by bicycle by 2020, to meet our ambitious climate change targets and to make people healthier? What better return on investment could there be than that?

John Swinney: I acknowledge the sustained approach that Mr Eadie has taken to encourage the Government to invest more in cycling infrastructure. I am interested in the points that he raises about the approaches that are being taken in the city of Edinburgh. I set out in the budget the resources that will be available to support cycling, walking and sustainable travel. I would be happy

to meet him again to discuss the issues in the new year, if he would like to put those points to me.

Patrick Harvie (Glasgow) (Green): I know that, on these occasions, there is always a bit of local pleading, but I point out that Glasgow and Edinburgh will both have significant reductions in their funding against an overall increase for local government. Other than the councils in our two biggest cities, almost every other council will have at least some increase. Will the Deputy First Minister explain for my constituents why the figures for Glasgow and Edinburgh stand out so starkly?

John Swinney: The figures are derived by the application of the distribution formula, which has been agreed by local government. For example, the consequences of changes in population in a local authority area have a significant bearing on the calculation and the impact of the distribution formula. A number of factors have an impact on the resources that are available.

In my statement, I made clear the sustained support that the Government is providing to both our major cities—in Edinburgh, through the growth accelerator model and in Glasgow, through the city deal—to ensure that they can rely on sustained investment to assist with realising their ambitions.

Alex Rowley (Cowdenbeath) (Lab): The statement confirms that the public health supplement will conclude at the end of the current financial year. Does the Scottish Government still plan to introduce a social responsibility levy and, if so, when? I understand that it was previously said that such a levy would be introduced in 2015 at the earliest.

John Swinney: There were no announcements in my statement on any social responsibility levy. Obviously, if ministers come to a conclusion on that, they will advise Parliament accordingly.

Stuart McMillan (West Scotland) (SNP): Will the Deputy First Minister say what the average household has saved as a result of the council tax freeze? Is he aware of the recent report by researchers at the Scottish public health observatory that states that the policy will have a positive impact on health?

John Swinney: The council tax freeze has been a significant benefit to individuals in our society. The impact is an average saving of around £1,200 for households as a consequence of the application of the council tax freeze between 2008 and 2015. I point out that the council tax freeze has had a significant impact on lower-income households, as the amount saved as a consequence of the application of the freeze represents a greater proportion of household income. *[Interruption.]*

Dr Richard Simpson (Mid Scotland and Fife) (Lab): It is not progressive.

The Presiding Officer: Order.

John Swinney: I should also point out that the council tax freeze has been applied and decided on by every single local authority in the country. Despite the muttering on the Labour benches, I was always led to believe that the Labour Party was a great supporter of the council tax freeze.

Lewis Macdonald (North East Scotland) (Lab): I listened carefully to the Deputy First Minister's reply to Mr Rennie. Will he confirm that the new level of funding that he mentioned for Aberdeen City Council leaves its per capita revenue support at less than 81 per cent of the Scottish average, which in turn means that the revenue support for the council falls more than £17 million short of the 85 per cent target that the Deputy First Minister has set?

John Swinney: As Mr Macdonald knows, and as Mr Rennie certainly knows because I have been round the houses with him on the question several times, we applied the 85 per cent formula at the start of the spending review in 2011. We do not reopen the basis on which we make that application for the duration of the spending review, so it has been applied in full.

I would have thought that Mr Macdonald would welcome the fact that, in the statement, the funding available to Aberdeen City Council has increased from £319 million to £329 million—an increase of £9.637 million. Can he not welcome some good news for Aberdeen when it is set out to Parliament?

Parliamentary Bureau Motion

17:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of a Parliamentary Bureau motion. I ask Joe FitzPatrick to move motion S4M-11875, on committee membership.

Motion moved,

That the Parliament agrees to the following revision to the membership of the Delegated Powers and Law Reform Committee—

Number of members: 5

Membership: Nigel Don, John Mason, Margaret McCulloch, John Scott and Stewart Stevenson.—[*Joe FitzPatrick.*]

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-11811, in the name of Kevin Stewart, on flexibility and autonomy in local government, be agreed to.

Motion agreed to,

That the Parliament notes the findings of the Local Government and Regeneration Committee's 8th Report 2014 (Session 4), *Flexibility and Autonomy in Local Government* (SP Paper 573).

The Presiding Officer: The next question is, that motion S4M-11875, in the name of Joe FitzPatrick, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees to the following revision to the membership of the Delegated Powers and Law Reform Committee—

Number of members: 5

Membership: Nigel Don, John Mason, Margaret McCulloch, John Scott and Stewart Stevenson.

The Presiding Officer: That concludes decision time.

Meeting closed at 17:01.

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