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Official Report

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Wednesday 28 October 2015

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Scottish Parliament

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[The Deputy Presiding Officer opened the meeting at 13:15]

Welfare Reform

The Deputy Presiding Officer (Elaine Smith):

Good afternoon. The first item of business this afternoon is a members' business debate on motion S4M-13845, in the name of Christina McKelvie, on halting welfare reform. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes with strong concern what it sees as the continuing austerity being forced on the whole of the UK by the UK Government, with the main focus on reforming welfare provision, which it considers detrimentally affects disabled, unemployed and young people; notes calls for a limitation on the use of sanctions, timing people out, the use of the "bedroom tax" for disabled people and repeated assessments of those deemed unfit for work; believes that, throughout the Hamilton, Larkhall and Stonehouse constituency and across Scotland, disabled people are being punished by welfare reform, and notes the view that, until a system is introduced that supports carers and disabled people, welfare reform should be brought to an end.

13:15

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): I thank all my colleagues across the chamber who signed the motion to allow it to be debated, and I pay tribute to the work of, and say thank you to, HIV Scotland, the National AIDS Trust, the Scottish Association for Mental Health, the disability benefits consortium and Pat Onions, who is the inspiration behind the motion.

Last week, my colleague at Westminster Angus Robertson asked the Prime Minister about the suicide of Mr Michael O'Sullivan, who was a 60-year-old disabled father of two. His death followed his work capability assessment. Mr Robertson asked the Prime Minister to publish some 60 investigations by the Department for Work and Pensions, which could expose many more tragic cases of that kind. So far, the Prime Minister has refused to do so. Meanwhile, the coroner has warned that there is a risk of further deaths.

We must keep sight of the fact that welfare reform is costing lives and bringing misery and debt to families, and all in the name of putting the United Kingdom into surplus. Even the Prime Minister's own back benchers are questioning his approach. Although the chancellor has suddenly decided that the House of Lords is profoundly

undemocratic—that is what you say when the vote is not in your favour—even the notables, geriatrics and Tory donors are rejecting Mr Osborne's plans and calling for a rethink.

Last week, the Tory MP for South Cambridgeshire, Heidi Allen, suggested in her maiden speech that ministers were losing sight of the difficulties of working people in their "single-minded determination" to achieve a surplus. She said that reform is not a "spreadsheet", and she feared that the way her Government is going about the whole process is all wrong.

The Conservative Johnny Mercer urged the chancellor to do "something—anything" to ease the "harshest effects" of the cuts on vulnerable people. He said:

"my duty ... and indeed our duty is to shout for our most vulnerable".—[Official Report, House of Commons, 20 October 2015; Vol 600, c 882.]

On Sunday, we were told that three unnamed Cabinet members have expressed their concerns about George Osborne's planned cuts to working tax credits. We can see the mess that that has created this week.

Ruth Davidson has also expressed her anxieties. She has said:

"we can't have people suffering on the way ... the government needs to look again at it."

When there is that kind of rebellion in the governing party at Westminster, it most certainly needs to look again at its proposals.

The Scottish National Party Government is shouting out for the most vulnerable, but Westminster is not listening. Going by Prime Minister's questions today, I think that it is still not listening.

There can be no trade-off between people's lives and the national debt. Are we all going to sit around and say, "Oh, well, collateral damage"? I abhor that term. Are people who happen to have a disability, whether that is mental or physical, or who struggle to find employment that they can manage to be punished? Are folk who have been forced into debt and down to the food bank meant to feel that they are the undeserving poor? Honestly, does anyone actually want the so-called welfare reforms? We hear all sorts of dodgy claims by the Westminster Government that cutting benefits is the only way forward. After yesterday's Welfare Reform Committee meeting, I remain completely unconvinced.

I do not claim to be an economist, but I understand that the more money a national Government pulls out of an economy, the less is available for people to spend. That being so, how can we grow and develop the economy? I am sure that I will be accused of oversimplification, but it

seems abundantly clear to me that, if we pull money away from people, we take it out of local spending, so people will have less to spend and the Treasury will receive less in tax. More brutally and more honestly, the Government is literally taking bread out of the mouths of babes, the most disadvantaged, those with the added strain of long-term health problems and those whose quality of life is already compromised.

In my constituency of Hamilton, Larkhall and Stonehouse, 3,400 families in work, with 5,800 children, will feel the loss of tax credits where it hurts most—in the lives and wellbeing of those children.

So much for making work pay. Here are families desperately struggling to make ends meet, often in low-paid jobs or on zero-hours contracts, and they are being told that the Government sees fits to take more money out of their pockets to the tune of around £1,000 a year on average. For many families, the figure is twice that.

The people who suffer most are the least able to get heard. The bankers, the public school politicians and the affluent aristocracy are readily and regularly given a voice. Those at the bottom of the pecking order get little but abuse.

Pat Onions is a constituent of Lanarkshire. Her ceasefire campaign calls for an emergency halt to sanctions, timing out and distressing repeated assessments for sick and disabled people. The evidence shows that, despite the Government's claims, sick and disabled people in the work-related activity group are not finding employment. So what is the Government's reaction? It is to punish them some more, harass them and blame them for the predicament in which they find themselves. They are attacked as benefit scroungers, lazy, not trying or being too picky.

Work that has been done to make reasonable adjustments in the workplace for those with disabilities is a great achievement, but it is not enough. Some people have conditions that mean that, even with reasonable adjustments, they cannot compete as effectively as fit people in the ruthlessly competitive open job market. We need to discuss the extra costs that more major changes will bring to an employer, but no one discusses sheltered working arrangements, quotas or subsidies to help.

I have already met many constituents who are suffering a major drop in their income under the changes to disability living allowance. Many have lost that benefit and others will find it extremely difficult to attain personal independence payments.

As a result of the UK Government's 2010 decision to reduce the DLA budget by 20 per cent, very few of those people will get PIP. If PIP is not

halted, those people will lose all their vital support. It makes no sense to implement that change, which the Scottish Government is on record as having repeatedly opposed. Fixing the damage would cost as much in health and social care terms as the roll-out.

In Hamilton, Larkhall and Stonehouse there are 840 people of working age who receive the lower rate of DLA and who will not qualify for PIP. The impact on those individuals, their carers, who will no longer qualify for carers allowance, their families and their communities could be catastrophic.

We have our Parliament with its limited powers, but the issue is that Westminster just does not seem to listen. The introduction of English votes for English laws diminishes our power massively. It turns our MPs into second-class elected representatives and it smacks very much of a revenge attack. It is, however, just one example of the means by which Westminster will continue to determine our future in Scotland. We must counter that, for the sake of all those silenced voices suffering the cruelty of Conservative policies, despite the fact that that Government has only one MP in Scotland—and he is not in Hamilton, Larkhall and Stonehouse.

Along with Pat Onions and all the others, I say call a halt to welfare reform and call a halt now.

13:23

Neil Findlay (Lothian) (Lab): I hate the term "welfare" when it is used in the context in which it is being used here today. One dictionary definition of welfare is

"the good fortune, health, happiness, prosperity ... of a person, group or organization".

None of those is a fitting description of what people on benefits are experiencing at present. I prefer the term "social security", which is defined as

"a government program that provides economic assistance to persons faced with unemployment, disability, or agedness."

Social security has been at the heart of our welfare state—a series of policies that have, since its creation, helped to civilise our society with the principle of a safety net through which no one would fall.

That safety net is now full of large gaping holes. That is the inevitable and deliberate consequence of an adherence to neoliberal economics and doctrine, whereby progressive taxes on wealth have shrunk as regressive taxes have increased, with the poor now paying 47 per cent of their income in tax while the rich pay only 35 per cent,

and where the wages at the bottom have fallen while the wealth of those at the top has soared.

Pensions have been cut, payday loan use has spiralled and food banks have become an almost accepted part of our culture. What a damning indictment that is. All the while, corporate welfare, through bank bailouts, tax cuts, tax allowances, quantitative easing, European Union subsidies, privatisation and tax avoidance, dishes out eye-watering sums of money to the biggest and most profitable corporations.

Who is paying the price for the global banking crash? Is it the investment bankers, the hedge fund managers or the gamblers in the City? Of course not. It is the people who always pay—the people on low pay, the people in insecure jobs and the people who rely on our social security system. It is the same here as it is in Ireland, Spain, Greece, the United States and elsewhere.

Is the Tory party not relishing ripping apart that safety net, claiming that it has to do it to balance the books? It pays Atos, Ingeus, Working Links and other agencies billions through the failing work programme or via the brutal work capability assessments. It implements a sanctions regime that is regularly cruel and often absurd. The Tories have created a horrendous and horrible culture around the benefits system that is humiliating and degrading for claimants and, as we heard yesterday at the Welfare Reform Committee, miserable and demoralising for the staff who work in that system.

Things are going to get worse. Christina McKelvie has referred to the shambles over tax credits, but there is also the roll-out of universal credit. Without doubt, the worst and most ill-judged decision of them all is the payment of housing benefit to tenants rather than to landlords. As a former housing officer, I can think of no worse policy that the Tories could have come up with. It is as if they sat around a table and said, "Let's come up with a plan to get as many people evicted as possible." Thankfully, we will be able to do something different in Scotland.

Then there is the move to personal independence payments, which is designed to take millions of pounds' worth of disability benefits from disabled people. No one would disagree that the social security system needs to be reformed. It is complex, bureaucratic and, at times, indecipherable, but any reform needs to make it simpler, fairer and more humane, and a service that helps people rather than humiliates them.

Any of us could experience periods of unemployment. Any of us could experience mental health issues or a disability. I am sure that none of us would want to go through the system that we see at the moment.

13:28

David Torrance (Kirkcaldy) (SNP): I, too, thank Christina McKelvie for bringing this important motion to Parliament today.

Given that we live in such a prosperous country, I am concerned that we are being confronted with more cuts to welfare benefits. I welcome this opportunity to highlight the devastating impacts of austerity on our communities, whether it is on families, adults or children. Today, I join Christina McKelvie in rejecting the austerity agenda set out by the Westminster Government. That agenda traps people in in-work poverty, while targeting the most vulnerable members of our society.

New statistics indicate that the welfare reforms will push more than 6 million people across the UK into in-work poverty. On specific entitlements, 105,000 disabled people in Scotland are in danger of losing their benefits, while tax credit reforms are predicted to reduce the incomes of up to 280,000 Scottish families. Overall, austerity measures are predicted to cost Scotland's economy £1.5 billion annually. A study from the Organisation for Economic Co-operation and Development has demonstrated that growing inequalities caused by benefit cuts are a severe obstacle to economic growth.

With those numbers in mind, we must acknowledge the multifaceted effects of welfare cuts. Besides deepening social inequality, the UK Government's austerity plans show little respect and dignity for those affected. Counteracting Westminster's direction, the Scottish Government is strongly opposed to austerity and has taken its own initiative to reduce the worst effects on individuals. In fact, reducing inequality and creating a fairer society lie at the heart of the Scottish Government's policies.

The Scottish Government's efforts include fully mitigating the bedroom tax in Scotland, enabling additional support through the Scottish welfare fund and community care grants, and establishing the Scottish independent living fund to help more than 2,800 disabled people across Scotland. I welcome those endeavours to ease the burden on people who are less fortunate.

Welfare cuts are not just about numbers, statistics and political bargaining; they affect real people, including many unemployed, disabled and young people. Nothing reflects that better than the sharp increase in the use of food banks across Scotland. The Trussell Trust has reported that 117,689 people visited its Scottish food banks in 2014-15. Between 2012-13 and 2013-14, that organisation noted a 398 per cent increase in use. When it launched an inquiry among food bank users, the Trussell Trust found that one of the

most common reasons for accessing the service was reduction in users' welfare entitlements.

Besides talking about those national trends, I want to use this opportunity to mention some examples from my Kirkcaldy constituency. Kirkcaldy Foodbank was launched in 2013. It works as an independent, community-based organisation, and it relies on donations and the help of volunteers. Nonetheless, its commitment to support local residents is invaluable. Over a period of 12 months starting in December 2013, it prepared emergency food packages for 4,685 individuals. This past September, it prepared 240 food parcels that served 3,807 meals.

Growing demand shows how essential those services are. Thus I want to commend all voluntary staff members of Kirkcaldy Foodbank, who invest much of their time and effort into ensuring that both adults and children do not have to go to bed hungry at night.

As we are facing further tax credit cuts, more people are at risk of falling beneath the poverty line. Low-income families with children are the most likely to suffer. In Kirkcaldy, approximately one in five children grows up in poverty. While cognisant of that number, we also have to be alert to the fact that it can rise further. Giving each child the best possible start in life is truly important in creating a fair and equal society, but I am concerned that growing up in poverty will cause many obstacles to that goal.

In addition to the increasing number of families and children affected by austerity, the way that welfare cuts are being implemented is problematic. An example that highlights some of the discriminatory practices that are used against welfare seekers was brought to me by one of my constituents. He was sanctioned for six weeks because he missed one day of his triage course, even though he informed the office that he would not be there due to his father's funeral.

Before I conclude, allow me to make one more important point. As an economically developed country, we carry a social responsibility to our citizens—a responsibility to treat all individuals with dignity and respect, a responsibility to support those unable to work, and a responsibility to provide families with a basic income that does not make them reliant on food banks.

Austerity impedes us from taking up that responsibility. Therefore I support the motion to halt welfare reform.

13:33

Alex Johnstone (North East Scotland) (Con):

It is traditional in these debates to congratulate members on having been able to bring forward a

subject for debate. I would like to do that and to go a stage further by paying tribute to Christina McKelvie for the persistence with which she has brought this issue before this Parliament. It is important that we address it and address it regularly, and her work—particularly in members' debates—is worthy of note.

However, the issue that we discuss today is one on which Christina McKelvie and I will, I am afraid, probably disagree now and into the future. The necessity for welfare reform was identified some time ago. In fact, the right time to reform welfare is at the peak of the economic cycle rather than at the bottom of it or during a recovery phase, which we are now in.

For that reason it was perfectly right that Frank Field, a minister in the last Labour Government, brought forward his initial proposals for welfare reform in 2007. I would suggest that, if the Labour Party had had the courage of its convictions and had taken that programme forward back then, we might be in a better position today than we are. Nevertheless we are where we are, and we have to deal with it.

There are a couple of points that it is fair to raise during the course of this debate. The first relates to the issue of disability benefits. Criticisms are being made about the transfer from disability living allowance to PIP, and the 20 per cent cut in expenditure that is expected under that budget heading is regularly brought up.

We must remember that, although the change in entitlement to PIP will result in a 20 per cent reduction in the number of those who are entitled to claim, those people will not lose their benefits; they will be entitled to the same benefits as those who are looking for work at the moment and they will receive the same assistance to find work. Also, they should be the 20 per cent who are most able to make that transition. It is appropriate for the Government to attempt to help those people back into the workforce in the way that it plans to do.

The other issue that is important to raise—it has already been raised by Neil Findlay and others—is about the activity this week, particularly in the House of Lords, relating to working tax credits. The policy of reducing working tax credits and replacing them with higher wages in the workplace and other measures of support, including childcare support, is a sound policy and one that we should all aspire to make work.

The problem, which has been pointed out by many within the Conservative Party—most notably by Ruth Davidson, who has taken the opportunity to raise the matter with the chancellor—is that, if we are going to make that transition, we have to make sure that people have the extra money in their pockets before we take the support away.

The proposals appeared to indicate that the support was going to be taken away first and then ultimately the higher wages and the better support measures for childcare and other aspects would kick in. That is simply unacceptable as a process. It is necessary for us to get things in the right order.

Neil Findlay: Does Mr Johnstone therefore agree that the action of the House of Lords the other evening was absolutely right?

Alex Johnstone: I agree that it was the mechanism that was available to us to take forward the matter in a way that was better for us all. However, it is interesting that the decision by members of the Conservative Party, including Ruth Davidson, to take action to further that objective and the measures that were taken by members of the Labour Party to make changes were ultimately extremely effective in obtaining the outcome that we wanted in the short term. The actions of the Scottish National Party have been an example of how the SNP's position can be disadvantageous and ineffective; the alternative routes have proved to be rather more effective in this instance.

I hope that we can come to a conclusion—and I am drawing my remarks to a conclusion. It is vital that, as we go forward, we understand that the reform of welfare is necessary; that it is our duty to ensure that we reduce dependency on the state wherever we can; and that we deliver real independence for all those who are able to take it up.

The issue of welfare reform will remain a central debate in this and other Parliaments, but it is one that we cannot afford not to address. We need to make welfare deliver. We need to make welfare less significant as time goes on because we need to get people back into the workforce, back into the workplace and back into a position where they have more control over their own lives. That is what I aspire to under the heading of welfare reform.

13:38

George Adam (Paisley) (SNP): I thank Christina McKelvie for bringing the debate to the chamber. It is an important issue to her, and it is an important issue for most of us in our constituency work.

As most members know, I am the convener of the cross-party group on multiple sclerosis. Recently the MS Society Scotland brought out a report entitled "MS: Enough—make welfare make sense", because more and more people with MS have been struggling either to access benefits or to retain what benefits they have.

One of the issues with MS in particular is that most people are diagnosed in their 20s and 30s, during the peak of their working lives, so they go from being a professional person who is able to do everything that they want, including working and paying their bills, to someone who has to rely on the state because of their medical condition.

One of the problems with the welfare reform legislation is that it does not take into account the nature of long-term disabilities and conditions. It is as if the UK Government's aim is just to get people off a spreadsheet because it needs to do something else. That is the problem that we are seeing and the picture that is being painted in our constituencies. It is not good enough for us to go down that route.

The MS Society highlights in its report that 11,000 people in Scotland have MS, which it describes as a "lifelong condition" with "no cure". The society has asked for welfare to make sense, and it argues that MS must be at the heart of the work of shaping the welfare system, which I believe should be true for any long-term condition.

The whole idea of welfare is that we support people in their time of need. If we are going to do that as a society, we must acknowledge that those who are disabled or have long-term conditions are the very people we want to help.

I believe that the system at present is wrong, which is why I support Christina McKelvie's motion. The MS Society reports that, of those with MS,

"65% agreed that without disability benefits they would be unable to afford essential items such as food and heating and 85% agreed that, without disability benefits, their independence would be negatively impacted."

It also found that

"91% found the process of claiming disability benefits stressful."

The irony of that last point is that, for someone with a condition such as MS, the pressure of going through the system could trigger another attack, which might actually lead them to qualify for PIP one day.

There is also an issue with the way in which the system decides whether or not a person is eligible. In applying for PIP, for example, someone may be asked to walk 20m. If they have MS they could probably do so, but they will then be in their bed for the next 24 hours because of the chronic fatigue that will follow. Those practical points must be taken into consideration, because we are talking about people—the people we serve.

It is difficult enough to live with MS without having to deal with Westminster's so-called reforms. Morna Simpkins, the director of the MS Society in Scotland, said:

“It is simply not good enough that people in Scotland who have MS are being forced to make difficult choices between heating their homes and attending hospital appointments.”

That is the situation in which the Tories have put many people who are dealing with long-term conditions, and it is not what welfare should be about.

It is not good enough for Alex Johnstone to say:

“we are where we are”.

We are dealing with people’s lives, and the quality of those lives is important. For that reason, I follow Christina McKelvie’s call for Westminster to halt these so-called reforms now.

13:42

The Minister for Housing and Welfare (Margaret Burgess): I, too, thank Christina McKelvie for bringing to the chamber the issue of welfare reform, which all those who have spoken in the debate agree is an important issue that we should keep revisiting.

Today’s debate has given members an opportunity to reflect on the consequences of the continuing austerity programme that is being forced on the whole of the UK by the UK Government. The programme will mean the removal of £12 billion from welfare expenditure each year by 2019-20, with cuts of approximately £1 billion being made in Scotland.

The draconian cuts that are being undertaken by the UK Government are the reason why the Scottish Government continues to do what it can, with the limited resources that we have, to mitigate the impact of welfare reform and to help those who are affected.

It is clear that we in Scotland have a very different ideological position from that of the UK Government on the importance of social security. I agree with Neil Findlay that we should talk about welfare as social security. We see social security as an inclusive safety net that almost all of us will use at some point in our lives, and I find it difficult to imagine a Government of any persuasion in this Parliament introducing some of the UK measures on social security.

We know that individuals and families in Scotland are bearing the brunt of the reforms, and the Scottish Government’s analysis shows that the impact is being felt by the most vulnerable people in our society. Christina McKelvie and George Adam have highlighted some of the groups of people who are being badly affected by the reforms.

Sanctions hit young people hardest. The group that is most likely to be affected by the benefit cap

is lone parents. Disabled people, as we have heard, are particularly affected by the bedroom tax, and many face losing some or all their disability benefits due to reassessment in the move from disability living allowance to PIP.

Alex Johnstone said that the 20 per cent who will lose their benefit can get into work. I suggest that he applies the same theory to that as he applied to working tax credits, which is that we should see whether people can get into work and support them into work before we actually take away their lifeline of benefit. That applies across the board.

Alex Johnstone: The point that I was trying to make was that those who are no longer entitled to disability benefits will of course continue to be entitled to other out-of-work benefits, so they will not lose their support entirely.

Margaret Burgess: That is semantics. People might not lose their support entirely, but they will lose a considerable part of the income that they require to make ends meet at the moment if they lose their PIP, which is additional to any other benefits that they get. I really do not accept Alex Johnstone’s point on that.

As David Torrance made clear, we are talking about people—people who come to our surgeries and who live in our communities. We know that many of those people are turning to advice agencies for help in their time of need. The Scottish Government is doing what it can to help those who are affected, including investing £23 million across the three years to 2016 to provide advice and support services to mitigate the impact of welfare reforms.

The Smith commission gives Scotland opportunities in relation to social security, although only around 14 per cent of social security spending will be devolved to the Scottish Parliament. Powers over disability benefits and the carers allowance will provide opportunities to have a more joined-up system, and we have already started to indicate how we plan to use those powers to better support people in Scotland. The First Minister has already announced that if the SNP Government continues, we will increase carers allowance in line with jobseekers allowance.

Neil Findlay talked about universal credit and some of the changes to it. The Smith commission will give us flexibility on the frequency of payments to the claimant and on the payment of the housing costs element directly to social landlords. I certainly agree with Neil Findlay on that point, because tenants tell us that they would like their payments made directly to the landlord.

The Scotland Bill as it stands, however, fails to deliver a coherent set of powers that will allow us to tackle long-standing and entrenched issues.

Neil Findlay: The minister mentioned that 14 per cent of benefits will be devolved. The state pension makes up almost 50 per cent of benefits. I do not think that the minister is asking for that to be devolved, but could she clarify that?

Margaret Burgess: As Neil Findlay will know, in our white paper on an independent Scotland, we asked for all social security powers for Scotland, including powers over the state pension—obviously, we would have those. However, we have been clear that, unless we get all the levers of the economy and the power to raise all our own finance, we will not ask for the state pension to be devolved. We will do what is best for Scotland in the current environment. We are making progress in some key areas, but we need to ensure that the wider fiscal framework is in place and we will not accept a deal that is not fair for Scotland.

The Smith commission was clear on how it expected employment support to be devolved. It said that all the employment programmes that are currently contracted by the DWP for the unemployed should be devolved. That includes but is not limited to the contracts to deliver the work programme and the work choice programme. Smith also called for a new governance mechanism to be established that integrates the reserved functions of Jobcentre Plus in Scotland. As with the proposals for welfare devolution, we are concerned that the Scotland Bill does not deliver Smith's proposals on employment support.

The limitations of the Scotland Bill will not deter the Government, and we remain engaged in a discussion about how to create a fairer Scotland. Conversations, meetings and events have been taking place across the country about the type of country that we want Scotland to be. That is not a traditional consultation. The process is designed to encourage and to add to the conversation that is already going on throughout Scotland about how we create that better and fairer place to live and work.

Instead of doing things to communities, the Scottish Government is determined that we will do things in partnership with communities, which I believe is vital. A stocktaking paper has been published that provides an update on what we have learned throughout the process so far, and we plan to introduce a social security bill in the first year of the new session of Parliament.

The true costs of the UK Government's austerity programme are being felt especially by those who are least able to carry the burden, so it is entirely right that we demand that the UK Government abandon its plans. The Scottish Government

welcomes Christina McKelvie's motion, which has given me the opportunity to reiterate our opposition to the UK Government's continued austerity programme.

13:50

Meeting suspended.

14:00

On resuming—

Portfolio Question Time

Social Justice, Communities and Pensioners' Rights

Third Sector (Funding Schemes)

1. Liz Smith (Mid Scotland and Fife) (Con):

To ask the Scottish Government what discussions it has had with third sector organisations regarding changes to funding allocated under schemes such as the community innovation fund. (S4O-04698)

The Minister for Local Government and Community Empowerment (Marco Biagi): In a challenging funding environment, the Scottish Government is committed to supporting the development of a capable, sustainable and enterprising third sector. We recognise the pressures that are faced by the third sector at a time when it has a key role to play in helping to drive forward public sector reform and prevention, and we will continue to invest in supporting third sector capacity and sustainability.

The Cabinet Secretary for Social Justice, Communities and Pensioners' Rights will join the Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy at a meeting with the Scottish Council for Voluntary Organisations and other third sector leaders on 11 November to discuss the spending review. We will continue to work collaboratively with the sector on a strategic approach to social enterprise, and with a wide range of stakeholders, including Big Scotland—the Big Lottery Fund in Scotland—and independent funders to explore opportunities to maximise the resources that are available to support the work of the sector.

Liz Smith: I asked the question because of concerns that have been expressed by groups including Perth Autism Support, which has found it difficult to access the community innovation fund despite its belief that it meets the relevant criteria in providing, in Perth and Kinross, support to 400 families that are affected by autism—support that is not available through statutory partners. I ask the minister to look at that situation because it is of serious concern for the families that are affected and for the groups that are doing their level best to help them.

Marco Biagi: In our Scottish landscape, there are two community innovation funds. I assume that the one to which Liz Smith refers is the one that is operated by NHS Tayside.

Liz Smith: It is.

Marco Biagi: The fund in question was developed in response to a consultation that showed that people were concerned not just about health but about wider environmental factors. Groups were invited to apply for a share of the fund in order to establish projects to take action that would affect the everyday lives of people in communities under various headings. It is an important fund that has recently been relaunched, so I would be happy to look at how NHS Tayside is operating it, and at the concerns that Liz Smith highlights.

Charities (Ethical Investment)

2. Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): To ask the Scottish Government whether it considers that charities with social welfare objectives should make ethical investment decisions that are consistent with those objectives rather than seek to maximise income at all costs. (S4O-04699)

The Minister for Housing and Welfare (Margaret Burgess): The legislative framework for Scotland's charities is the Charities and Trustee Investment (Scotland) Act 2005. The act sets out the general duty of care that charity trustees must follow, which includes a requirement that charity trustees act in the interests of their charity and seek to ensure that the charity acts consistently with its purposes.

The trustees of a charity are free to make decisions for their charity as long as those decisions are within the powers of the law and the terms of the charity's governing document. The Scottish Government expects trustees to select investments that are right for their charity, which means taking account of how suitable any investment is for the charity, and taking advice, when appropriate, from someone who is experienced in investment matters.

Malcolm Chisholm: Given that some charities seem to think that they are obliged to achieve the maximum possible income when they dispose of assets or make investment decisions, will the Government issue guidance that makes it clear that it is perfectly proper for charities—especially charities with social welfare objectives—to take account of community benefit and community harm when they dispose of assets or make investment decisions?

Margaret Burgess: I will certainly discuss that with my colleague Fergus Ewing, who is responsible for how charities operate. It is clear in the 2005 act that charities are not required to make investment decisions on that basis. However, I will discuss the matter with my colleague to see whether the Scottish Government can do anything to make that clearer to charities.

Local Government Budget Reductions (Impact on Poverty)

3. Graeme Pearson (South Scotland) (Lab):

To ask the Scottish Government what assessment it has made of the impact of local government budget reductions on poverty rates. (S4O-04700)

The Minister for Local Government and Community Empowerment (Marco Biagi):

Despite the significant cuts that Westminster has imposed on this Parliament's budget, the Scottish Government has protected the funding that it provides to local authorities. The local government finance settlements have been maintained over the period from 2012 to 2016, with extra money being provided for additional responsibilities. As a result, the total settlement in 2015-16 amounts to more than £10.85 billion.

Graeme Pearson: Does the Government agree that cuts that have been made to local government finance and the centrally imposed council tax freeze have forced increased charges on some of the most vulnerable elderly and disabled people? Will the minister indicate support for Siobhan McMahon's bill, which seeks to address that growing problem?

Marco Biagi: First, it should be said that local government in Scotland does very well financially and has done much better than English local authorities according to any independent analysis of how the two Governments have responded to the same financial pressures.

As my colleague Shona Robison, the Cabinet Secretary for Health, Wellbeing and Sport, has said about care charging at the Public Petitions Committee, we are looking at the budgets ahead in our extensive discussions with the Convention of Scottish Local Authorities. We have taken early steps to address some of the issues that have been highlighted. Shona Robison has met campaigners on a number of occasions, and will continue to have that discussion with them and COSLA.

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Does the minister agree that the United Kingdom Government's policies for the next five years, in particular in relation to welfare cuts, will push more households—especially those that include carers, people with long-term conditions and children—into further poverty?

Marco Biagi: I completely agree. We have in front of us evidence in relation to tax credits, as just one example, that next year—if the UK Government somehow goes ahead despite a fiat under the Westminster constitution—the measures would cost the families that would be affected £1,500 a year on average and would affect a quarter of a million people. We are not talking about measures having been stopped, but about

their simply being delayed. Even Ruth Davidson has joined in the criticism of the measures. I hope that we could have the powers here, so that we could choose a different way on child and family poverty.

Ken Macintosh (Eastwood) (Lab): Does the minister accept the conclusions of the recent Scottish Parliament information centre report, which found that although the UK Conservative Government has passed on a 3 per cent cut to Scottish Government funding, the Scottish National Party ministers have in turn passed on a 6 per cent cut to local government finance? What impact have those cuts had on vulnerable elderly and disabled citizens in local areas?

Marco Biagi: I do not agree. The departmental expenditure limit reduction in the Scottish budget has been about 10 per cent. I would perhaps agree with another point in the SPICe report that highlights that the council tax freeze—I cannot remember whether Labour is in favour of or against it this week—has been overfunded by an estimated £165 million.

Fife Council (Meetings)

4. Claire Baker (Mid Scotland and Fife) (Lab):

To ask the Scottish Government when it last met Fife Council and what issues were discussed. (S4O-04701)

The Minister for Local Government and Community Empowerment (Marco Biagi): The Scottish Government engages regularly with Fife Council and all other local authorities in Scotland on a wide range of issues.

Claire Baker: Housing will play an important part in the successful delivery of integrated health and social care. Fife Council is investing significantly in affordable housing, but the complex needs of, for example, suitable retirement housing that might require a care element, is what will be needed in the future if the joined-up social care agenda is to work. What discussions are the minister and the whole ministerial team having with the Cabinet Secretary for Health, Wellbeing and Sport to support the role of local government in delivering integrated social care and healthcare?

Marco Biagi: On the 8 October, the Cabinet Secretary for Health, Wellbeing and Sport met the chair of NHS Fife and the leader of Fife Council to discuss delayed discharges and the wider operation of the integration joint board. That is an area to which we pay particular attention, in part because of its importance for delayed discharge, but also because it is a key part of public sector reform that we want to get right. I would be happy to have discussions with Claire Baker if there are

specific obstacles or issues about that programme that need to be highlighted and addressed.

Fuel Poverty Target

5. Dr Richard Simpson (Mid Scotland and Fife) (Lab): To ask the Scottish Government what progress it has made toward achieving its target that no person will live in fuel poverty by November 2016. (S4O-04702)

The Cabinet Secretary for Social Justice, Communities and Pensioners' Rights (Alex Neil): The Scottish Government is committed to eradicating fuel poverty, as far as is reasonably practicable, by November 2016. This year, it is making available a record budget of £119 million to help to achieve that. However, the major challenges to meeting the target are household incomes and rising fuel prices, over which we have no control.

Dr Simpson: Last year, the number of winter deaths in Scotland was at its highest for 15 years. Figures show that, far from our target on fuel poverty being achieved, fuel poverty peaked in 2013, when almost 1 million households—or four in 10 of all households in Scotland—were living in fuel poverty, and 252,000 of them were in extreme fuel poverty.

Does the cabinet secretary agree with Theresa Fyffe of the Royal College of Nursing Scotland that it is

“indefensible that cold, hard-to-heat homes continue to leave the most vulnerable in our society at the mercy of cold weather each winter”?

What assurances can he give that we are back on track and that the target will be met by November 2016?

Alex Neil: As I said in my original answer, this year we are spending £119 million on dealing with fuel poverty, which is a record amount. However, that is against a background of the impact that substantial cuts in welfare benefits have had, as well as the impact that the recession has had over the past five years on increasing unemployment—fortunately, the trend is that the unemployment rate is beginning to come down again—and the effect that it has had on the standard of living and particularly on low-paid people's incomes. That is why fuel poverty has been a much greater challenge in recent times than it was prior to the recession.

Kevin Stewart (Aberdeen Central) (SNP): Will the cabinet secretary provide an estimate of how many people would be in fuel poverty if the cost of fuel had increased in line with inflation since 2011?

The Deputy Presiding Officer (John Scott): Please give a spontaneous answer, cabinet secretary.

Alex Neil: Our initial estimate is that, if the cost of fuel had increased in line with inflation since mid-2011, 743,000 households would have been in fuel poverty in 2013. That is equivalent to a fuel poverty rate of 30.9 per cent, which is 2.3 percentage points lower than the fuel poverty rate in mid-2011 and 9 percentage points lower than the actual fuel poverty rate for 2013. I just happened to have that information ready to hand.

The Deputy Presiding Officer: Well done.

Liam McArthur (Orkney Islands) (LD): I am looking for the same level of spontaneity from the cabinet secretary. He will be aware of the remark by Norrie Kerr of Energy Action Scotland that the chances of our hitting the fuel poverty target by November next year are slim to vanishing. Does the cabinet secretary accept that it would be valuable at this stage to reappraise that target so that everybody who is involved in the sector can redouble their efforts and focus on a target that is achievable not just next year but in the medium to longer term?

Alex Neil: We have well over a year to go before the target must be met. Any reassessment will be done much nearer the time, once we know what the situation is after the spending review on 25 November and after the budget next year. All those decisions will impact on the level of fuel poverty in Scotland.

If the reductions in tax credits go ahead, that will further aggravate the fuel poverty problem in Scotland. It is a great pity that the Liberal Democrats sustained the Tories in power for five years, because it is as a result of measures that were introduced, in some cases, by Liberal Democrat ministers that the fuel poverty level in Scotland is so high.

Neil Findlay (Lothian) (Lab): Given the cabinet secretary's tremendous powers of recall, could he tell us about the situation in the preceding five years? [*Laughter.*]

Alex Neil: To save your time, Presiding Officer, I will write to the member.

The Deputy Presiding Officer: Many thanks.

Town Centres (Business Rates)

6. George Adam (Paisley) (SNP): To ask the Scottish Government how town centres could benefit from business rates being set by local authorities. (S4O-04703)

The Minister for Local Government and Community Empowerment (Marco Biagi): The Scottish Government is committed to giving

communities control over their futures. The substantial new power that was delivered under the Community Empowerment (Scotland) Act 2015 will give councils more control over business rates and an opportunity to tailor rates to their areas. With those new flexibilities, councils could use their local knowledge to attract new investment into town centres and help to create vibrant communities where people want to live, socialise and do business.

George Adam: When I first opened my office in Paisley's Johnston Street, there were many empty shops, but we now have almost full occupancy. Although I would like to claim credit for that, I do not believe that it is all my doing. Does the minister agree that policies such as the small business bonus and the devolution of business rates to local level will encourage businesses to open in our town centres?

Marco Biagi: Yes. The benefits of the small business bonus scheme are clear; indeed, it has reduced or removed business rates bills for more than two in every five rateable properties in Scotland. The Federation of Small Businesses has commented that the small business bonus continues to give most Scottish firms

"a competitive advantage over counterparts in other parts of the UK."

Councils could use the newly devolved power to reduce rates bills as they choose for town centres or other localities, individual properties, particular growth sectors and so on. I look forward to further innovative thinking in that regard. The ball is in the court of the local authorities, which have had the power decentralised to them, and the Scottish Government will continue to work in partnership with any councils that are interested in using the power to explore further opportunities.

Cameron Buchanan (Lothian) (Con): Town centres could benefit from locally set business rates, as long as they were lowered to incentivise businesses to set up and prosper in the area. Will the Scottish Government assess how the setting of business rates by local authorities could benefit local consumers?

Marco Biagi: We will produce factual guidance on the power that councils will be able to use and, as with any power, we will keep it broadly under review. I am sure that the member applauds the fact that with the power business rates can be varied downwards, which will probably only assist businesses. We have high hopes for the power, if councils apply it creatively; we do not want to stifle their innovating with it. It would be appropriate to consider it again a few years down the line, but the ball is very much in the local authorities' court and I trust that they will use the power well.

Council Tenants (Right to Buy)

7. Nanette Milne (North East Scotland) (Con): To ask the Scottish Government how many council tenants it estimates would have exercised their right to buy but will no longer be able to after 1 August next year. (S4O-04704)

The Minister for Housing and Welfare (Margaret Burgess): The Scottish Government estimates that, over a 10-year period, up to 15,500 houses will not be sold as a result of the ending of right to buy on 1 August 2016. Those homes will be kept within current stock, to the benefit of tenants and communities across Scotland.

Nanette Milne: I have been contacted by a number of constituents who, having expressed an interest in buying their homes, have had the exercise of their right postponed because the local council has designated their homes as being in a pressured area. With the Scottish Government moving to end the right-to-buy policy for all council and housing association tenants on 1 August next year, the constituents in question have discovered that, although they had already expressed an interest in buying their homes, the right is to be totally removed. What advice does the minister give those tenants, who want to own their homes but have no other route to achieve that aspiration?

Margaret Burgess: Given that local authorities create pressured areas because of a lack of supply of housing stock and given that they can continue to apply that status, the tenants that the member mentioned could have found that that status continued year on year, so they would in effect not have had the right to buy anyway.

The Scottish Government has a number of schemes to help people into the housing market, including our open market shared equity scheme for those who want to move into owner occupancy and the help to buy scheme, which the First Minister has announced will continue for those who want to purchase a new home. I point out that our abolition of the right to buy is popular among not only tenants but all housing associations and housing professionals, and it has given local authorities the confidence to build council houses in the knowledge that they will not lose those houses from their stock. Other measures are in place for those who want to buy their homes.

Carers Allowance

8. Mark McDonald (Aberdeen Donside) (SNP): To ask the Scottish Government what its plans are for carers allowance when it is devolved. (S4O-04705)

The Cabinet Secretary for Social Justice, Communities and Pensioners' Rights (Alex Neil): The Government recognises the vital role that carers fulfil by caring for their family, friends

and neighbours and the tremendous contribution that they make to our society. The amount of support that they receive in the form of carers allowance is the lowest of all working-age benefits, which is simply not fair. I am delighted by the First Minister's recent announcement that, when powers over carers allowance are devolved, the Scottish National Party Government will begin to increase it so that it is paid at the same level as jobseekers allowance, which would give carers about £600 more a year.

Mark McDonald: I declare an interest, as my wife receives carers allowance. I welcome the First Minister's announcement, but does the cabinet secretary agree that it would be welcome if in the autumn statement or the upcoming budget the Chancellor of the Exchequer were to take the position that carers should have carers allowance uprated? Does the cabinet secretary also agree that given that in the many years that SNP members, including my late colleague Brian Adam, have been raising the matter with the United Kingdom Government, that uprating has failed to happen, it is more likely that we will have to wait for the Scottish Government and this Parliament to have the powers before carers get the equality that they deserve?

Alex Neil: I whole-heartedly agree with every point that Mark McDonald made.

Fair Work, Skills and Training

Longannet Power Station Closure

1. Sarah Boyack (Lothian) (Lab): To ask the Scottish Government when the Longannet task force and partnership action for continuing employment team will report on the interventions that they have made with the workers and apprentices affected by the power station's closure. (S4O-04708)

The Cabinet Secretary for Fair Work, Skills and Training (Roseanna Cunningham): The Scottish Government's PACE team has been in discussions with Scottish Power and supply chain companies to offer PACE support and is implementing tailored programmes of support for affected workers where the offer of support has been accepted. I can confirm that there are no apprentices at Longannet.

Longannet power station will remain fully operational until 31 March 2016. However, a resource centre is being established to provide direct support on site for employees of Scottish Power and for employees of on-site contractors, and that will be in place from mid-November 2015. In addition to the range of PACE support that will be provided, plans are also being developed for a jobs fair to be held on site during January 2016.

We monitor the impact of our PACE interventions on affected employees, and regular progress reports are provided to the Longannet task force, which is chaired by the Minister for Business, Energy and Tourism. The next meeting of the Longannet task force is scheduled to be held early in 2016 and I will ensure the member receives a copy of the PACE update from that.

Sarah Boyack: I thank the minister for that extremely useful response. Can she clarify how much financial and staffing resource has been invested to engage with the workers at Longannet, particularly given that, as I understand it, more than 50 per cent of them are over 50, so that we can tailor that assistance and retain the workers' skills in Scotland's energy sector, and ensure that we can make the economic transition that we need to make to renewables and green energy in Fife?

Roseanna Cunningham: I do not have information on how much is currently being spent on resourcing the PACE involvement, but we are conscious of the age range of the employees, a significant number of whom are over 50. That is why so much work is being done on employee support. A draft economic recovery plan is being considered. The task force looked at the draft plan on 29 September, when it last met, and its meeting in January 2016 will allow officials to progress a variety of work in the intervening period. For example, another meeting directly affecting employee support has just been held, on 20 October. Support will continue to be put in place for affected employees. We are cognisant of the fact that the age range is as high as it is. That is evident from the fact that there are no apprentices, as I indicated, and it is a factor that is being looked at.

Kenneth Gibson (Cunninghame North) (SNP): As well as setting out the support that will be provided for those who will be made redundant as a result of the Longannet closure, will the progress reports also include the support that is being given to those in the supply chain, such as those at Hunterston in my constituency?

Roseanna Cunningham: As Mr Gibson will know if he listened to my initial answer, I am not actually on the task force. However, I can tell him that it is currently looking at a variety of options and working closely with contractors as well as directly with Scottish Power, and I am absolutely sure that all those who are directly affected by the closure, regardless of where they might be, will be taken into consideration. I advise Mr Gibson to take up directly with Fergus Ewing any specific concerns he may have about detailed aspects of that work.

The Deputy Presiding Officer: Question 2 has not been lodged.

Youth Unemployment (West Scotland)

3. Mary Fee (West Scotland) (Lab): To ask the Scottish Government how it is reducing youth unemployment in West Scotland. (S4O-04710)

The Minister for Youth and Women's Employment (Annabelle Ewing): The Government has invested in a wide range of employment initiatives that are directly helping to create sustainable employment opportunities for young people in the West Scotland region. They include supporting more than 10,000 modern apprenticeship starts in the past three years; supporting 621 young people through community jobs Scotland in the past three years; and the allocation of funding to support 329 young people who have specific barriers to employment and to support employers to recruit modern apprentices from July 2015 to March 2016 through Scotland's employer recruitment incentive. I should point out that that information was collected at local authority level, and that it therefore includes data from Inverclyde, West Dunbartonshire, East Dunbartonshire, Renfrewshire, East Renfrewshire and North Ayrshire.

Mary Fee: I thank the minister for that detailed answer. Is she aware that in the past three years Renfrewshire Council has reduced youth unemployment from 10.9 per cent to 2.2 per cent, which is below the Scottish average of 2.6 per cent? Will the Scottish Government take any lessons from the excellent work done by my colleagues in Renfrewshire Council and its business partners to replicate that success across West Scotland?

Annabelle Ewing: I thank Mary Fee for that information on the work of the local authority that she referred to. We welcome any initiative, from wherever it comes, that helps to ensure that young people have access to jobs, which is what everyone across the chamber wishes to see.

On exchanging helpful information, I point out that recently at West College Scotland I launched the developing Scotland's young workforce west Scotland regional group, which will be a bridge between employers and schools. That is a very significant development for West Scotland. I am sure that we all wish the regional group continued success in getting young people into the world of work.

Colleges (West Scotland)

4. Neil Bibby (West Scotland) (Lab): To ask the Scottish Government what role it considers colleges play in providing skills and training opportunities for people in West Scotland. (S4O-04711)

The Cabinet Secretary for Fair Work, Skills and Training (Roseanna Cunningham): West

College Scotland is Scotland's second largest regional college. It delivers education and training to 30,000 students and around 500 modern apprentices, and provides 12,000 hours of learning to 3,000 school pupils from its three main campus areas.

The college works closely with industry partners to ensure that each curriculum sector is aligned to both local and national industry. Skills development opportunities for students, including work placement and industry-related skills development, are a priority.

Neil Bibby: Recently, I have heard from a number of people who are concerned about the widely felt impact of college cuts on skills and training opportunities. The cabinet secretary will be aware that her Government's cuts have resulted in the colleges budget being slashed by more than £100 million in real terms since Labour was last in power. Will the cabinet secretary give students and staff a commitment that there will not be another real-terms cut to the colleges budget next year? If not, given the importance that she places on colleges providing skills and training opportunities, will she lobby the finance secretary against further real-terms cuts?

Roseanna Cunningham: I have regular conversations with the finance secretary about a great many things, as Neil Bibby will be aware. I do not recognise the caricature of college funding that he paints. We are investing more in colleges than Labour ever did. Our college resource budget of £526 million in 2015-16 is well above Labour's highest level in 2006-07. *[Interruption.]*

The Deputy Presiding Officer: Order.

Roseanna Cunningham: We have invested more than £530 million in the college estate in the same period, which is £230 million more in cash terms than the figure during Labour's time in office.

Iain Gray (East Lothian) (Lab): Will the cabinet secretary admit that in order to reach that figure, she has had to ignore capital inflation since the last year of the Labour Administration?

Roseanna Cunningham: One could argue that Labour is just as keen to ignore any and all such things when it suits it.

We have invested record amounts of money in college funding and we have gained huge dividends from refocusing how the college system in Scotland works. We have far more full-time equivalent students, as members know perfectly well. The work that colleges are doing is now focused on employment and education, which is where it should be focused.

Trade Union Bill

5. Linda Fabiani (East Kilbride) (SNP): To ask the Scottish Government when it last discussed the Trade Union Bill with the United Kingdom Government. (S4O-04712)

The Cabinet Secretary for Fair Work, Skills and Training (Roseanna Cunningham): I discussed the Trade Union Bill with Nick Boles, Minister of State for Skills, in a telephone conversation on 8 October. That was followed up by my letter of 12 October in which I highlighted my concern that the bill as currently drafted leaves far too much scope for abuse in the future.

The bill is an unwarranted ideological attack on the recognised rights of trade unions. The proposals that it sets out are completely out of step with the partnership approach that this Government takes and there is a real risk that it could undermine what we are trying to achieve in Scotland. We, along with the Scottish Trades Union Congress and many others, consider the bill to be highly regressive, and I have asked the United Kingdom Government to completely exclude Scotland from it.

Linda Fabiani: I ask the cabinet secretary to tell the UK Government the next time she meets it about what the general secretary of the STUC, Grahame Smith said when he addressed the Scottish National Party conference. He said that the Trade Union Bill

“should be of concern not just to unions and their members, but to anyone concerned about democracy, human rights and civil liberties.”

Does the cabinet secretary agree that everyone in Scotland who cares about those things should join in opposing a blatant attack on the rights of people in Scotland?

Roseanna Cunningham: Of course I agree with all of that, and I expect that at least my Labour colleagues might agree with it, too, particularly given Grahame Smith's comments. Indeed, I am sure that they agree with those comments, regardless of the platform on which Grahame Smith chose to express them.

I have made it clear on several occasions that I believe that the Trade Union Bill proposals have the potential to undermine the effective engagement of trade unions across Scottish workplaces and in particular across the Scottish public sector. The proposals are in stark contrast to the work that we are trying to do, which we set out in our response to the “Working Together Review: Progressive Workplace Policies in Scotland” and the fair work convention. We are trying to build a stronger and more collaborative approach to the relationship between unions, employees and employers. Our strategy reflects the strategies of many of the most successful

European countries. I believe that taking such an approach is the only way in which we will be able to maintain the integrity of our more progressive approach of working in partnership with unions.

Like, I hope, everybody else in the chamber, I encourage every person who is in a workplace to join a trade union. That would be the best response to what is now emanating from Westminster.

Youth Employment Scotland Fund (Evaluation)

6. Gavin Brown (Lothian) (Con): To ask the Scottish Government in which month the evaluation of the youth employment Scotland fund will be completed and whether it will publish the full evaluation. (S4O-04713)

The Minister for Youth and Women's Employment (Annabelle Ewing): The evaluation is scheduled to be completed by the end of December 2015, and it will subsequently be published in full thereafter.

Gavin Brown: Why did the Scottish Government not evaluate the fund before replacing it?

Annabelle Ewing: Where we are with the evaluation is that, after the initial delay in the procurement process, which the member may be aware of, the contractor that is now in place has reported that it has had difficulties in receiving responses from some local authorities, which has impacted on the timescale that dictates when we will receive the evaluation.

In the member's supplementary question, I suspect that he was referring to the recently launched Scotland's employer recruitment incentive programme, but I am not entirely sure about that. We have proceeded with that programme and picked up lessons of good practice from where we have been to ensure that we have a more straightforward, easy to operate, simple and flexible scheme that will focus both on helping those with the most challenges to obtain work experience and a job and on providing micro and small businesses with the support that they may need to meet the cost of taking on somebody in those circumstances, and that will ensure that support is provided for a longer period than under the youth employment Scotland fund.

I am not entirely sure whether that addresses the member's question. I am trying to be helpful, but the question was rather vague in its terms.

Employment Policy (Impact of Public Procurement)

7. Neil Findlay (Lothian) (Lab): To ask the Scottish Government what discussions the Cabinet Secretary for Fair Work, Skills and

Training has had with the Cabinet Secretary for Infrastructure, Investment and Cities regarding the impact of public sector procurement on employment policy. (S4O-04714)

The Cabinet Secretary for Fair Work, Skills and Training (Roseanna Cunningham): I have regular discussions with the Cabinet Secretary for Infrastructure, Investment and Cities on those issues. I am particularly conscious of the significant role that public sector procurement can play in promoting fair work, which is why I have been pleased to work with the Cabinet Secretary for Infrastructure, Investment and Cities on the development of the statutory guidance that addresses fair work practices through public procurement. That is an important step forward, in particular as a way of encouraging more organisations to pay the living wage. Through such cross-Government activity, we are helping to create and nurture a culture of fair work that will ensure that work improves people's lives and strengthens businesses so that everyone shares the benefits of a stronger, growing and more inclusive economy.

Neil Findlay: On 16 October this year, BAM was awarded a £170 million contract to upgrade the Aberdeen to Inverness rail line. How can it be that companies that have blacklisted workers are, one after another, being awarded multimillion-pound contracts in clear defiance of Scottish Government procurement guidance that says that they must take appropriate remedial action, which would include owning up, apologising, paying compensation and proving that they have self-cleansed by employing some of the very people who they blacklisted in the first place?

Roseanna Cunningham: It is estimated that the Aberdeen western peripheral route will generate over £6 billion additional income for the north-east. I think the member needs to remember that 14,000 jobs are expected to be generated along with that.

Neil Findlay: On a point of order, Presiding Officer.

Roseanna Cunningham: It is anticipated that around 1,500 employees will work on this project at its peak—

The Deputy Presiding Officer: Forgive me, cabinet secretary, but there is a point of order from Mr Findlay.

The Minister for Youth and Women's Employment (Annabelle Ewing): She has not finished the answer.

Neil Findlay: Presiding Officer, I never mentioned the AWPR in my question.

The Deputy Presiding Officer: That is not a point of order. Please continue—my apologies, Ms Cunningham.

Iain Gray (East Lothian) (Lab): The question was about a railway.

Roseanna Cunningham: Right. I am sorry if I have addressed the wrong issue. The principle is the same.

If it is about the BAM contract, the member needs to be aware that we have no authority over Network Rail procurement in the first place; it effectively remains an arm's-length body of the United Kingdom Department for Transport, with no direct accountability to the Scottish Government. Network Rail also retains full operational and commercial responsibility for managing the railway infrastructure within defined regulatory and control frameworks, including all procurement activities related to its regulated infrastructure programme. I cannot be responsible for an organisation for which I am not responsible.

Neil Findlay: On a point of order, Presiding Officer. I wonder if I may be of help to the cabinet secretary. The contract was awarded by Transport Scotland.

The Deputy Presiding Officer: That is not a point of order, nonetheless. As you will be well aware, Mr Findlay, the answers that ministers choose to give are entirely a matter for them.

Employment (Young People in Kilmarnock and Irvine Valley)

8. Willie Coffey (Kilmarnock and Irvine Valley) (SNP): To ask the Scottish Government how it is supporting young people into employment in the Kilmarnock and Irvine Valley constituency. (S4O-04715)

The Minister for Youth and Women's Employment (Annabelle Ewing): The Government has invested in a wide range of employment initiatives, which are directly helping to create sustainable employment opportunities for young people in Kilmarnock and Irvine Valley. Within the East Ayrshire local authority area some of those activities include supporting more than 1,900 modern apprenticeship starts over the past three years; supporting 138 young people through community jobs Scotland in the past three years; and the allocation of funding to support 77 young people who face particular challenges in terms of employment and to support small employers to recruit MAs from July 2015 to March 2016, through Scotland's employer recruitment incentive.

Willie Coffey: The minister will be aware that since 2008 the number of school leavers in positive destinations in Kilmarnock and Irvine Valley has increased by 4.7 per cent, while the

number of school leavers in employment has increased by 4.2 per cent. Those are both welcome figures, even though they are still slightly below the Scottish average. Will the minister outline what further measures the Government might take to close that gap and, in particular, how we can assist youngsters with a disability to overcome their particular barriers to employment?

Annabelle Ewing: I know that the member takes a keen interest in the key issue of youth employment. This Government will of course do all that it can to ensure that young people can access the world of work and find sustainable employment. As I am sure that members are aware, we have set a very ambitious target to reduce youth unemployment by 40 per cent by 2021. Although we have made considerable progress through some of the initiatives that I referred to in my first response, we recognise that there is always more work to be done.

On the specific issue of young people with a disability, we have embarked on a number of initiatives, including the SERI project, which I referred to a moment ago, as well as in answer to Mr Brown. In addition to that general approach, there is a specific additional in-work support package available to support access for disabled young people. We will continue to proceed with such initiatives to ensure that young disabled people have access to employment.

Modern Apprenticeships Target

9. Alex Fergusson (Galloway and West Dumfries) (Con): To ask the Scottish Government whether it is on target to create 30,000 apprenticeships a year by 2020. (S4O-04716)

The Minister for Youth and Women's Employment (Annabelle Ewing): We are currently on target to deliver 30,000 new modern apprenticeship opportunities each year by 2020. In 2015-16 we have increased the number of opportunities to 25,500.

Alex Fergusson: I welcome the fact that last year's target was met and I appreciate the new target that the minister has told us about.

However, I am concerned that there appears to be a significant gender imbalance and also very low numbers of people with disabilities among those who are undertaking apprenticeships. Can I simply ask what actions the minister might take to address that imbalance?

Annabelle Ewing: We are undertaking a number of initiatives to look at gender segregation, gender balance and access on the part of people with disabilities to, for example, the modern apprenticeship programme. There is a range of activities, which I will write to the member to

describe in detail, as I think that I am running out of time.

We also expect to see published in the reasonably near term the equalities action plan that we promised to produce. We will propose a number of initiatives in that as well.

The Deputy Presiding Officer: That concludes portfolio questions.

Universities

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-14596, in the name of Elizabeth Smith, on Scotland's universities. I invite members who wish to speak in the debate to press their request-to-speak buttons now or as soon as possible. I call Liz Smith to speak to and move the motion.

14:41

Liz Smith (Mid Scotland and Fife) (Con): The motion in my name makes a very specific demand of the Scottish Government to remove those sections of the Higher Education Governance (Scotland) Bill that would increase the risk of our universities being reclassified as public sector bodies and, by definition, make them more open to the direction of Scottish Government ministers.

Those are ambitions that the Cabinet Secretary for Education and Lifelong Learning claims do not exist but which, because ministers and officials have been unable to produce convincing evidence to the contrary, remain a very serious concern for the entire university sector. Indeed, it is abundantly clear from the evidence sessions that were held by both the Education and Culture Committee and the Finance Committee of this Parliament that the Scottish Government has been unable to produce the necessary paperwork to defend its cause. That is why the assumption remains, and it is the reason for this debate this afternoon.

We take the Scottish Government at its word. The Higher Education Governance (Scotland) Bill is designed to expand academic freedom—it would be very good to know exactly how the cabinet secretary sees that taking place—and to increase democracy, transparency and accountability within university governance.

The Scottish Government claims that the bill is essential to ensure that university governors fully account for the public money that universities receive, and it tells us that no one has anything to worry about because the bill is merely building on best practice that is already there. Why then has there been such wide-ranging and fierce criticism, not just from within the universities sector but from business and civic Scotland? The names that my colleague Annabel Goldie listed in this chamber just before the recess are significant in their number and in their opposition. Partly, it is because they remain totally unpersuaded that there is a fundamental failure within the current system of university governance that is somehow acting to the detriment of higher education. "Why", they ask, "when there are so many seriously pressing issues in education, such as closing the

attainment gap, improving literacy and numeracy and cuts to colleges—to name but three—is the Government so focused on a problem for which there appears to be so little evidence?"

The greatest anger—and I mean anger—is reserved for two key aspects of the bill, most of which relate to sections 8, 13 and 20, which would change the very nature of our higher education institutions, specifically by increasing ministerial powers and by making universities into public sector bodies. Through recent exchanges at the Finance Committee and the Education and Culture Committee, the Parliament knows that Universities Scotland has substantive reasons for being concerned about the prospect of reclassification of universities by the Office for National Statistics. Those concerns have come about after careful consideration of the relevant guidance on reclassification issued by the ONS; of the bill, alongside existing controls on universities; and of Treasury guidance on the application of the European system of accounts 2010.

Presiding Officer, that might sound very technical, but it matters—it matters a lot. Universities Scotland rightly makes the point that Government powers over an institution's constitution are seen within the "European system of accounts: ESA 2010" as the important indicator of whether an institution should be classified as being within the public sector.

However much the Scottish Government protests, the bill as it stands expressly gives ministers the power to amend universities' constitutions by altering the composition of their governing bodies—a point that was confirmed by Scottish Government officials at the Education and Culture Committee on 6 October. It changes universities' constitutions by giving ministers the powers to determine the selection method and term of office of the chair and the governing body. It also expressly gives ministers the power to change universities' constitutions by changing the membership of their internal academic regulatory body.

Treasury guidance on sector classification makes it clear that there is a risk, even if ministers do not themselves appoint the members of the governing body. The Scottish Government tells us repeatedly that that is not its intention. It says that it has no desire to expand ministerial control or insist that universities become public sector bodies.

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan):

Listening to what the member has said, might it not reasonably be argued that legislation in 1966 and many other acts affecting the constitution of universities in Scotland have changed universities'

constitutions without the least suggestion that that implies ministerial control of them?

Liz Smith: That is completely separate from what is proposed in the bill. With regard to the key issues about the bill and the issues in the evidence that I have referred to, it is clear that the Scottish Government's reasons for the proposals do not stand the test of the evidence that has been presented. That is the issue.

Those concerns were raised by Universities Scotland in June, when the bill was published. They were also raised in a letter that was sent to the Scottish Government on 13 August. No reply to that letter was provided until 16 October. The only excuse that was offered for the delay appeared to be that Universities Scotland had asked some very difficult questions. It had—of course it had. The only answer that we can get from the officials at the moment is:

“we are more than half way through working on it.”

That hardly inspires confidence.

Given that this is becoming the most threatening aspect of the bill, little comfort can be taken from the Scottish Government's response. The Scottish Government was criticised on that point by the Finance Committee. When everyone else is arguing that there is a high risk of reclassification, the Scottish Government persists in its claim that it deems reclassification to be zero additional risk. However, when it is asked for the evidence for that, it cannot find it—especially, it transpires, as it has not gone to the bother of taking detailed independent advice, as others have done.

Chic Brodie (South Scotland) (SNP): Where in the Anderson Strathern report for Universities Scotland is there evidence that there will be reclassification of the universities?

Liz Smith: It is pretty well all through it. I heard Mr Brodie's questions in the Education and Culture Committee, and I think that he has serious concerns about the issue as well, so it is a bit rich of him to ask that question.

John Mason (Glasgow Shettleston) (SNP): Will the member give way?

Liz Smith: I have given way enough at the moment.

If Mr Brodie is prepared to give me evidence that proves that ministers are not intent on taking control of universities and do not want to reclassify public bodies, I would be delighted to see it because, as yet, we have not had it.

The blunt reality of the concerns was put to the Finance Committee by Alastair Sim, Professor Anton Muscatelli and Garry Coutts. They set out the general and specific risks of ONS reclassification. On a general level, it would mean

that the scope for universities to borrow money would be seriously limited; universities could not hold over reserves from one year to the next; and there would be a detrimental impact on entrepreneurial activities, business relationships and community engagement. Those are exactly the reasons why senior businessmen such as Sir Tom Farmer and Sir Moir Lockhead have spoken out so strongly against the bill. There could well be further difficulties in attracting philanthropic funding, which was worth £53 million last year.

On a specific level, Anton Muscatelli set out what the numbers would mean for the University of Glasgow. He told us that his governing body has just approved a plan that will involve an investment of £775 million over the next 10 years, which, he argues, is of significant positive impact for Glasgow and Scotland. It includes £29 million for what would be one of four United Kingdom quantum technology hubs and a £16 million project that is aimed at reducing the university's energy running costs by about £2.2 million and its carbon footprint by 20 per cent. However, the programme has to be financed from operating surpluses in the cash reserves, which will be in the order of £145 million by the end of this financial year. He points out that those projects, which clearly cannot be completed in the short term, could not happen in the same way if reclassification occurred.

Garry Coutts, giving evidence at the same committee, told us that the issues would be just the same for the University of the Highlands and Islands, a unique and diverse institution that has done so much in recent years to provide many new and exciting opportunities for Scotland. It is an institution that has direct experience of what reclassification has meant for colleges in not being able to retain reserves from one year to the next.

Mr Coutts made the point that the UHI's efforts to develop new student premises, new courses and new community partnerships might all be seriously undermined if universities became public sector bodies. If we multiply the financial effects on Glasgow university and the UHI for the whole sector, the total is close to £1 billion. Surely the Scottish National Party could not possibly want to have that on its political conscience. That is why I repeat the call for the Scottish Government to commit today to removing those sections of the bill that have so clearly alarmed many in the sector and which, if they were allowed to proceed, would do untold damage to the sector's viability.

Just a few weeks ago, the higher education international rankings revealed that five Scottish universities are currently in the top 200—three of them are in the top 100—in the world. As the cabinet secretary herself said shortly before recess, that is a remarkable achievement by any

standard. Indeed, it does not really matter which academic, economic, social or cultural measurement is chosen—Scottish universities are held in the highest esteem throughout the world. That is precisely because they have a long-standing and proud tradition of attracting the very best students and staff and of maintaining their international competitiveness.

John Mason: The member mentioned students, but the National Union of Students Scotland says that there is

“a lack of a genuine democratic culture in governing bodies; a lack of transparency and accountability over how decisions are made, and who makes them”.

Is that not a problem that needs to be addressed?

Liz Smith: I have some comments here from students who take the completely opposite view on that. The president of the Educational Institute of Scotland and the Royal Conservatoire of Scotland argue—[*Laughter.*]

Members may laugh, but that is one of our best institutions. It is one of our most diverse institutions and it is has the highest international reputation, yet members laugh it off as though it does not matter. That is pathetic.

Let us get back to the basics. The reputation that our universities have, including the reputation that is held by the Royal Conservatoire, is about their diversity, their precious autonomy and the flexibility with which they are able to take part in a highly competitive education market.

If there is one thing about this bill that is a really significant problem, it is the lack of evidence that has been put forward by the Scottish Government to go with it. It does not matter how many times we ask the Scottish Government for back-up evidence to support what it has said—the evidence is simply not there. That is the crucial problem. If the cabinet secretary is willing to provide some of that reassurance, perhaps we will be able to take a different view. However, that lack of evidence has been a constant since the bill was published in June and to date we simply do not have the answers.

It is absolutely incumbent upon the Scottish Government to make a move on that. Scottish universities are the jewel in the crown of many aspects of Scottish life. Are we really saying that we want to undo that by a piece of unnecessary, unevicenced and completely unacceptable legislation that will do nothing to enhance the universities' reputation and everything to damage it?

The cabinet secretary has some serious answers to give about the bill. I invite her not only to remove the very dangerous parts of the bill, but

to provide us with the evidence that to date has been so sadly missing.

I move,

That the Parliament believes that, as well as their long-standing reputation for academic excellence, the recent international success of Scotland's universities has been a result of their ability, as autonomous and diverse institutions, to react, in both an effective and flexible manner, to the increasing challenges in global education, Scotland's economic priorities and the need to develop their research and capital assets in a way that allows them to make maximum use of opportunities in knowledge exchange and articulation with other educational institutions; is alarmed by the evidence placed on record by Universities Scotland and individual academic institutions, which suggests that sections of the Higher Education Governance (Scotland) Bill could increase significantly the risks of Office for National Statistics (ONS) reclassification; is concerned that, if ONS reclassification was to occur, the higher education sector would lose significant sums of money; believes that any such moves would seriously undermine the strength of the university system in Scotland and therefore threaten the international standing of its higher education institutions; calls on the Scottish Government to seek urgent external legal and technical advice on the matter and to publish, in full, all the analysis conducted to date on the matter, and further calls on the Scottish Government to make a formal commitment to remove all clauses from the Bill that could increase the risk of ONS reclassification.

14:54

The Cabinet Secretary for Education and Lifelong Learning (Angela Constance): I am pleased that the Conservatives have again chosen to discuss Scotland's universities, as it gives us all another opportunity to celebrate our higher education sector and its success. Today's debate also provides an opportunity to promote the Higher Education Governance (Scotland) Bill and, in doing so, to describe in clear and rational terms how it will help to enhance the reputation of our excellent institutions.

The bill will ensure that every member of the campus community, including students, staff and unions, will have an equal say in how our institutions are led towards future success. Our institutions are a success. Under this Government, Scottish higher education continues to thrive, and Scotland's students and researchers continue to benefit. This year, the Scottish Government is investing more than £1 billion in our higher education institutions and, in a period of UK Government-imposed austerity, we have invested at that level every year since 2012-13.

As Liz Smith rightly mentioned—it is worth repeating—the *Times Higher Education* world university rankings for 2015-16 that were published on 30 September show that Scotland has five universities in the top 200, which is one more than last year. Our universities have a world-class reputation for research, and 77 per cent of

their research was assessed as world leading or internationally excellent in the 2014 research excellence framework.

The Higher Education Governance (Scotland) Bill aims essentially to strengthen governance in our institutions, thereby making them more modern, transparent and inclusive. The bill's content has been informed by the evidence gathered and the recommendations set out in the report on the review of higher education governance led by Professor von Prondzynski that was published in 2012.

The Government has listened carefully to the views that have been expressed by all stakeholders and partners on the provisions in the bill, and it is familiar with and respectful of the arguments that have been advanced.

Gavin Brown (Lothian) (Con): Can the cabinet secretary confirm that the sections of the bill that cause the most concern—namely, sections 8, 13 and 20—were not part of that review nor part of the Government's consultation on the bill?

Angela Constance: I am certainly aware that there are four sections in the bill about which some stakeholders have expressed genuinely held beliefs. Those are section 1 and, as Mr Brown mentioned, sections 8, 13 and 20. [*Interruption.*] I will get to the answer if Mr Brown will do me the courtesy of listening.

Section 1 is purely about creating a space to allow for further dialogue and creating an opportunity for co-design across the sector of the process for how chairs are nominated and elected. The Government intends to lodge amendments at stage 2 to replace section 1.

Sections 8, 13 and 20 are quite simply about future proofing a bill that has very discrete purposes. I can assure Mr Brown, given that we view all commentators as critical friends, that where there is scope to refine and improve the drafting of those aspects of the bill in order to alleviate concerns, we will—although I do not accept those concerns—take the opportunity to do so.

Liz Smith: Will the cabinet secretary give way?

Angela Constance: I will make some progress, but I may come back to Ms Smith.

I want to make four clear statements to address the points that have been made by some stakeholders and by the Conservatives in their opening speech. First, the Scottish Government does not seek to advance ministerial control of our higher education institutions by either this Government or any future Government. The Scottish universities are autonomous bodies and will remain so. We are crystal clear on that point.

Further, we are not of the view that the content of the bill adds to any risk of reclassification of Scottish higher education institutions as public sector bodies by the Office for National Statistics. I have written to the Finance Committee to that effect and I note that committee's recommendation that all analysis that the Scottish Government conducts on the matter be shared prior to the stage 1 debate, which is to be held in early 2016. The next point, which I stress, is that reclassification is an outcome that the Scottish Government would never want to realise.

Finally, I welcome the Finance Committee's comments in its recent report on the financial memorandum for the bill that the written evidence that the Office of the Scottish Charity Regulator submitted to the Education and Culture Committee addresses satisfactorily the points that some stakeholders made that the bill might jeopardise the charitable status of our higher education institutions.

Liz Smith: I thank the cabinet secretary for what she has just said, but I am afraid that I do not accept that there is any clarity there whatsoever. On 6 October, I asked one of the cabinet secretary's Scottish Government officials whether there would be any alteration to the constitutions of universities. After a long wrangle, it transpired that, actually, there would be some changes. By definition, that means that the Government is taking some ministerial control, which has an implication for reclassification. That is the concern. The cabinet secretary's officials are not in tune with what she has said.

Angela Constance: The bottom line is that the bill does not give me any more powers as a minister. If we need to refine aspects of the bill to clarify that, we will do so. We have not yet even reached stage 2, which is an important part of the parliamentary process. We gave a commitment to hold serious discussion with our stakeholders. On the specific point about altering the constitutions of higher education institutions and the issue with the ONS, in evidence to the Education and Culture Committee OSCR examined in detail whether the bill's impact on the constitutions of the ancient universities would jeopardise their charitable status and it concluded that that is not the case. Prior to the October recess, during First Minister's question time, Ruth Davidson said that the bill could jeopardise charitable status. I hope that all members, including the Conservatives, will accept that that is not the case.

I want to focus on the bill's overarching aim. The Government is committed to creating a fairer and more inclusive Scotland that better reflects our nation's diversity and in which everyone gets to have their say. By enabling more transparent and open governance in our universities, we can

ensure that every voice in the campus community is heard and involved in taking decisions. That is why we have made sure that the bill contains provisions to allow students and staff, including trade unions, a guaranteed seat at the table on university governing bodies.

Labour might wish to note that the bill has significant support from students, NUS Scotland, many individual academics, the University and College Union and the Educational Institute of Scotland Further Education Lecturers Association. My office is full of hundreds of postcards on the issue from academics the length and breadth of Scotland. As I said, as we begin to plan for stage 2 of the parliamentary process, we will continue to examine all the constructive ideas and suggestions that have been put to us and the contributions of the relevant committees.

I referred to section 1, which deals with elected chairs of governing bodies. As introduced, it will give ministers a power to make regulations, which is in order to provide time for substantive dialogue to be conducted with all stakeholders, including rectors, on the model for the appointment of elected chairs in Scottish higher education institutions. That dialogue has begun and it will continue in advance of stage 2. I am aware that that outcome is favoured by Professor von Prondzynski, as recorded in his written evidence to the Education and Culture Committee.

I make it clear that the bill will not abolish or diminish the role of rectors in our ancient universities. The role of rector is part of a democratic tradition in five of our universities that is also in keeping with the spirit of democratic renewal informing the bill. In talking to all stakeholders about how a model for elected chairs in our institutions might work, we are committed to ensuring that the role of rector continues.

We are looking closely at all parts of the bill that provide ministers with the ability to frame secondary legislation. Those elements of the bill are, as I said earlier, largely intended to future proof the legislation. I reiterate that the bill is intended to be a discrete, targeted and focused piece of legislation; as such, the views and suggestions made by stakeholders on the necessity of including all relevant sections in their current form are being examined thoroughly.

I move amendment S4M-14596.2, to leave out from “the recent international success” to end and insert:

“the autonomy of Scotland’s higher education institutions is a fundamental part of what makes them successful on the world stage, helps them to attract students and staff of the highest quality and enhances their international competitiveness and reputation for exemplary teaching and research; further believes that the provisions to enable more modern and inclusive governance in the Higher

Education Governance (Scotland) Bill will enhance the reputation of the country’s institutions, present no threat to their financial wellbeing and ensure that all parts of the campus community, including students, staff and trade unions, are better included in the strategic decisions that guide the future path of Scotland’s excellent and highly-valued higher education institutions; recognises the commitment that the Scottish Government has made to higher education by investing over £4 billion in the sector in the last four years to enable universities to lever in money from other sources and help Scotland maintain its reputation as a leading nation in higher education; notes that the Scottish Government has no intention of advancing ministerial control over the higher education sector and would always seek to avoid any risk of the reclassification of higher education institutions as public sector bodies by the Office for National Statistics, and further notes that the Bill’s provisions do not increase that risk and that the Scottish Government continues to listen carefully to the views and constructive suggestions made by all higher education stakeholders on the provisions in the Bill, including ideas for potential amendments that can enhance the positive and beneficial impact of this legislation.”

15:05

Iain Gray (East Lothian) (Lab): There is no doubt that the cabinet secretary is right about the importance of the university sector to Scotland. We have more world-class universities per head than any other country in the world. They deliver an economic impact of over £11 billion to the economy and support 144,000 jobs. Their history is long and proud, and to be cherished—from the old chestnut of Scottish exceptionalism that, in the 16th century, we had as many universities in Aberdeen alone as there were in the whole of England to the current day, when our universities win much more than their fair share of UK research funding and we publish more peer-reviewed research papers per head of population than any other country, bar two.

However, for eight years, this Government’s vision of universities has never really stretched much beyond the issue of free tuition. Way back in 2002 when I was the minister responsible for the university sector, tuition fees had already been abolished in Scotland and the debate was about the role of the universities in creating the jobs and industries of the future. There were debates about how better to support that astonishing research base and how to commercialise new intellectual property into businesses and jobs. There were new initiatives, such as the small firms merit award for research and technology, or SMART; support for products under research, or SPUR; and proof-of-concept funding. There were new models like the co-investment funds and the intermediary technology institutes. Every week saw us debate groundbreaking and imaginative ideas to build on the university sector of which we are so proud.

That is not so much the case now. This Government has decreed that we will debate and redebate tuition fees until the rocks melt in the

sun, even though that debate was already won 14 years ago. It should therefore be welcome when, finally, after eight years, the Government turns its mind to something else about universities, but what a mess it is making of it.

Let me be clear: we support the idea of chairs of court elected by the whole university community. We support trade union representation on those courts. We support transparency of governance and, indeed, remuneration. There is work still to be done on the format of elections. There is work to be done on finding a way to avoid losing the historic post or title of rector for those institutions for which it is part of their tradition. We believe that there are compromises and even a consensus to be reached on those issues among stakeholders, but that is all being undermined by the drafting of the bill, which would allow ministers to exercise undefined powers for an unknown purpose through regulation.

It is those powers and that lack of definition that have raised concerns about the degree of control that ministers seek and the consequent heightened risk of ONS reclassification, which would jeopardise the finances of the universities. Frankly, the Scottish Government needs to fix that, and soon. It is not fixed through bland assertions from the minister that ministers will not overreach their powers of control. It is not enough for ministers not to have the intent not to interfere; the legislation needs to be clear that they do not have the power to interfere.

Angela Constance: Would Mr Gray accept that there is a variety of voices in the debate? Would he accept the views of Unison Scotland, which in written evidence to the Education and Culture Committee concluded that

“There seems therefore no risk of reclassification following the implementation of the Bill”?

Is Mr Gray not concerned that, by voting with the Tories today, he is participating in a smokescreen for those who just do not want trade unionists or, indeed, elected chairs on university boards?

Iain Gray: I will take no lectures from Ms Constance on supporting trade unions; I have been a trade unionist all my adult life and I will continue to do exactly that.

The smokescreen here is why ministers feel that it is necessary to give themselves regulatory powers that they do not need in order to meet those ends on which I agree with her. We have been here before. Colleges were promised that the Government would find a solution to their reclassification. No solution has ever emerged and colleges are paying the price in fiscal problems right now.

We have been here with police reorganisation. The Government was warned again and again that its model would make Police Scotland vulnerable to VAT. Solutions were suggested; they were ignored. Now the Government is running around Westminster crying foul grievance as if that is what it was looking for all along.

The truth is that the Finance Committee has already examined the assurances of Government officials and others on the ONS point and has not found their performance reassuring in any way. What the cabinet secretary should think about is how she has managed to get herself into the completely unnecessary position of uniting those of us who support much of the bill and those who, I suspect, oppose all of the bill in our condemnation not of those purposes but of her handling of the legislation.

If the cabinet secretary is wrong about the financial consequences for a sector that is so critical to our future, the results will be disastrous. She must produce incontrovertible evidence or tell us exactly how she intends to amend the bill to remove the risk. When it comes to universities, the cabinet secretary has had one job to do; it is time she got a grip of it.

I move amendment S4M-14596.1, to leave out from “is alarmed” to end and insert:

“recognises the longstanding tradition of university rectors and the contribution that these representatives of students and staff make to some of Scotland’s higher education establishments; is alarmed by the evidence placed on record by Universities Scotland and individual academic institutions, which suggests that sections of the Higher Education Governance (Scotland) Bill could increase significantly the risks of Office for National Statistics (ONS) reclassification; is concerned that, if ONS reclassification was to occur, the higher education sector would lose significant sums of money; believes that any such moves would seriously undermine the strength of the university system in Scotland and therefore threaten the international standing of its higher education institutions; calls on the Scottish Government to seek urgent external legal and technical advice on the matter and to publish, in full, all the analysis conducted to date on the matter, and further calls on the Scottish Government to make a formal commitment to remove all clauses from the Bill that could increase the risk of ONS reclassification and to protect the role of rector at those universities with such a tradition.”

15:12

George Adam (Paisley) (SNP): I always welcome a debate on Scottish education, and I enjoy hearing members’ views on the challenges that we face. However, the Education and Culture Committee has not completed stage 1 consideration of the Higher Education Governance (Scotland) Bill. I will thoroughly examine all the written evidence and listen to constructive suggestions, so this debate seems a bit premature. With that caveat, I will comment.

Liz Smith: Will the member take an intervention?

George Adam: No, I have far too much to get through.

The Scottish Government has made it clear that the universities are and will remain autonomous bodies. Why would anyone want to take away something that is regarded as fundamental to our universities' worldwide success?

The aim of the bill is to modernise and strengthen governance, ensuring that the principles of democracy and accountability are an integral part of the higher education sector. Earlier this year, Ferdinand von Prondzynski, principal and vice-chancellor of Robert Gordon University and chair of the Scottish Government's review of higher education governance in Scotland, said:

"Universities are autonomous bodies, and should be. But their autonomy should not shield them from legitimate expectations that they engage with staff, students and external partners, or from the need to behave in an accountable manner."

Liz Smith: Will the member take an intervention?

George Adam: I still have quite a lot to get through.

Ferdinand von Prondzynski went on to say:

"None of this is about government control. None of our recommendations, and indeed none of the proposed elements of the government's planned legislation, would give any power to ministers to interfere in the running of institutions."

The 2012 review is the foundation of the bill.

On the potential for ONS reclassification of universities, the issue has been central to the Scottish Government's consideration throughout the bill's development. A Scottish Government official said in evidence to the Parliament's Finance Committee:

"we deem reclassification to be a low risk. However, if, as a result of a wider ONS review of universities, there were any risk of reclassification—ministers have made it clear that that is not a policy goal—we would take what measures were required to ensure that universities were not reclassified."—[*Official Report, Finance Committee*, 16 September 2015; c 46.]

The Government has said that there is no intention that the bill will lead to reclassification.

In its written evidence to the Education and Culture Committee, Unison Scotland helpfully pointed out:

"Universities have a range of income sources and the proposed Bill will not impact on the balance of funding. The difference in borrowing powers was also said to be significant: colleges unlike universities require government permission to borrow. ... There seems therefore no risk of reclassification following the implementation of the Bill."

It is therefore my belief that the talk of ONS reclassification is taking us away from the more fundamental point of the debate, which is the need to ensure that our higher education institutions have open, transparent and modern governance. Surely, that would be a good thing.

I argue—this was also the view of the von Prondzynski review—that involving staff and students in the governance of their institutions would create an extremely positive and dynamic culture of governance. Mary Senior of UCU Scotland said in a round-table discussion at the Education and Culture Committee on 6 October:

"No one is questioning that Scottish universities are good—they are good. What we are saying is that they could be so much better if staff, students and trade unions were fully involved in how they operate."—[*Official Report, Education and Culture Committee*, 6 October 2015; c 11.]

It is my opinion that that would create a form of collective responsibility, with decisions being made by representatives of all sectors of the university community. I cannot see any negatives in that, which is why I support having an elected chair of court or senate as a way forward. That would also create an openness that does not currently exist.

NUS Scotland mentions the same thing in its briefing for today's debate. It is concerned that there is a need for a greater democratic culture within governing bodies. It states that, while many student associations are able to take part in university court meetings, many student representatives feel that those meetings act merely as a rubber-stamp exercise to validate decisions that have already been made by the principal or at committee level. NUS Scotland believes that there is a need for greater transparency in the making of decisions, stating that, in addition to a lack of participation and democratic culture on governing bodies, there is a distinct lack of transparency over governance decisions. It provides the examples of universities' investment decisions and institutions increasing principals' pay packages.

Let us look at the matter further, taking as an example salaries at the University of Edinburgh, although it is not alone in paying such salaries. In 2005, 190 people at the university had a salary of between £70,000 and £189,000. In 2014, 440 people at the university had a salary of between £70,000 and £319,000, with the top salary being anywhere between £340,000 and £349,000. I do not know how much the top salary is now because it is not clearly stated in the information that we can get, although that does not mean that there is no answer to the question. Surely, if we had democracy within the universities, the information on salaries would be available.

The Scottish Government provides £1 billion of public money in our higher education institutions

because the educational future of our young people is important to us all and because our world-leading universities give so much back to our nation. We cannot stand by and admire that great work without moving our universities on. It is time for us to equip them for the 21st century.

15:18

Cara Hilton (Dunfermline) (Lab): I am pleased to have the chance to speak in today's debate on Scotland's universities and to support Scottish Labour's amendment.

Scottish Labour recognises the outstanding contribution that Scotland's universities make to the academic, economic, social and cultural life of Scotland. We welcome their continued success in attracting high-quality students and staff from around the world and in producing ground-breaking research, and we value the vital role that our universities play in Scotland's economy by employing more than 42,000 and supporting more than 144,000 jobs.

However, there is no doubt that higher education institutions could benefit from being more open and accountable. The Higher Education Governance (Scotland) Bill provides real scope for change, which is why Scottish Labour supports the principles of the bill. It is absolutely crucial that, in looking at reform and how our universities are run, we ensure that there is careful and thorough scrutiny.

The bill presents real opportunities to address current shortfalls in university governance, as was highlighted by the member. In particular, we support the measures to ensure that staff, students and trade unions are represented in the decision-making structures so that they have a real voice and a real say in the future of the universities that they learn, teach and work in.

It is only right that public institutions that receive many millions of pounds from the taxpayer are run openly, democratically and transparently. Right now, that does not always happen. The feedback that I have received from students associations is that they often feel that they do not have a real say—the sense is that the decisions that they are involved in are simply a rubber-stamp exercise, rather than an open debate with genuine scrutiny.

The NUS points out in its briefing for this debate that the lack of transparency has affected the recent handling of two key issues: universities' investment decisions and increases in principals' pay package in our higher education institutions. I know that the issue is not strictly covered in the motion, but it is an important point that should be highlighted: I have no doubt that governing boards would make better decisions if they better

reflected the student and staff body and if trade unions were involved in the process.

Research by NUS Scotland found that there are 88 individuals at Scottish universities who earn more than the First Minister, which is £140,000 a year. I do not think that it can be right that university principals on three-figure salaries take large pay increases while their staff are told to accept a 1 per cent increase, which is effectively a pay cut. I therefore support the NUS's call to extend the transparency and accountability aimed for in the Government's bill to governing body sub-committees, particularly those dealing with senior staff pay.

Given that hundreds of millions of pounds of public money goes—quite rightly—to support our universities, it is only right that we see more public scrutiny over the excessive wages that many at the top in our universities receive while staff at the lower end of the scale struggle to get by. I would welcome Government action on that issue.

I turn now to our amendment. Although Scottish Labour is generally supportive of the Higher Education Governance (Scotland) Bill, we are also very conscious of the need to ensure that reform does not undermine the academic autonomy of the university sector or its financial position. I am sure that I am not the only member who has received many emails on the issue from concerned constituents, raising in particular worries about the implications for academic freedom and university finances.

Last month, the University of Glasgow rector, Edward Snowden, described the bill as

“a real threat to the financial and academic independence of the university system in Scotland.”

There are real concerns about how the plans might dilute the voice of students in our ancient universities. Perhaps a one-size-fits-all approach strategy is not quite right.

There has been concern, too, about the future role of the rector in our ancient universities. Labour's amendment calls for the protection of that position. I know that Angela Constance has offered reassurance on the issue, which is welcome.

Our amendment also highlights the very real risk that the Higher Education Governance (Scotland) Bill could lead to a change in the ONS classification of universities, and Iain Gray has outlined our serious concerns in that regard. There are also concerns in the university sector that the proposals could lead to unintended consequences that will ultimately undermine the sector and cause difficulties in ensuring its charitable status. In that respect, the Royal Society of Edinburgh has warned that the bill represents a

“level of governmental intervention that is entirely inappropriate for an autonomous sector”,

potentially damaging the university sector in terms of its global academic standing, its entrepreneurial activity and its contribution to the Scottish economy.

In its briefing for the debate, Universities Scotland highlights serious concerns that sections 8, 13 and 20 of the bill would take an unprecedented step over the line of university autonomy. Universities Scotland and others believe that the increased potential for ministerial control puts the Scottish higher education sector at heightened and significant risk of reclassification as public bodies by the Office for National Statistics. Obviously, that could have potentially devastating effects. I appreciate that the cabinet secretary has said that that would not be the case, but those concerns cannot be swept under the carpet.

Iain Gray highlighted how VAT affects the Scottish Fire and Rescue Service. That is a prime example of the unintended consequences that can come back to bite later on. Consequently, Scottish Labour’s amendment calls on the Scottish Government to seek urgent legal and technical advice on the matter and to publish the analysis in full. We also want to see a commitment to remove all provisions from the bill that could increase the risk of ONS reclassification. That is vital to protect the independence and strength of our universities and their financial position.

I hope that the Scottish Government will listen to the concerns being expressed about the bill. I hope, too, that we will see progress on the issues not in the bill, such as principals’ pay. The future of the Scottish economy depends on a vibrant, independent and world-leading university sector. I hope that we can all work together to ensure the best possible outcome for staff, students and universities.

15:24

Liam McArthur (Orkney Islands) (LD): I thank Liz Smith for enabling the debate to take place.

Of course, the Education and Culture Committee is currently undertaking its stage 1 scrutiny of the Higher Education Governance (Scotland) Bill, and we will return to the subject on a number of occasions in the coming months. However, given the level of concern that exists about the potential effect that this “thin bill”, as the committee’s convener accurately described it, could have on our world-class university sector, the more times we get to kick the tyres, the better.

The fact that the committee has received more than 300 submissions tells its own story and highlights the strength of feeling that exists and

what is at stake. At our recent round-table session, there was vigorous debate and often profound disagreement. Everyone agreed on the quality of our universities. Given that five of our institutions are in the top 200 worldwide and three are in the top 100, no one disputes that this is an area in which Scotland excels and punches well above its weight.

Although that state of affairs is a source of pride, it is certainly not one that can or should be taken for granted. We heard unanimity on the need for continued improvement, innovation and the constancy of change, but we must be clear about what any change will achieve and how it will deliver improvement—something better than what we already have—and we need to know how it will avoid diminishing the value of our universities to students, staff and the wider community that derives so much from their success.

In that respect, as I have said previously, I cannot help arriving at the conclusion that in much of what it is seeking to do the Government appears to be casting around desperately for a problem to solve. I recognise that Angela Constance is dealing with an inheritance from her predecessor, who pursued this agenda with some zeal. I acknowledge, too, that she has hinted—she did so again today—at a willingness to ditch some of the most damaging elements of what is proposed, and I hope that she will have the courage to do that.

Fundamentally, the regulatory powers that ministers seek to take through the Higher Education Governance (Scotland) Bill present a real and present threat to our universities. The fact that many of the proposed powers remain unclear and subject to secondary legislation only makes matters worse. For all that the cabinet secretary offers reassurance about how she would use the powers, the fact remains that, as Iain Gray said, it is the scope of the bill that matters, not the intentions of any one minister.

Universities Scotland has been unambiguous on the threat posed. Its legal advice shows that, cumulatively, the bill’s provisions—notably, sections 8, 13 and 20—heighten the risk of ONS reclassification of higher education institutions. Anderson Strathern states:

“If ONS carried out an assessment in the near future ... the challenges posed to HEIs by such an ... exercise should appear at the level of ‘significant risk’ on their risk registers”.

It could not be clearer. For the minister to assert in her amendment that

“the Bill’s provisions do not increase that risk”

is, frankly, not credible, nor is it right for this Parliament to be asked to support such a baseless assertion. Mr Swinney may have his own

reservations, given the threat of an additional £530 million being added to Government borrowing.

John Mason: I do not know what evidence or base Mr McArthur would like. He said that the claim that is made in the Government's amendment is baseless. Is there somebody that he would like to comment on that? The ONS will not comment.

Liam McArthur: Perhaps in his speech John Mason will explain his view on the legal advice from Anderson Strathern that the committee and the Parliament have been privy to. We have not had any equivalent advice from the Scottish Government on its assertions.

The consequences of reclassification, which have been laid out in stark terms to the Education and Culture Committee and the Finance Committee, are serious and include a loss of incentive to earn around £1 billion of entrepreneurial income; restrictions on borrowing worth around £370 million; and the inability to create surpluses and to invest in improved facilities, which will put capital programmes at risk. I would argue that that is hardly a price worth risking; far less is it one worth paying.

As we heard at the round-table session that I mentioned, it is a risk that is already being felt in the reputational damage that is being done by the perception of increased ministerial interference in our universities. All the evidence shows that the best-performing universities worldwide are those that exercise the highest level of responsible autonomy. They should be accountable and transparent and should reflect the diversity of the communities that they serve, but how that is best achieved should not be second-guessed by ministers using the blunt instrument of legislation, particularly given the highly diverse nature of the sector.

At no stage have ministers or their officials been able to point to the international comparators to which we should be aspiring. I have no difficulty accepting that our universities, excellent though they are, could be better, but I would like some reassurance that, when it comes to governance, the standard to which they are being asked to adhere has been demonstrated somewhere—anywhere—else to deliver better results and wider benefits.

On union and student representation on governing bodies, I am not convinced that that needs to be written into law. Staff and student representation is an essential but existing feature of university governance. That said, I can live with the relevant provisions if gaps need to be filled.

On elected chairs, I agree with Stewart Maxwell that it is hard to see how these proposals can be

squared with the minister's commitment not to diminish the role of rectors.

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

Liam McArthur: The member will be able to deal with the matter in his own speech.

As for academic freedom, there is no evidence that that is currently curtailed. Ministers insist that the change is minor, but they offer no explanation of the problem that it aims to address.

Although this is a "thin bill", its potential to do damage should not be underestimated. Legislation is not always the answer; some might argue that it is rarely the answer. Certainly the perils of using such a blunt instrument to manage such a diverse sector are obvious.

The SNP must accept that ministers do not always know best, that one size does not fit all and that the temptation always to control should be resisted. In that context, Scottish Liberal Democrats will support the motion and Iain Gray's amendment later this afternoon.

15:30

John Mason (Glasgow Shettleston) (SNP): On 16 September, the Finance Committee spent a fair bit of time considering the financial memorandum of the Higher Education Governance (Scotland) Bill; my comments stem largely from the evidence that we heard then.

On the day of the meeting, there had been a letter in *The Herald* from Dr Iain Banks, who is president of the University and College Union in Glasgow, referring to

"the difficulty faced by staff and students wishing to influence a governance structure that is too often focused on business rather than education or research".

When I asked the witnesses whether the ONS, OSCR and "financial concerns" are really just a smokescreen that the universities are using to avoid democracy and transparency, Professor Anton Muscatelli assured us that that is not the case, but I remain uncertain as to the universities' real agenda. The unions are strongly supportive of the proposed governance changes. Given that they are intelligent people who want the universities to thrive, there is at least something of a disconnect between management and staff.

Clearly, ONS reclassification would be a major concern to us all. As George Adam has pointed out, the Finance Committee spent a considerable amount of time on that matter.

Iain Gray: Mr Mason's point has some merit, but surely the biggest disconnect is that which exists between the cabinet secretary's assertion that Government ministers have no desire to take

more control and the sections in the bill that would allow them to do just that. If they do not want to take control, is not the easiest way of dealing with that simply to remove those powers from the bill?

John Mason: I am not on the Education and Culture Committee—I am looking at the matter mainly from a financial point of view—but from that angle there is a big difference between changing how a board comes about and putting people on that board. Perhaps some tweaking can be done as the bill works its way through Parliament. I merely note that we could get involved in how companies choose their boards, that we get involved with loads of charities by making them conform to lots of rules and that we get involved with the public sector. It is not unusual for the Government to get involved in outside organisations.

With regard to ONS reclassification, the bill team made it clear to the Finance Committee that

“If reclassification is triggered it does not come into immediate effect. The colleges in England and Wales were given a period”

of time

“in which to review their control mechanisms and make changes that would keep them outside the boundary.”—[*Official Report, Finance Committee*, 16 September 2015; c 54-5.]

I found that comment interesting, because it shows that we are not faced with a huge gamble in which if we lose, we lose everything. Instead, there is an issue that might or might not occur and which we will, if it is going to occur, have the chance to fix before it becomes a reality.

Liz Smith: On the gamble that Mr Mason mentioned, I note that when he questioned Mr Sim at the Finance Committee, he asked about the degree of risk. Mr Sim said:

“I find it easier to put the risk in terms of red, amber and green.”—[*Official Report, Finance Committee*, 16 September 2015; c 25.]

When questioned further, he added that he put the risk “at the top” of the red.

John Mason: Mr Sim also said that the current risk is at least amber. What he was saying—[*Interruption.*]

The Deputy Presiding Officer (Elaine Smith): Order. Can we hear the member, please?

John Mason: Mr Sim was saying that the current risk is considerable—but the debate is about whether the bill will affect that risk and move it up the scale. The universities are saying clearly that it will and the bill team and the Government are saying clearly that it will not. That can be looked at in more detail, but it is certainly not a

given that the risk will be increased by the provisions of bill.

The motion suggests that the Scottish Government should

“seek urgent external legal and technical advice”

on reclassification. That is another topic that we considered at the Finance Committee. The answers to our questions were, first, that the bill team is not aware of experts in that field who are likely to know more than the Scottish Government. In fact, it was suggested that even the ONS

“considers the Scottish Government to be a leading expert on reclassification”—[*Official Report, Finance Committee*, 16 September 2015; c 56.]

I do not know whether Liz Smith had a particular expert in mind when she wrote the motion, but I am sure that we would like to know who it is. Neither Labour nor the Lib Dems have been able to suggest who that expert might be, either.

Secondly, it was suggested that we ask the ONS itself about the risk, but we understand that it does not give advice in advance. In addition, it strikes me that writing to the ONS highlighting the risk might damage our case rather than help it.

Another topic that we considered at the Finance Committee was charitable status and what OSCR’s opinion on that might be. I will not quote from what was said about that, because we have heard it already, but OSCR says basically that there is no risk as far as it is concerned. Universities Scotland confirmed that it would take OSCR’s view at face value, but that point does not appear in the Conservative motion at all. I assume, therefore, that there is fairly widespread agreement that charitable status is not likely to be at risk.

However, the question remains whether the universities have been crying wolf on charitable status, which has now been dismissed. If they were crying wolf on that issue, are they also crying wolf on a number of other issues? Liz Smith says that she wants written evidence against something that we do not even know exists. If somebody asked me whether I robbed a bank last night, I would say, “No.” Do I have written evidence to prove it? No, I do not. We are all agreed that we have a university sector to be very proud of, but the question is this: can it be improved? In particular, can its governance be improved, or is it like some highly delicate flower that would collapse and die if we even touched it?

The NUS Scotland briefing for the debate is particularly helpful in giving a reason for the need for more transparency and accountability—namely, that we might all know

“how decisions are made, and who makes them”.

Many of us had thought that that was a given in 2015 for almost all parts of the third and public sectors, yet the universities stick out as something of a sore thumb in resisting movement in that direction.

I believe that our universities are robust. They are living organisms that can and should adapt to the 21st century. We may have been timid in the past for fear of upsetting organisations that have a lot of money and a lot of friends in high places, but governance in private business, in the public sector and in the third sector has moved on over the years, so I believe that our universities need to remember that they are servants of the public and that the public expects them to be open and transparent in their governance arrangements.

The Deputy Presiding Officer: I allowed Mr Mason some time back for the interventions that he took, but we are now running out of time, so I ask members to keep to their six minutes.

15:37

Annabel Goldie (West Scotland) (Con): I declare relevant interests, in that I am a graduate and honorary fellow of the University of Strathclyde and served on the court of the university for a number of years.

The debate sees Parliament being used for a proper purpose. If Government cannot be called to account and challenged by an Opposition party, Parliament is found wanting. I am pleased that my party has secured a debate on the highly controversial proposals to change university governance. What no one can level against my party, in citing our objection to the proposals, is a charge of political opportunism, political dogma, obsession with ideology, or just being difficult with the SNP for the sake of it. That is because the level of opposition to the Higher Education Governance (Scotland) Bill is massive and most of it is outwith the realm of political parties.

I see that I have affected the cabinet secretary deeply, as she is walking out of the chamber, but I hope that she will return.

My party is the conduit for conveying that huge anxiety and unease to Parliament, so I wish to examine the Scottish Government's premise for change. The first test to be applied is this: what is wrong that the Scottish Government thinks needs fixing? The evidence is sparse. There is general assent, as other members have said, that our universities are doing a very good job—some are excellent, by international standards. That points to good, not bad, governance, so where is the problem?

That is the irony. I think that the problem is not with our universities at all. Rather, it is with the

Scottish Government, because the genesis of the proposals seems to be that, when universities rightly took responsibility for their futures, requiring them to focus on their strengths—

Dr Allan: Will Annabel Goldie take an intervention?

Annabel Goldie: I would like to continue, for the moment. When universities wanted to focus on their core fields of excellence and to plan accordingly, some members of staff and some trade unions were hostile to that, and they took that view because there were redundancies.

Let me be clear: it is right that staff members and their unions should examine any proposals that would involve loss of jobs, it is right that unions should ensure that their members' interests are represented and that they should assist in discussions with universities to scrutinise such proposals, and it is right that their concerns should be within the knowledge of the court. What is not right—indeed, what is patently wrong—is to attempt to argue that universities are public bodies and that as such they should not be permitted to take such governance decisions but should have their governance regulated. Let me deal with that misconception and articulate some general principles.

The fact that a body receives part of its funding from the public purse does not make it a public body. If that were the case, private healthcare providers, most Scottish pharmacies, security companies that deliver services for the Scottish Government justice system and other contractors that derive significant revenues from the Scottish Government would all be public bodies. The suggestion is ridiculous. They are not public bodies, and nor are the autonomous institutions that are our universities.

Indeed, if the Scottish Government's argument were correct, hundreds of thousands of organisations the length and breadth of Scotland that receive regular sums of public money should now, by the Scottish Government's logic, be the subject of governance intervention because they are public bodies. Even by the Scottish Government's standards, that would be a ludicrous proposition. Universities are, of course, autonomous and are independently constituted. They are not public bodies, and the Scottish Government should not try to make them so.

For the sake of hypothesis, let us assume that the Scottish Government's analysis is correct and examine what the sparsely supported proposals would mean in practice. They would mean a shift in focus from having university boards of governance whose primary collective responsibility is for the whole institutions, to boards having elected chairmen who would be accountable to an

electorate and who would have to reconcile that obligation with a parallel duty to other court members and the institution as a whole. That would create divided loyalties and an irreconcilable conflict of interests. It would also create weak leadership and governance confusion.

For the older institutions that have elected rectors—which situation I understand the Scottish Government has confirmed will remain—there would be the added conflict of who is accountable to whom and whose view would prevail were there to be a difference of opinion between the rector and the elected chairman. It is not surprising that one cannot find such another such model of governance anywhere; it is so inherently flawed that it is unworkable.

Let me seek to educate the cabinet secretary. In 2000, the Scottish Qualifications Authority, which is a public body, ran up against problems with delayed exam results. Its governance was investigated by the Enterprise and Lifelong Learning Committee of this Parliament. The convener was Alex Neil, and his SNP colleague on the committee was Fergus Ewing. When talking about weaknesses in governance and a board member's role, the committee's report said:

“there does appear from their evidence to be confusion in the minds of some Board members, about their role on the Board of Management. It is clear from the Government guidance that Board members are appointed as individuals to bring their personal expertise and experience to the boardroom table. They are not appointed as representatives of other organisations. At least one Board member appeared to take the latter view. This is not a position which the Committee finds tenable.”

The bill proceeds on one misconception about university governance after another. Yes—develop with the universities a code of good practice for governance and, yes, encourage universities to engage in good practice, but I say this to the Scottish Government: do not get mixed up in telling universities what to do. They are already running themselves more successfully than any Government could ever achieve. I say this to the cabinet secretary: stop digging. She should heed what this Parliament's committee found out 15 years ago and what most of Scotland is now telling her, and she should review what is a misconceived, flawed and inept proposal.

15:43

Gordon MacDonald (Edinburgh Pentlands) (SNP): I am fortunate that not only do I have in my constituency of Edinburgh Pentlands two excellent universities, in Heriot-Watt University and Edinburgh Napier University, but my two sons are graduates of those institutions.

The two universities in my constituency and the other 17 institutions across Scotland employ more than 42,000 staff and educate more than 215,000 students. It is therefore important that the voice of those people be heard in this debate, because they overwhelmingly are the university community.

Universities have raised concerns about ONS reclassification due to the Higher Education Governance (Scotland) Bill and the effect that that could have on their autonomy and their revenue. However, what are the views of staff and students? After all, they would be affected were there to be any changes to universities' revenue, which Universities Scotland has suggested there will be.

In Scotland, we have some of the oldest universities in the world, in St Andrews, Glasgow, Aberdeen and Edinburgh. We also have the world's oldest education trade union in the Educational Institute of Scotland. In its written evidence on the Higher Education Governance (Scotland) Bill, the EIS stated:

“The Bill would lead to HEIs remaining as autonomous bodies that are only accountable to themselves. Universities Scotland has claimed that the Bill could lead to the reclassification of HEIs as public bodies leading to the potential loss of charitable status and fewer philanthropic bequests. The EIS does not believe that the Bill brings increased control to the government that would lead to reclassification.”

The EIS also took the view that

“Universities Scotland's claims are simply supporting the personal interests of principals, some of whom may not welcome the additional scrutiny brought about by the Bill.”

NUS Scotland stated in its evidence to the committee:

“While we fully recognize the need of any further regulation to fully respect the autonomy of Scotland's HEIs, we do not believe the proposals set forward in the current bill alter that autonomy in a notable way. The proposed changes would not require institutions to implement any substantive policy changes; rather, they address the processes through which decisions on substantive issues are taken. We fully endorse the notion of 'responsible autonomy' for our institutions. Where we have concerns is around the weight lent to both aspects of that, and are of the view that there has not been enough responsibility in return for the significant sums of public funding our institutions rightly receive.”

The Scottish Parliament information centre briefing on the main sources of the funding that was provided to Scottish higher education institutions in 2013-14 identified total income in the sector to be £3.2 billion, with £2 billion coming from public sector grants and fees from across the European Union, including £1 billion from the Scottish Further and Higher Education Funding Council. On ONS reclassification, NUS Scotland concluded:

"We would reject the assertion made by some in the sector that the Bill poses such a threat to institutional autonomy that it places the charitable status of institutions at risk, and raises the concern of ONS reclassification".

Alex Johnstone (North East Scotland) (Con): Will Gordon MacDonald take an intervention?

Gordon MacDonald: No, thank you.

The Office of the Scottish Charity Regulator raised no concerns about the bill's provisions, as set out in the original consultation. It said that, in its view, the changes

"would not affect the constitutions of higher education institutions in ways that would give Ministers the power to direct or control these institutions' activities".

OSCR also raised no concerns in its response to the call for evidence on the bill's provisions that the Education and Culture Committee issued.

The Scottish Trades Union Congress evidence was clear on why the bill was introduced. It said:

"This Bill is not about Government controlling Universities, it is about good governance. Good governance procedures mean that the sector will function better and as a result spend public money better. In this way the autonomy of the sector would be secured in the longer term by ensuring that institutions are better able to govern themselves and can show transparent and well evidenced decisions around how they spend public funds. Better governance structures will also help the University meet the educational needs of students and better support the economic development of Scotland."

As I said in my opening remarks, the quarter of a million staff and students are the university sector, and their views are at least of equal importance to those of the university courts. The University and College Union Scotland is the largest trade union in the post-16 education sector: it represents 120,000 academic and related staff across the UK, and is the largest union in the higher education sector in Scotland. It said:

"We do not wish to see any increased influence by Ministers in the running of universities and do not believe that the proposals outlined in the bill would do so. The proposals do allow Ministers to ensure that the sector has improved and provides for more robust governance procedures. Given that the sector currently receives over one billion pounds annually we believe that politicians and parliament are entitled to be assured that the sector is robustly governed. The proposals do not give powers to Ministers to involve themselves in the day to day running of institutions, or in setting targets beyond the current ministerial letter of guidance to the funding council."

The Finance Committee's report on the bill contained a suggestion that the issue of ONS reclassification and charitable status is a "smokescreen" to avoid greater accountability in the sector. Having listened to the evidence of staff and students, I tend to agree.

15:50

John Pentland (Motherwell and Wishaw) (Lab): The consequences of the ONS reclassification would be serious. Although I support making universities more democratic, I do not want that to jeopardise their finances. I also do not want the democratic structures that already exist in some institutions to be diminished in any way by a one-size-fits-all approach.

The proposed changes have managed to line up an impressive array of opponents, not least rectors past and present. Rectors are already elected by students—or, in the case of the University of Edinburgh, by staff and students—as their representative and as the chair of the university court. The rectors who have reservations include a former Prime Minister, a former Presiding Officer, a current MEP, the author of the West Lothian question, the author of "Munro-bagging without a Beard", the legendary Archie Macpherson and several others. Even Edward Snowden has been tweeting from Russia about the dangers to the autonomy of universities—although it must be admitted that he is not a great advert for the importance of rectors as active participants in university governance.

The question is: are those fears well founded? In response to the rectors, a Scottish Government spokesperson said:

"universities are autonomous bodies ... Ministers seek no control".

Apparently, ministers just want

"more transparent and inclusive governance".

The same spokesperson assured us that

"The Scottish Government has analysed risk associated with potential re-classification of Scottish higher education institutions by ONS. We are confident that the provisions in this Bill do not advance risk and are compliant with the indicators of government control ONS use".

Dr Allan: I am pleased to hear that—I think—Labour members share our concern to make university governance more representative of the communities that it seeks to govern. Will the member clarify for me what Labour wants to put into the bill to achieve that end? What does Labour want to put in that it feels would not fall foul of the objections that the Conservatives are making on the ONS and other matters? Labour has not yet given us any indication of what it would prefer to see in the bill other than what is there.

John Pentland: Some reassurance could have been given if the Government had replied more timeously to the serious questions that Universities Scotland raised. We need the Government to produce the advice and evidence that are required to take away all the concerns.

The references to risk do not sound reassuring to me, not least because the Scottish Government does not have a particularly good record of being right on such matters, even when—perhaps especially when—it is supremely confident of being correct. As we have heard before, we should just ask the police and fire services about their VAT bills. It is sometimes even unclear whether the Government has proper legal advice.

Although we might accept that the Scottish Government does not intend to inflict a huge financial penalty on higher education, and we might even accept that the Scottish Government genuinely believes that the bill will not compromise autonomy, would we be wise to take its word for that, particularly without external legal and technical advice and the full publication of all the analysis that has been conducted to date? Of course not—particularly when others have sought and published legal advice, including Universities Scotland. It was told by Anderson Strathern that, taken together

“with other existing government controls ... the provisions in the Bill would take HEIs into ‘borderline’ territory in terms of their current ONS classification”.

I do not necessarily think that that is the final word in legal terms—partly because there rarely is a final word in legal terms—but at least Anderson Strathern set out its reasons and published them.

The Scottish Government should stop saying that it knows best when we know that, too often, it does not. We need a proper analysis of the risks so that we can decide whether they are acceptable, rather than simply be told that they are. The Scottish Government should make a formal commitment to remove from the bill all sections that could increase the risk of ONS reclassification and to protect the role of the rector at the universities that have such a tradition.

Things are hard enough for higher education institutions and students without inflicting further financial disaster on them. For students there would be added pressure. Information that the Student Awards Agency for Scotland released this week shows that grant and bursary levels for Scotland’s students are down again—they are down by £40 million since the SNP took office in 2007. Fewer students are getting support from bursaries and, when they do, they get less support. Those from poorer households, who already struggle the most, will inevitably find it harder to undertake higher education courses. Meanwhile, student debt has soared as thousands who have the qualifications and the ability, but not the finance, are forced to borrow more to fund their studies.

The Scottish Government says, “Trust us.” Well, I am quite sure that everybody will remember the manifesto pledge to write off student debt.

15:56

Chic Brodie (South Scotland) (SNP): I declare an interest in that I used to be a lay member of the university court of the University of St Andrews.

Many things that border on the unbelievable occur from time to time in the chamber, but the motion stretches credulity a bit too far. The Education and Culture Committee is still considering inputs on the bill, yet today we have a Conservative motion on it. I do not lay that at the door of Mrs Scanlon or Liz Smith, both of whom have behaved impeccably in their understandably robust questioning of witnesses in committee; rather, it should lie at the door of the opportunistic Conservative central office. Well, have I got news for you—we will complete the report on the bill and discuss it meaningfully, and then perhaps, with that evidence, we can have a substantive discussion. We have a motion with alleged evidence that is riddled with ifs, mights and coulds, which shows a propensity to rush to judgment that I thought was below even the capabilities by which that office might be characterised.

We accept that Scotland’s universities have a long-standing reputation for academic excellence and international success—at least for some—that is a result of ability. However, as the famous engineer and inventor Charles Kettering once said,

“If you have always done it that way, it is probably wrong.”

Like other institutions, universities have to stay ahead of the game. Change is a constant, and in our universities, as elsewhere, there are limitless opportunities. Where there are open minds, there is always a frontier to aim for.

The motion refers to

“Scotland’s economic priorities and the need”

for universities

“to develop their research and capital assets in a way that allows them to make maximum use of opportunities in knowledge exchange”.

After detailed questioning of university representatives about their international involvement and equity participation in the many great products and services that they produce, their eventual answer was that they had not developed that line of thinking and would take it away for review—no change there, then. Representatives of one of the great engines of our future economy—our universities and their research and development capabilities, some of which are publicly funded—are going away to think about that process and how more funding might be generated via that route for the universities. Having that and the further democratisation of the university courts is how we

will strengthen—not undermine—the university system in Scotland.

Not everything in the bill is perfect. I turn to the contentious issue of possible reclassification of universities from charitable to public sector organisations. The motion says that “if”—there is the magic word again—

“the ONS reclassification was to occur, the higher education system would lose significant sums of money”.

It bases that premise on evidence, but on what evidence? On evidence that was placed on record by Universities Scotland, on the basis of a report that it produced.

Liz Smith: Will the member give way?

Chic Brodie: I am sorry; I do not have much time.

In her questioning of witnesses on 6 October, Liz Smith referred to the proposed, not the evidenced, ONS reclassification and accepted the OSCR

“ruling that the public bodies proposal would probably have no effect on universities’ charitable status.”—[*Official Report, Education and Culture Committee*, 6 October 2015; c 19.]

That was confirmed in an answer by Stephen White of the Scottish Government, who said that the Government’s internal analysis concluded that the bill’s provisions comply with the indicators of control in the European system of accounts.

On that subject, advice that I received from the Scottish Parliament information centre on 17 September said that the new European accounting guidance means that some projects that were formerly classified as private sector would now be classified as public sector. That is not a revenue issue, but it potentially affects capital projects that are financed through the non-profit-distribution model. Three of the four projects have not even been looked at yet and another eight are coming along.

However, the ONS’s work plans in relation to higher education institutions are being looked at. The Anderson Strathern report said that the basis of the ONS’s assessment is a change of policy in relation to tuition fee maxima that universities in England and Wales can charge. There is no specific reference in the work plans to assessing Scottish HEIs. I therefore ask Liz Smith to erase the ifs, mights and coulds from her motion, much of which is unhappily reflected in the Anderson Strathern report. Let the committee and the Parliament pursue and finalise the questions that have been raised on all sides, so that the committee’s report can be published.

In general, the world hates change, yet it is the only signpost to progress. Let us agree on that.

Let us discuss the matter on production of the report and let us implement that change once we have followed the process and discussed what is presented to us in detail.

16:02

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I welcome the principles of the Higher Education Governance (Scotland) Bill, which aims to make the higher education system more modern, inclusive and accountable. It is right to rebalance the power of university governing bodies to increase transparency and accountability and to have more involvement of staff and students. To that extent, I agree with the Scottish Government and, if it can preserve the position of rector, I—as a graduate of the University of Edinburgh—will be even more pleased.

However, I agree with the Conservative motion to the extent that I have grave concerns about the financial implications of sections 8, 13 and 20 in particular. We know that a vast range of external bodies have expressed similar concerns, including the Royal Society of Edinburgh, which I always respect.

The fact is that those sections were not proposed in the original review of higher education governance and their removal would not modify the bill’s central intent, so why do we need these undefined powers for undefined purposes? Why is the Scottish Government determined to take this risk, when removing the sections would not take away from the central thrust of the bill?

Look at what is at risk. All members are united today in celebrating the fact that five Scottish universities were in the *Times Higher Education* ranking of the top 200 universities, with three of them in the top 100. Innovation and improvement are central to retaining those high standards, and they depend on financial security. Why, then, is the Government determined to take a risk with that? I think that the risk is serious. The potential for ONS reclassification puts that financial security at risk.

There is loads of evidence that we can summarise; a lot of it has been mentioned. The committee of Scottish chairs highlighted in its evidence to the Finance Committee various issues. Let us not have the red herring of an effect on charitable status; ONS reclassification is different. The committee of Scottish chairs said in its submission that reclassification would

“prevent universities from retaining annual operating surpluses; place a severe restriction on their ability to borrow funds; reduce their ability to enter into commercial partnerships;”

and threaten their philanthropic support.

Professor Muscatelli, whom we all respect, has had his evidence to the Finance Committee mentioned by more than one member. He described his university's £775 million investment programme, which is financed from operating services, and its £145 million in cash reserves. He said that he could not use those reserves if reclassification took place. The Carnegie Trust made the same point about its grant giving to Scottish universities.

All those reputable individuals and bodies cannot just be discounted; they cannot just be accused of scaremongering or of having ulterior purposes. It is incumbent on the Scottish Government to take the issue seriously.

The situation is worse for universities that are less dependent on public funding. For example, Heriot-Watt University is only 49 per cent dependent on public funding. It is probably more at risk than the University of the Highlands and Islands, which is 90 per cent dependent on public funding. However, even Garry Coutts, who is the chair of UHI, gave clear examples to the Finance Committee of how his university's finances would be affected by ONS reclassification.

The Government will say that reclassification is not going to happen, but we need to look at the Treasury guidance on the European system of accounts. The essence is—Treasury guidance says this—that all controls, major and minor, will be looked at. The key thing is the cumulative effect. There is already an element of public control of universities, but the bill will increase that significantly. That is where the risk comes from.

Treasury guidance also says that, on its interpretation of the ESA, the power to change a body's constitution is an indicator of ministerial control. That is all there in black and white if the Government is willing to read it, so how can its amendment to the motion today say emphatically that there is no increased risk?

The Government cannot just sweep aside reputable law firms such as Anderson Strathern, which says in its report that the bill will heighten the risk of reclassification. The firm says that

“the provisions in the Bill would take HEIs into ‘borderline’ territory in terms of their current ONS classification”.

What legal advice did the Scottish Government take on the bill's potential to impact on ONS classification? We have not heard.

I know that the Government will not reveal legal advice, but it could at least allude to it in some way and perhaps also tell us what discussions it has had with the ONS. The Government certainly has the right to enter into those discussions. Even if the ONS and the Treasury would not give a

definitive view, they would be able at least to indicate what matters might be relevant.

This is a serious issue for universities in Scotland and the Government cannot just lodge an amendment to the motion that essentially says, “We say there is no risk—what are you all bleating about?” That is unacceptable, and the situation is going to get worse. We are at the early stages of the bill and all these problems and issues have been raised at stage 1. The Government has to respond in a more constructive fashion.

I agree with the Government's wish to improve transparency and accountability in decision making, but we must balance that most fundamentally with the need to maintain funds and to respect autonomy, which I—and, I hope, the Government—fully support. The simple solution, which would not satisfy the Conservatives but would unite the Conservatives, the Liberal Democrats and Labour, is to remove sections 8, 13 and 20 from the bill.

16:08

Mary Scanlon (Highlands and Islands) (Con):

I was very pleased when Angela Constance, the cabinet secretary, said that where there was scope to “alleviate concerns”, the Government would listen. I think that this has been a constructive debate. It has been an impressive debate on all sides, and I hope that the cabinet secretary will listen to what is being said today.

We should all rightly be proud of our universities and their performance in the recent *Times Higher Education* world university rankings. The cabinet secretary said that we really do punch above our weight and we agree that thanks are due to our hard-working staff and students who have made that possible.

However, in thanking the staff and students, it is now proposed to burden them with punitive, unnecessary and counterproductive legislation that they do not want. The Government cannot speak highly enough of the success of Scotland's universities. Why, therefore, does it want to meddle in their autonomy and governance?

As a member of the Education and Culture Committee, I sat at the table with world-leading academics such as Jocelyn Bell Burnell of the Royal Society of Edinburgh and David Ross. I find quite incredible the implication that the best global academics have misunderstood the Government's intentions in its bill. I am sure that those academics will all be very grateful for a tutorial in future proofing from the Government, because they are obviously not quite up to understanding the legislation that comes out of the Parliament.

Universities Scotland is so concerned about the risk of ONS reclassification that it commissioned its own legal advice from Anderson Strathern. Much has been said today, but I will give a few quotes from that advice. Anderson Strathern stated that the bill

“heightens the risk of HEIs being reclassified by the ONS as being within the General Government category”.

It continued:

“we consider that the Bill brings HEIs closer to a possible reclassification by ONS into the public sector”

and noted that

“this ‘borderline’ territory is an uncomfortable place for HEIs, because of the major ramifications that would follow any ONS reclassification of HEIs to the public sector.”

If there is any external legal advice to the contrary, let us hear about it from the Government. Perhaps Anderson Strathern has also misunderstood future proofing and needs a wee tutorial. We have one piece of legal advice; if there is other legal advice—any advice—I am up for listening to it.

The governing bodies of Scotland’s universities have very diverse histories, traditions and goals. The universities of St Andrews, Aberdeen and Glasgow were founded in the 15th century, and the universities of Edinburgh, Dundee, Stirling, Strathclyde and Heriot-Watt were all established under royal charter. Funnily enough, they have all managed to rub along pretty well. They are world leaders, they have succeeded and thrived for 600 years, and they have managed all that without the Government interfering. It is funny that, now they are global leaders, they need the Government to tell them how to run their business.

Dame Jocelyn Bell Burnell of the Royal Society of Edinburgh and Professor Tim O’Shea have also conveyed concerns from their peers abroad and elsewhere in the UK, who are already asking difficult questions about why the Scottish Government is interfering in the running of our world-leading universities. Dame Jocelyn said:

“when I am abroad I have found people saying to me, ‘What is happening to the Scottish university? What is the Government there doing?’ The implication is that there is interference. There is also a not-quite-articulated implication that there is suppression of critical thought. That is not the word that you want to get abroad. It will be devastating for the Scottish National Party and for Scottish universities, but it is out there already and ... growing.”—*[Official Report, Education and Culture Committee, 6 October 2015; c 8.]*

We simply will not be able to attract the brightest and best staff and students to Scottish universities if that is being whispered at home and overseas.

For universities—as for this chamber—their most valuable currency is their reputation, and I hold that those reputations will be irreparably damaged if the bill goes through. Whatever the

final terms of the bill, the Government is already creating the perception that it is prepared to damage Scottish universities, and its relationship with them, for little or no gain.

I have two points to make before I finish—I am running out of time. We have not looked today at the code. A huge amount of the progress that we all want to see has been achieved by that, and it is up for review next year. There is already a commitment for governing bodies to have 40 per cent of both genders and, in the past year, 42 per cent of those who have been appointed have been women. I welcome that. There is more to do, but action is being taken through the voluntary code.

16:15

Dennis Robertson (Aberdeenshire West) (SNP): To an extent, it is strange that we are having this debate. I am not a member of the Education and Culture Committee or the Finance Committee, but my understanding is that the Education and Culture Committee has had one evidence session on the bill. We are far from having a report from the committee that we can discuss in a stage 1 debate. I listened to the cabinet secretary and I think that she gave members reassurance that, if we need to look at parts of the bill, she is listening. She gave assurances to try to allay the fears that seem to be coming through.

I am sometimes amused by Mary Scanlon’s remarks in the chamber but, for one minute there, I thought that I was listening to “Dad’s Army”, because it sounded as if we are doomed. We have been taken back to the 18th and 19th centuries, but we are in the 21st century and it is time to reform. Many members have quoted Universities Scotland, but I have not heard many quotes from the NUS. Ferdinand von Prondzynski’s report says that the universities are autonomous. That is quite right, but we are looking for a degree of reform.

I was delighted to hear Malcolm Chisholm’s opening remarks. I probably agreed with just about everything that he said, apart from maybe in the last couple of minutes, when he started questioning—although it is right to question. I heard what the cabinet secretary said in her opening remarks. If Labour members agree with the principles of the bill and their only concern is about reclassification by the ONS, they should listen to the cabinet secretary’s assurances. Let us have the stage 1 debate and consider amendments. The debate this afternoon is a bit premature.

Other members have mentioned that they are graduates of various universities. I am a graduate of none, but I can and do listen. We are in a situation where rectors, principals, students and

staff are saying that it is time for change, that they will embrace it and that universities should be more democratic and transparent. What is wrong with that? I do not see anything wrong with it. Nevertheless, some establishments want a degree of elitism and to try to prevent certain people from being on the boards or courts or whatever. What is wrong with being transparent and democratic? I would have thought that most members would welcome that, but it appears that that is not the case.

The ONS may reclassify, but we do not know whether it will. However, I believe what the cabinet secretary has said, which is that the Government would not use the powers and has no intention of using them. Perhaps there is a way to find consensus in the debate and to ensure that the powers do not come forward. I do not know, and that is because the Education and Culture Committee has had only one evidence session on the bill.

Why are we debating something in the chamber when it has not gone through its committee stage and we do not have a report and cannot consider the evidence base? We have had submissions and briefings, which have enabled us to have the debate, but I look forward to the stage 1 debate, by which time the committee will have had more evidence sessions, we will have had greater scrutiny and the cabinet secretary and the Government will perhaps have gone back to the committee and given a degree of reassurance. I hope that the committee will listen to that reassurance and can accept it.

I have nothing else to say, Presiding Officer.

The Deputy Presiding Officer: We have a little bit of time in hand now for interventions.

16:19

Hanzala Malik (Glasgow) (Lab): Thank you very much, Presiding Officer, and good afternoon to you.

First, I declare that, like Annabel Goldie, I have spent some time on the court of the University of Strathclyde.

I am pleased to speak today on the topic of Scottish universities. We can all agree that Scottish universities make a major contribution to our economy, our environment and our society. However, there are some issues regarding their governance that need to be clarified by legislation. I have been contacted on the issue by a significant number of constituents who either study or work in Glasgow's thriving universities. One constituent expressed their view very well, stating:

"I have become increasingly concerned at the lack of independence of my University Senate and Court bodies,

both of which appear to be very compliant in the face of questionable strategic decisions."

I would agree with some of those sentiments, if not all.

I whole-heartedly support the National Union of Students Scotland and the University and College Union in their calls for elected chairs in a bid to increase the transparency and accountability of governing bodies' decision making. However, there are sections of the Higher Education Governance (Scotland) Bill that cause me to question the motivation for the proposed reform, as I do not understand the problems that they seek to fix. Some people go as far as saying that the bill is perhaps trying to gag universities; there might be an element of truth in that, but time will tell.

The bill significantly raises the risk of reclassification of universities by the Office for National Statistics from non-profit institutions serving households to central Government bodies. Another issue that has come to light is that there are additional risks to HE institutions' charitable status from the bill. If we get the legislation wrong, we could cause severe financial damage to higher education institutions, and our decisions must ensure that that does not happen.

The Conservative Party motion states that our universities are "autonomous and diverse institutions", and that is a fact. There has been a lot of discussion about the autonomy of university governing bodies, but little has been said about their diversity. Research conducted by NUS Scotland in 2014 highlighted that, despite recommendations made in the Scottish code of good higher education governance, university courts are still dominated by men. Governing bodies also suffer from a lack of diversity in terms of wider protected characteristics. For example, they have low numbers of ethnic minority representatives, which I feel means that they are failing to properly reflect the diverse community in Scotland today—our population. Despite a recommendation in the code of good governance that institutions should monitor and report on the diversity of their governing bodies, no data on that is currently held. If it is not being produced voluntarily, perhaps the Parliament should consider making its production a statutory requirement to ensure that it happens.

It is vital that we protect our higher education institutions, which do so much for us in Scotland, in their contribution to not only the economy, the environment and society, but the future well-being of education. Historically, education institutions in Scotland have managed very well without the type of interference that the bill proposes. I genuinely do not understand why we need to risk fixing something that is not broken. I therefore suggest

to the Government that it needs to think very seriously before tampering with that situation. It should also think seriously about the need for representation on university boards to reflect the community out there.

16:25

Stewart Maxwell (West Scotland) (SNP): I am pleased to have the opportunity to discuss a number of important issues that have arisen concerning the Higher Education Governance (Scotland) Bill.

Before I get into that, I have to say that I thought that the speech by Dennis Robertson hit the nail on the head. Of course the Conservatives are entirely free to bring forward any subject they wish to debate in the chamber, but I think that this debate shows some disrespect to the parliamentary system and the Education and Culture Committee. [*Interruption.*]

The Deputy Presiding Officer: Order.

Stewart Maxwell: The fact is that the committee has not taken all the evidence, discussed the matter or written a report, and we are not at the stage 1 debate yet. I think that this debate is a bit premature, as other members have said, and Dennis Robertson was correct in his remarks.

Scotland greatly values the role that education plays in our society, and we are all rightly proud of the success of our universities. I am certain that the whole chamber is united in wanting to see our higher education institutions rated among the world's best. Having five universities in the world's top 200 is a remarkable achievement, and it seems to me that taking steps to modernise our universities so that they continue to be world leading is a worthwhile ambition.

The Higher Education Governance (Scotland) Bill has certainly received a lot of attention. The Education and Culture Committee's call for evidence generated a wide variety of comment and input from across the sector, with around 300 written submissions received from a diverse range of contributors. The committee undertook an oral evidence session earlier this month involving a number of expert stakeholders and Government officials. We also look forward to welcoming the Cabinet Secretary for Education and Lifelong Learning when she comes before committee in a couple of weeks' time to give further evidence on the bill.

During the evidence session on 6 October, I asked Scottish Government officials about the concerns that the Scottish Council of Jewish Communities had expressed about the widening of the statutory definition of "academic freedom". The response was that officials had not yet had a

chance to review the evidence that SCJC had submitted, due to the number of submissions that had been received. I would be grateful if the minister addressed the issue in his summing up. I hope that, after a number of weeks, there will be a response to those concerns.

There has been a degree of scepticism about the bill in certain sections of the higher education sector, but I welcome assurances from the cabinet secretary that she is working hard to address concerns and is in regular dialogue with key stakeholders on the issues. The cabinet secretary has also offered the assurance that all evidence that is submitted will be looked at seriously and that constructive suggestions will be listened to.

It is worth remembering that the bill is still in its early stages. A number of details still need to be addressed, but the overall objectives of the bill are extremely commendable.

Like many members, I have been contacted by a number of constituents about the bill. I understand that some universities have urged their alumni to write to MSPs to express concern about the proposals. I have seen some of those letters. It appears that a considerable amount of misinformation has been disseminated in the press and elsewhere, which has resulted in misconceptions about aspects of the bill.

That is not to say that correspondence from constituents has been only negative. Just last night I received an email from one of my constituents, who is an academic at one of our universities. He wrote to urge me to strongly support the proposals in the bill. He said:

"I hope that you will be able to offer your support for this Bill which I believe offers a rare opportunity to make positive farsighted reforms, which will be of lasting benefit not only to Scottish universities and those who work and study in them but also to the nation itself."

Across the sector, there are individuals, groups, organisations and representative bodies who are fully behind the Government's efforts to modernise and bring transparency and openness to the governance of the sector.

At the most recent First Minister's question time, the First Minister was clear that the Higher Education Governance (Scotland) Bill is not about the Government taking control of universities. If that was the case, I would be opposing the bill, as would other SNP members and members of the Education and Culture Committee, because that is not what this Government is about.

The bill is not about taking control of the university sector, and it is nonsensical to say so. Rather, it is about delivering a modern system of governance that meets the highest standards of transparency and inclusiveness. It is about placing the students and staff of higher education

institutions at the heart of decision making in our universities.

Neil Findlay (Lothian) (Lab): Does Mr Maxwell seriously expect us to believe that SNP members would oppose a bill that the Government has introduced? That would be a first, wouldn't it? [*Interruption.*]

The Deputy Presiding Officer: Order.

Stewart Maxwell: Is Mr Findlay seriously suggesting that members of this chamber do not think for themselves? That is insulting. It may be how the Labour Party works—I have no idea, because we have no idea what the Labour Party does from one day to the next—but the fact remains that members from across the chamber would not accept any Government interfering to take control of our higher education institutions. That applies equally to members on the SNP benches and members on other benches. Frankly, it is insulting to suggest otherwise.

The First Minister made it clear that the bill does not represent a threat to the charitable status of universities. The Office of the Scottish Charity Regulator responded to the Education and Culture Committee's call for evidence without raising any concerns about the bill's provisions in that regard. It is just one example of an area of the proposed legislation that has been—to be kind about it—misinterpreted.

Concerns have also been voiced about the potential risk that the proposals pose to the role of rector in the ancient universities. However, as we have heard, the bill seeks not to abolish the position of rector but, on the contrary, to extend the elected chair model to the governing bodies of every university in the country. The Scottish Government has repeatedly said that the proposal for new elected chairs is not intended to lead to the abolition of rectors. Indeed, when the committee wrote to the cabinet secretary ahead of its stage 1 scrutiny of the bill, she confirmed that the Scottish Government would seek to minimise and even remove any features that could negatively affect the role of rector.

I had intended to discuss the issue of ONS reclassification, but other members have covered the issue in detail. Having listened carefully to the arguments, I am of the view that there is no serious risk to the financial position of Scotland's HEIs and that the suggestion is a smokescreen or a scare story.

Undoubtedly, there has been a degree of scaremongering about the proposals, and it is unfortunate that that has distracted from what the bill sets out to achieve. Some people have even questioned why the Scottish Government is bothering to pursue such legislation. However, although I accept that there has been some

progress since the introduction of the code of good HE governance following the von Prondzynski review, that does not mean that there is not still substantial room for improvement.

The Deputy Presiding Officer: If you could draw to a close, I would be grateful.

Stewart Maxwell: Our universities are a real success story, and I do not accept that moves to improve their governance will put that success at risk. Although the bill is still at an early stage, it is important to remember that it is underpinned by the comprehensive research and recommendations of Professor von Prondzynski. If universities do not exist to serve their students, staff and communities, who do they exist to serve? I have yet to hear a convincing argument for what is wrong with giving staff and students a greater say in how their universities are governed. It is only right that every voice on campus be given the opportunity to be heard equally.

The Deputy Presiding Officer: Thank you very much. We now come to the closing speeches.

16:33

Mark Griffin (Central Scotland) (Lab): At the Education and Culture Committee at the start of the month, I said that I support the general principles of the bill. I support the inclusion of trade union reps and student reps on governing bodies as a democratisation of higher education institutions' governing bodies, and that support has been echoed by all my Labour colleagues in the debate today. It is unfair to question our support for those principles because of the concerns that we have raised around ONS reclassification.

In committee, I also said that the issue of ONS reclassification was quickly becoming a key issue for the Scottish Government—understandably, given its potential impact on the sector. Given the real fears in the university sector about the financial implications of reclassification, it is only right that we debate the issue in the chamber today. George Adam and others have talked about its detracting from the positive measures in the bill. I agree with Mr Adam, which is why I think that the Government should support both the motion and the amendment, giving a commitment to remove the sections that increase the threat of reclassification.

Jennifer Crow of Robert Gordon University said:

“ONS reclassification is a real risk to the sector when it comes to future investment and success. As governing bodies, we absolutely have to take financial accountability into account. Our principals are accounting officers in relation to the Scottish funding council, and as chairs and boards, we are accountable for the financial sustainability of the organisations as a whole. The ONS reclassification

of colleges as public bodies has had a severe impact on the further education sector, and it is not a risk that we can afford to take with the HE sector. We are too successful, and we are too important to the Scottish economy, to put the sector at risk.”—[*Official Report, Education and Culture Committee*, 6 October 2015; c 31.]

All parties—in the motion, in the amendments and in members’ speeches in the chamber—have recognised the importance of the higher education sector to Scotland’s economy and our international standing, so we should be listening to the sector’s views and responding to its concerns.

The Government amendment states that it

“would always seek to avoid any risk of the reclassification of higher education institutions as public sector bodies by the Office for National Statistics, and further notes that the Bill’s provisions do not increase that risk”.

However, that directly contradicts the evidence given to the Finance Committee and Education and Culture Committee by Scottish Government officials. Scottish Government officials stated:

“we deem reclassification to be a low risk.”—[*Official Report, Finance Committee*, 16 September 2015; c 46.]

Granted that officials stated that they believed it to be a low risk, it is a risk all the same.

My view is similar to that of Liam McArthur and Malcolm Chisholm: I cannot understand how a Parliament could support an amendment, in the name of the cabinet secretary, that directly contradicts the evidence given to parliamentary committees by the cabinet secretary’s officials.

Angela Constance: Is the member aware of the correspondence that I sent to the Finance Committee? That goes through in detail the European system of accounts 2010 guidance, which essentially looks at the indicators of Government control and how we assess the risk cumulatively, as Mr Chisholm mentioned, and how we look to each indicator separately. We have shared our assessment and why we have reached the conclusion that the bill does not increase the risk of ONS reclassification.

Mark Griffin: I put questions to officials at the Education and Culture Committee on the assessment, and I will come on to that in a minute.

As I said, Government officials believe there is risk of reclassification and have stated:

“It is an extremely serious issue”.

Universities Scotland also believes that there is a risk of reclassification but, in its assessment, has concluded that, far from being low risk, it is at an amber to red level of risk.

I questioned Scottish Government officials about the risk assessment process. They confirmed that the process that they have followed is, as the

cabinet secretary has outlined, the same one that was followed by Universities Scotland:

“they have looked at exactly the same material”

and exactly

“the same indicators of control”.—[*Official Report, Education and Culture Committee*, 6 October 2015; c 43, 44.]

My concern is that we have a radically different outcome, with Government coming to the conclusion that there is a low risk and others coming to the conclusion that the risk is much, much higher. I am not taking sides in a debate; I am simply flagging up a gulf in the legal opinion. When the consequences are so far reaching, the Government must take that seriously.

John Mason: Will the member give way?

Mark Griffin: Sorry—I am pressed for time.

It is of utmost importance that, given the significance of the sector, the Scottish Government seriously considers the course of action suggested in the motion and our amendment, seeks urgent external legal and technical advice on the matter, and publishes in full all the analysis. In the minister’s closing remarks, I would welcome a further commitment from him to remove all sections in the bill that could increase the risk of ONS reclassification. If the Government is serious about addressing the concerns, it will follow that sensible and pragmatic course of action.

There have been other issues and other pieces of legislation that we have debated in Parliament on which the Government has believed its position to be correct—in relation to legal advice on the European Union, college reorganisation and VAT exemption for the new national police and fire services, for example—but on which it has simply been wrong in its assertions and assumptions. The repercussions of the Government getting it wrong on higher education governance are so serious that I ask it to take another look at the issue and to consider the course of action that is set out in our amendment.

16:40

The Minister for Learning, Science and Scotland’s Languages (Dr Alasdair Allan): The Scottish Government certainly welcomes today’s debate, and I have noted carefully all the contributions to it, many of which were very considered indeed. I am thinking of the speeches of Liz Smith, Cara Hilton, Liam McArthur, John Mason, Malcolm Chisholm and many others. Some contributions were predictable. Some of my friends who are graduates will be surprised to learn from Iain Gray that tuition fees were

abolished 14 years ago, but let us not rehash that debate.

There were also some speeches that, although thoughtful, I would have to disagree with. I feel that Baroness Goldie, in an otherwise carefully considered contribution, talked about the governance of our universities as if they were merely corporations. They are a great deal more than that, and I think that—perhaps unwittingly—she failed to fully realise that when she pursued the argument that university courts should be accountable primarily to themselves and not to a wider academic community.

Annabel Goldie: I was at pains to refer to the SQA inquiry that was conducted by the Parliament, which concerned the governance of a public body, so I make it clear that I had no desire to conflate the governance of HEIs with corporate governance. I gave a public body example. The Enterprise and Lifelong Learning Committee refuted the very model that the cabinet secretary wants to introduce.

Dr Allan: My point is about the wider responsibility to a community, and I stand by my remarks on that, notwithstanding what the member has said.

Important comments were made about academic freedom, which the bill seeks to enshrine, but I must differ with Hanzala Malik, who must have been talking about a different university system, because at no time is the system in this country subject to Government gag.

On the other side of that discussion, Mr Maxwell raised interesting questions. I would be happy to meet his constituents. I do not want to pre-empt what they have to say, but I suspect that some of their questions might be to do with the part of the bill that deals with academic freedoms. I make it clear that academic freedom is not an excuse to incite criminality or acts of racial or religious hatred, and the bill will make that very clear. I will be happy to meet Mr Maxwell's constituents to discuss their concerns.

The Tories told us their view of the bill, to which I will seek to respond shortly. Before I do, I must admit that I am little nearer understanding Labour's stance in principle on the bill. I welcome the fact that Labour has said throughout the debate that it is supportive of the idea that university governance should be reformed to allow staff, students and unions to play a greater role. The problem with the position of the Labour Party is that, in joining us on that, it simultaneously felt compelled to join the Tories in their argument that pretty much anything and everything that we have included in the bill is, at least in theory, a threat to the ONS classification of our universities. As I have already said, it is difficult for Labour to hold a

credible position unless it can tell us what it would like to put in the bill. I look forward to hearing about that.

Iain Gray: The minister's position is patently absurd. We support elected chairs, we support greater transparency and we support trade union and student representation. The way in which that is to be achieved should appear in the bill. It will then be possible to remove from the bill those undefined powers for ministers that the minister and his colleague the cabinet secretary have spent the whole afternoon telling us they do not want to exercise anyway. I hope that that is straightforward enough for the minister to understand.

Dr Allan: Perhaps Mr Gray can suspend his patronising tone for long enough to appreciate that those on this side of the chamber completely appreciate those points and that there is a certain onus on members to come forward with ideas for bills that they attack in the chamber.

As far as I can tell—and it will be interesting to see how its members vote on it—Labour agrees with my belief that the Higher Education Governance (Scotland) Bill will improve the modernity, transparency and inclusivity of governance in our higher education institutions. This year, the Scottish Government is investing more than £1 billion in our higher education institutions to advance learning and foster inclusive economic growth. The autonomy of higher education institutions helps them to be forward thinking and innovative; on that much I think we are all agreed, and I put on the record that, as the cabinet secretary has made clear, the Government is not interested in ministers having any role in the business of running universities or in interfering in what individuals universities appoint to any post.

However, the idea that the rules under which universities operate are incapable of improvement is a counsel of despair and one that I reject. I also reject the implication that nothing can be done to make the governing bodies of universities more reflective of the communities that they serve. The assertion that is implied in the motion that any attempt to make such an improvement is inimical to academic freedom has not been substantiated or borne out in the debate. The bill aims to strengthen governance in our institutions by empowering all staff and students to play a full part in guiding our academic institutions further into the 21st century.

I make it clear, again, that we are not of the view that the bill's content adds to any risk of reclassification by the ONS of Scottish higher education institutions as public sector bodies.

Liam McArthur: Will the minister give way?

Dr Allan: I have to come to a conclusion now, but I will add that reclassification is not an outcome that the Scottish Government would ever seek.

I reiterate that, as we begin to plan for stage 2 of the bill's parliamentary consideration, we continue to examine all the constructive ideas and suggestions that stakeholders put to us and the relevant committees of the Parliament. The cabinet secretary has made very clear her willingness to do that. On section 20, which was mentioned at one point in the debate, it is worth pointing out that such a provision is pretty much standard to most, if not all, pieces of legislation. Nevertheless, the cabinet secretary has already indicated that she is open to thinking about section 1, and I am sure that we will have discussions at stage 2 about sections 8 and 13.

In conclusion, I emphasise the bill's aim of helping to enhance the reputation of our institutions, which are world class and which I believe this legislation will help into the future.

The Deputy Presiding Officer: I call Gavin Brown to wind up the debate. Mr Brown, you have until 4.59 pm, which is just over 10 minutes.

16:48

Gavin Brown (Lothian) (Con): At the start of the summer, a rumour was circulating that the Scottish Government had been blindsided by the ONS reclassification issue. Of course, not all rumours prove to be true, so I was keen to hear the evidence to the Finance Committee and the Education and Culture Committee. Every day since the rumours first began to circulate, it has become more and more apparent that the Government has done nowhere near enough work on the ONS reclassification issue. Given what could be at stake, it is simply unacceptable for the Government to behave in that fashion.

John Mason: Will the member give way?

Gavin Brown: In a moment.

ONS reclassification is not some kind of mythical beast; it is a real possibility, and this Government and this Parliament should be extremely cautious after what happened with the Aberdeen western peripheral route. In recent months, we have seen evidence of the implications of reclassification; indeed, we were told in advance of the AWPR situation that every precaution had been taken, that we were extremely safe and that it would not happen—and yet it did. There are schools and hospitals up and down the country that could be reclassified next month and in December, so the Scottish Government is taking an absurd position by saying that we need not worry about anything. We have

seen it happen, we have been burned already, and we should take every single precaution to make sure that it does not happen again.

I said that I would give way to Mr Mason, so I do so now.

John Mason: I thank Gavin Brown for giving way. Does he accept that the Scottish Government has developed considerable expertise and that it is quite hard to find other organisations out there with more expertise?

Gavin Brown: There has not been a huge amount of expertise evident in the chamber today from the SNP. However, Mr Mason asked a perfectly reasonable question. Who could possibly give the Scottish Government advice? That was the tone of his question. Well, Presiding Officer, there is any number of large law firms in Edinburgh and beyond in Scotland, and any number of financial institutions, that could give the Government advice. Mr Mason may be keen to know that, even when the AWPR issue came up, the Scottish Government did its best—at times, at least—to try to make that safe. John Swinney gave evidence in the chamber that the Government had taken five separate bits of legal and technical advice from external sources to try to ensure that it could give that project the best chance.

It is therefore inexplicable that the part of the Scottish Government with responsibility for higher education has not taken a single piece of external advice. Nobody outside the Scottish Government has given any technical, financial or legal advice on an issue that could cost our universities £1 billion a year if we get it wrong. I repeat that that could be the outcome if we get it wrong. It could be the case that the situation is reviewed and a decision is made that universities should remain as non-profit institutions serving households, but it is equally possible that it will be decided that universities must be public sector, with the result that they would lose £1 billion. That is why we need to be extremely cautious.

I want to pick up on some of the issues that have been raised. Chic Brodie mentioned that reclassifying universities is not specifically on the ONS's published calendar for its work plan. That is true. The published work plan shows that it has agreed to look at higher education institutions south of the border but, as we know, there is every possibility that it could look at Scottish institutions, particularly as legislation is going through. There is a historical precedent for that. When colleges and sixth-form colleges were first looked at, Scotland was not on the map, but we all know what happened in 2010. Scottish colleges were brought into that inquiry and they were reclassified into a position that they have remained in ever since. Just because reclassifying Scottish universities is

not specifically on the agenda today does not mean that it will not happen, and I think that there is every possibility that it would come up.

I would like to deal with the confusion that a number of members, primarily in the SNP, have come up with today. They have tried to use a letter from OSCR as a crumb of comfort. Anyone who is doing that is conflating two entirely separate issues. ONS reclassification is a separate issue from a decision on charitable status by OSCR. That OSCR letter is extremely helpful on the subject of charitable status, because it is OSCR that would ultimately decide that, so we can take some comfort from the letter, although I must point out that OSCR says that it would look at how the regulations were actually used and that it could reach a different view in future from the one that it has reached at this stage. However, that letter will be of no value whatsoever when the ONS takes its decision on reclassification, so I am afraid that any member who thinks that we can rely on that is severely misguided and has quite simply got it wrong.

We heard that the Scottish Government does not want any of the extra powers and does not want ministerial control, and we heard the suggestion that some of the powers that it is being given are just a simple tidying-up exercise; “future proofing” was the exact term that was used. For the record, I am going to read out section 8 of the bill, just so that we can be clear about the type of powers that are being given. Section 8 gives Scottish ministers the power to modify the governing body of all of our universities. It states:

“The Scottish Ministers may by regulations modify—

(a) the categories of membership”

of people who can be on governing bodies, and

“(b) the number of persons to be appointed under a particular category in that section.”

That is a pretty strong power. That is not just future proofing or a tidying-up exercise, and that is causing deep concern to universities across the land.

Angela Constance: I will reiterate some of what has been said during the debate. For the record, I have already said that section 1 will be replaced when we insert the model of elected chairs. As Dr Alasdair Allan said, sections 8 and 13 can be looked at, as would be the norm under parliamentary process. Section 20 is a fairly standard clause that is in many pieces of legislation.

Gavin Brown: Why on earth did those powers go into the bill in the first place? The Government had a full report and held a full consultation on what ought to be in the bill, which asked 37 questions. Why on earth did the Government not

mention that it intended to put those powers in the bill?

Iain Gray *rose*—

Gavin Brown: If the minister cannot answer that question, perhaps Iain Gray can.

Iain Gray: Does Gavin Brown think it passing curious that, although the cabinet secretary is saying that she will make some of the changes to the bill that we have been asking for, the Government amendment tells us that the bill is in fact already perfect and has no problems?

Gavin Brown: The debate is becoming a bit circular. I cannot possibly say why the minister and the SNP have taken that view.

I will echo the comments of a couple of other members by saying that I am genuinely perplexed by the Government amendment. The Government claims to be open and listening, but it says in black and white—in clear terms—that it does not think that the totality of the terms of the bill will move by one iota the risk of ONS reclassification. I do not know how any Government could say that the bill is risk free and will not move the current risk at all, particularly when that Government has not taken any external legal, technical or financial advice.

There has been legal advice. The universities took legal advice and they took the particularly helpful and extraordinary step of putting it in the public domain. They gave their full legal advice to the Finance Committee and the Education and Culture Committee, after which it went online, where anybody could access it.

What I do not understand is why, despite the legal advice being out there for all to see and the Government having a fixed view of the situation, almost a month later there has been no formal rebuttal by the Scottish Government to the legal advice given by Anderson Strathern. I find it remarkable that it has not even attempted to rebut the legal advice that was given. Why has it not taken its own legal advice and why has it not attempted to address the issues that have been raised? Anderson Strathern concludes that the bill heightens the risk and takes us into borderline territory, which is an extremely uncomfortable place for our universities to be. It says that an ONS assessment exercise

“should appear at the level of ‘significant risk’ on their risk registers.”

Those are strong conclusions.

Anderson Strathern lays out clearly what documents ought to be looked at: “European system of accounts: ESA 2010”, the “Manual on Government Deficit and Debt: Implementation of ESA 2010”—MGDD 2014—and Treasury guidance from 2013. However, the Scottish

Government's letter to the Finance Committee made no mention of two of those documents and no mention of the indicator of control that looks at changes to university constitutions, and it gave scant regard to the indicators that it did mention. In particular, the indicator on Government control via regulation, which relates to one of the main complaints about the bill, is skimmed over in the Government's letter.

We have been burned in the past by ONS reclassification, so we should be ultra-cautious as we proceed. We should take every bit of advice that we can and, if there is any doubt whatsoever, those sections must be removed from the bill. It is incumbent on the Scottish Government to take legal advice and publish it, and to remove any doubt. The consequences of not doing so could be dramatic for our universities, and they could take many years to fix.

Business Motions

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-14620, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Tuesday 3 November 2015

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate: Trident, Welfare or Warfare

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 4 November 2015

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Finance, Constitution and Economy

followed by Scottish Labour Party Business

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 5 November 2015

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Stage 1 Debate: Carers (Scotland) Bill

followed by Financial Resolution: Carers (Scotland) Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 10 November 2015

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Business

followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business
 Wednesday 11 November 2015
 2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions
 Rural Affairs, Food and Environment;
 Justice and the Law Officers
followed by Scottish Government Business
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business
 Thursday 12 November 2015
 11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
 12.30 pm Members' Business
 2.30 pm Parliamentary Bureau Motions
 2.30 pm Scottish Parliamentary Corporate Body
 Questions
followed by Scottish Government Business
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time—[*Joe FitzPatrick.*]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of three business motions. I ask Joe FitzPatrick, on behalf of the Parliamentary Bureau, to move motions S4M-14617, S4M-14618 and S4M-14619, which set out timetables for various bills.

Motions moved,

That the Parliament agrees that consideration of the Abusive Behaviour and Sexual Harm (Scotland) Bill at stage 1 be completed by 22 January 2016

That the Parliament agrees that consideration of the Private Housing (Tenancies) (Scotland) Bill at stage 1 be completed by 22 January 2016.

That the Parliament agrees that consideration of the Inquiries into Fatal Accidents and Sudden Deaths etc. (Scotland) Bill at stage 2 be completed by 8 November 2015.—[*Joe FitzPatrick.*]

Motions agreed to.

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-14460, on approval of a Scottish statutory instrument.

Motion moved,

That the Parliament agrees that the Mental Health (Detention in Conditions of Excessive Security) (Scotland) Regulations 2015 [draft] be approved.—[*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 four questions to be put as a result of today's business. I remind members that, in relation to the debate on Scotland's universities, if the amendment in the name of Angela Constance is agreed to, the amendment in the name of Iain Gray falls.

The first question is, that amendment S4M-14596.2, in the name of Angela Constance, which seeks to amend motion S4M-14596, in the name of Liz Smith, on Scotland's universities, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

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

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

Against

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

Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The amendment in the name of Iain Gray therefore falls.

The next question is, that motion S4M-14596, in the name of Liz Smith, on Scotland's universities, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

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

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

Against

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

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

The Presiding Officer: The result of the division is: For 64, Against 54, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament believes that, as well as their long-standing reputation for academic excellence, the autonomy of Scotland's higher education institutions is a fundamental part of what makes them successful on the world stage, helps them to attract students and staff of the highest quality and enhances their international competitiveness and reputation for exemplary teaching and research; further believes that the provisions to enable more modern and inclusive governance in the Higher Education Governance (Scotland) Bill will enhance the reputation of the country's institutions, present no threat to their financial wellbeing and ensure that all parts of the campus community, including students, staff and trade unions, are better included in the strategic decisions that guide the future path of Scotland's excellent and highly-valued higher education institutions; recognises the commitment that the Scottish Government has made to higher education by investing over £4 billion in the sector in the last four years to enable universities to lever in money from other sources and help Scotland maintain its reputation as a leading nation in higher education; notes that the Scottish Government has no intention of advancing ministerial control over the higher education sector and would always seek to avoid any risk of the reclassification of higher education institutions as public sector bodies by the Office for National Statistics, and further notes that the Bill's provisions do not increase that risk and that the Scottish Government continues to listen carefully to the views and constructive suggestions made by all higher education stakeholders on the provisions in the Bill, including ideas for potential amendments that can enhance the positive and beneficial impact of this legislation.

The Presiding Officer: The next question is, that motion S4M-14460, in the name of Joe FitzPatrick, on approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the Mental Health (Detention in Conditions of Excessive Security) (Scotland) Regulations 2015 [draft] be approved.

General Practices at the Deep End (Healthy Life Expectancy)

The Deputy Presiding Officer (John Scott): The final item of business is a members' business debate on motion S4M-14164, in the name of Patricia Ferguson, on general practitioner practices at the deep end, healthy life expectancy. The debate will be concluded without any question being put.

Motion debated,

That the Parliament records its appreciation of the general practitioners and staff in the "Deep End" practices, who it considers work in the most challenging of circumstances; understands that these practices serve the 100 most deprived populations in Scotland; is concerned that patients in the areas served by the practices will have up to 20 fewer healthy years in their lifetime; considers this to be a matter of serious concern both for the people affected and for the GP practices that they attend; considers that the funding distribution arrangements take no account of the additional burden that this places on staff and resources; regrets that the Balmore Practice in Possilpark has been forced to appeal to the local NHS trust for assistance in respect of its financial situation, and notes calls for the Scottish Government to review the present funding formula and do all in its power to eradicate health inequalities.

17:04

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I thank colleagues from across the Parliament who have signed my motion and made this debate possible.

General practitioners at the deep end are those who work in the 100 most deprived populations in Scotland, based on the proportion of their patients with postcodes in the most deprived 15 per cent of Scottish data zones. I apologise now for the fact that my speech will contain an awful lot of statistics, but I think that they will help to emphasise the case that I wish to make. The statistics show that people who live in such areas are likely to attend their general practice more often and will need longer appointment times, because they are likely to present with more than one health issue at a time. That, in turn, means that GPs with even a small or average-sized patient list in those areas are likely to have a greater workload than their colleagues in more affluent areas, simply by dint of their geographical locations and the health issues that their patients have.

To understand the situation, it is helpful to compare the statistics. Across Scotland, the average prevalence per 100 patients of chronic obstructive pulmonary disease—COPD—is 2.21. I repeat: that is 2.21 patients out of every 100. In the Balmore practice in Possilpark in my constituency, that jumps to 4.18 in every 100. At

the other end of the scale, in a relatively affluent area of Glasgow, Hyndland, the figure is only 0.63. The figure is 0.63 in Hyndland, it is 2.21 on average in Scotland and it is 4.18 at a particular practice in my constituency.

The equivalent statistics for smoking-related ill health show that 24.87 people per 100 is the average figure for Scotland. The Balmore practice has a figure of 29.17, and Hyndland has just 13.6. It is no wonder that GPs in practices such as Balmore are frustrated and angry about their predicament and that of their patients.

It is widely recognised, and has been for a very long time, that men and women in the most deprived fifth of the population will die 10.4 and 6.9 years earlier, respectively, than those in the least deprived fifth.

The fact that disturbed me most—it was new to me when I read it first, I have to confess—and which has been the catalyst for this motion and debate, is the difference in healthy life expectancy, which is the estimate of how many years people are expected to live in a healthy state. Looking again at the most deprived fifth and the least deprived fifth of the population—the two extremes—we find that the figures could not be more stark. The healthy life expectancy of men and women in the most deprived fifth ends 20.8 and 20.4 years earlier, respectively, than for those in the least deprived fifth. That potentially means 20 years of productivity lost for individuals and their families—20 years, possibly, of pain or discomfort, and potentially 20 more years of stress and anxiety. That is not right, and it cannot be acceptable.

Practices such as Balmore provide their patients with an excellent service. The team of doctors and nurses and the pharmacist work together to continue to do so. However, they are struggling to do everything that they want to do and everything that they are expected to do within their existing resources.

In summary, GPs at the deep end are dealing with patients who have higher levels of multimorbidity at a younger age. Those patients need longer appointments and more follow-up and support. The average spend per annum in those practices is £118 per patient per year, compared with the Scottish average of £123, and £127 per patient per annum in the most affluent fifth.

If those general practices have no additional funding for recognising the difficulties and problems that they and their patients face, it stands to reason that the staff in those practices are working longer hours in more challenging circumstances, and that that will eventually affect recruitment and retention. There is even a name for that phenomenon: the inverse care law. It

states that the availability of good medical care tends to vary inversely with the need for it in the populations that are served.

In their submission to the consultation on a fairer Scotland, the GPs at the deep end stated that that is

“not a law of nature ... but a longstanding man-made policy which restricts access to care based on need.”

It is surely time to end that situation and to recognise that we have a particular set of circumstances that puts huge demand on the deep-end practices and everyone who works in them. We surely have to find a way of funding GPs that does not take a one-size-fits-all approach. Across the country, we have already witnessed GP practices without those problems and issues experiencing problems with recruitment and retention of staff. It is sheer dedication and commitment that is keeping many of our GPs in post at the moment.

The First Minister's announcement yesterday of additional funding for GP training is good news, but how long will it take to filter through the system and make a difference? We need more action now to avert escalation of this crisis.

In July, the Balmore practice sent an 11-page open letter to the health board; I am sure that the Minister for Sport, Health Improvement and Mental Health has had an opportunity to see that for himself. The letter detailed the problems that are faced and made some suggestions about solutions. Fortunately, NHS Greater Glasgow and Clyde has decided to give the practice some additional support and help. That is welcome, but it is not a long-term solution and it seems to me that such practices need long-term solutions.

In closing, I can do no better than to quote again from the submission that the deep-end practices made to the Scottish Government's consultation on a fairer Scotland—a document that actually did not talk about their particular predicament, in any case. The submission said:

“Equitable access to emergency care has been a shining example of the NHS commitment to comprehensive health care, based on need and free at the point of use. A similar commitment is needed to reduce inequitable access to non-emergency care, especially general practice, and to reduce social variations in access to specialised and centralised services.”

That is surely a sentiment that we can applaud, and one that our policy and funding should support.

17:12

Bob Doris (Glasgow) (SNP): I welcome the debate this afternoon as an opportunity to draw attention to the significant pressures that are being experienced by Balmore practice in Possilpark. I

have not signed the motion itself because I do not accept the proposition that is made in the motion that, in relation to deprivation levels,

“funding distribution arrangements take no account of the additional burden that this places on staff and resources”.

However, I welcome the debate around whether sufficient account is taken of deprivation levels, and I commend Patricia Ferguson for putting many of the statistics on the record this afternoon. They need further interrogation.

I want to focus on Balmore practice in Possilpark. It has made a powerful case to NHS Greater Glasgow and Clyde for additional resources for the pressures that it faces. Following a meeting with the GPs there, I have also corresponded with the health board to make the case for additional resources. I have also drawn the matter to the attention of the Scottish Government and I welcome the fact that the Cabinet Secretary for Health and Wellbeing has agreed to meet me to discuss some of the concerns.

I welcome the additional locum cover that is being provided to Balmore practice by the national health service. That cover amounts to three half-day sessions by a locum GP for 12 weeks. Correspondence that I have received from NHS Greater Glasgow and Clyde says that the additional support will

“fully explore the issues raised by the Practice and together take steps to ensure the continued viability of the practice”.

In fully exploring those issues, I urge the NHS to consider properly the high level of patients with complex health needs and significant multimorbidities, as well as the profound health inequalities that exist. It is also worth highlighting the many asylum seekers who have enriched Possilpark but who often also have complex health needs.

I will highlight two additional matters before looking at a positive and constructive way forward. First, locum GP support is welcome, but for understandable reasons of continuity of care, locum GPs often do not see the most clinically challenging and complex patients when they are providing cover. Those patients would see their regular GP. We must ensure that any exploration of the demands that are placed on Balmore practice takes account of the day-to-day reality for the resident GP partners.

Patricia Ferguson: I would surely echo the point that Mr Doris is making about continuity of care. I am sure that he will agree with me that the fact that another GP has now resigned from that practice makes the situation all the more critical.

Bob Doris: I thank Patricia Ferguson for making that point. If I had had time, I would have

developed that point further, but it is a point well made.

Secondly, the additional locum GP support will end just before Christmas. In other words, it will be withdrawn just as the peak winter pressures are about to be placed on Balmore surgery. I hope that NHS Greater Glasgow and Clyde will continue the additional locum support into the new year while it analyses the findings of its review of Balmore practice. I am making those points to NHS Greater Glasgow and Clyde, and I would like the Scottish Government to consider making similar representations to that health board.

The Scottish Government has recently announced an additional £60 million for the primary care development fund to help to ensure the quality of care in general practice. It is being delivered following discussions with the British Medical Association and the Royal College of General Practitioners. Given that some of that cash will seek to support, develop and test new ways of working in order to improve services, I ask that consideration be given to working with Balmore practice to fund any new ways of working. A pilot could take place in Possilpark. The practice is already developing new models of working—for example, giving a greater role to pharmacists. The citizens advice bureau is also involved, as are addiction workers and a range of community nurses.

I believe that working with Balmore practice, including by ensuring that there is sufficient locum cover to allow the resident GP partners to develop those new services and pilots, is essential. It is a good way to use Government and health board money on the new ways of working that we all want to see.

I finish by thanking practice manager Susan Findlay for taking the time to speak to me this morning. Susan, along with doctors Allison Reid and Lynsay Crawford, as GPs at Balmore practice, have to deal with the day-to-day reality of working at the coalface of a wonderful community, but one with huge challenges. I am delighted to be part of this debate, because I think that together, and constructively, we can build a better way of delivering the health service for the constituents whom we all want to represent to the best of our abilities. Thank you, Presiding Officer.

17:17

Dr Richard Simpson (Mid Scotland and Fife) (Lab): I congratulate Patricia Ferguson on obtaining this important debate.

As I always do, I want to begin by giving credit to the Government for providing funding to the deep-end group so that it can meet. That type of getting together by doctors from practices in the

15 per cent most deprived areas of Scotland has in itself been beneficial in reducing the isolation that is often felt by general practitioners. Recognition that there are problems that they share is a good starting point. It is clear from the extensive papers published by group members that their views have a wide resonance not only in Scotland but across the United Kingdom.

The unpalatable fact is that the inverse care law to which Patricia Ferguson referred, and which was propounded almost half a century ago in Wales by Dr Tudor Hart, is alive and well in Scottish general practice. In essence, the inverse care law is that the provision of resources is in inverse proportion to the level of need.

As Patricia Ferguson has illustrated, the level of need is beyond question. The people we are discussing have significantly higher levels of both physical and mental ill health and a shorter life expectancy. Almost as important, the period during which they have to put up with ill health is much longer.

In the first session of the Scottish Parliament, the Health and Community Care Committee interrogated what was then known as the Arbuthnott committee about the basis for NHS resource allocation. I would like to ask the minister to indicate in his response whether the successor committee, known as the NHS Scotland resource allocation committee, now takes into account not just population, the elderly and deprivation but actual need, which can now be largely determined by the far better recording of epidemiological data—something that the Arbuthnott committee could not achieve.

In my view an instruction to health boards to ensure that resource allocation to primary care is based on need is long overdue. It is clear that the poorest decile have double the amount of mental illness and much greater amounts of physical illness. The greater prevalence of mental illness is a feature of the poorer areas. They account for twice the number of face-to-face consultations for mental illness and three times the prescribing of antidepressants. The fact that more resources are allocated to practices with much lower levels of deprivation is utterly appalling.

The challenges of multiple morbidities, social complexity, shortage of time for the GPs and their staff, reduced expectations, lower enablement, poor health literacy, increased practitioner stress and weak interfaces with the rest of the services appear collectively in the deep-end publications.

The only move that the Government has taken so far, as far as I know—the minister can correct me—is to fund the recruitment of a small number of liaison workers. That is no doubt helpful. It has been demonstrated by deep-end sponsored

research that there is a significant need for benefits advice, for example, to ensure maximum uptake. That is vital. The study in question was actually done in Possilpark, although not in the Balmore practice. Every practice in the deep-end group should be supported by someone helping with benefits advice to ensure the maximisation of benefits uptake, because this is about social medicine as well as physical and mental health.

GPs need to have an understanding of the current conflicted and fragmented benefits system, and they will need to understand the new systems that will come in with the proposed transfer of powers under the Scotland Bill.

Hitherto, Scotland was blessed with equality of GP provision, in that every area had a GP available, but that is no longer the case. We are now facing a crisis, which the Government is beginning to appreciate. If GPs resign from more practices, such as the Balmore practice, and if more practices close, such as the Methil practice in my area, we will have real problems.

The announcement of 100 more GP training places is welcome but 20 per cent of current trainee places are vacant, mainly in the west of Scotland, so that is not really going to help.

In a recent freedom of information request we asked health boards whether they had undertaken a risk assessment and had a risk register for the risks being faced by their general practices. Only three boards said yes—only three. If health boards do not assess the risks for their GPs, we are in as much trouble as we were when the Government previously denied the problems in general practice.

The Deputy Presiding Officer: Due to the number of members who still wish to speak in the debate, I am minded to accept from Patricia Ferguson a motion without notice, under rule 8.14.3, to extend the debate by up to 30 minutes.

Motion moved,

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—[Patricia Ferguson.]

Motion agreed to.

17:22

Nanette Milne (North East Scotland) (Con): I realise that this is a serious issue in Patricia Ferguson's constituency, but the debate also gives us an opportunity to look at the wider problems associated with GP practices and patients in deprived areas. I therefore congratulate Patricia Ferguson on securing the debate.

I think that we would all agree that general practice in Scotland faces challenges ahead, with factors such as the growing shortfall in the number

of GPs to look after an increasingly elderly population with complex comorbidities and the number of GPs who are set to retire in the next five years but who are unable to attract replacements. There are also many qualified GPs who are moving abroad to practise.

We start with a situation in which there is if not a crisis then a serious problem with overworked GPs and understaffed practices. It is clear that that problem is magnified in areas where there is manifest deprivation, including, as Patricia Ferguson said, places such as Possilpark and other parts of Glasgow.

The University of Glasgow's research into general practitioners at the deep end throws up some very concerning facts and figures regarding life expectancy and the broad health and wellbeing of people in the most deprived areas of our society.

The fact that men live over 10 years less and women nearly seven years less than the Scottish average in the most deprived fifth of the population is something that needs to be addressed. We also need to address the fact that, as has already been said, in the most deprived fifth of the population, men and women spend twice as long in poor health before they die, with men facing 23 years of poor health compared with an average of nearly 13 years and women facing nearly 26 years of poor health compared with an average of 12 years.

Clearly, those statistics have a huge knock-on effect on GP services, with poor health leading to greater demands on local surgeries. However, the real problem lies in the difference between demand and unmet need. In giving evidence to the Health and Sport Committee on health inequalities, Professor Graham Watt from GPs at the deep end told us that the challenge lies in defining the extent of unmet need in the primary care system. In deprived areas, there are people with conditions—often of a specialist nature—that are not dealt with, either through individuals not seeking help or through specialist services being seen as remote.

Bob Doris: Will the member give way?

Nanette Milne: Certainly.

Bob Doris: I forget—I forgive—no, I thank the member for giving way. Perhaps she will forgive me for that.

Does the member recognise that a significant issue for the Balmore practice in Possilpark is the additional pressure that results from the consequences of UK welfare reform and the additional burdens that that places on GPs?

Nanette Milne: I am sure that welfare changes have an impact on behaviours in certain areas, but I will not go into the UK welfare reforms in detail.

In deprived areas, specialist services need to be local and readily accessible. There are distinctive problems with the physical and mental health of vulnerable children and families in very deprived areas, and the contribution of health visitors is vital. Unfortunately, however, the uniform health visiting service—which was designed to provide support to all families, regardless of circumstance—is under serious pressure in such areas because of the very high volume of vulnerable people who require support. There are also recruitment difficulties, and the situation will be compounded next year when the named person role is introduced throughout Scotland—not just in deprived areas—as a result of the Children and Young People (Scotland) Act 2015.

It is realised that, in areas with a high incidence of socio-economic deprivation, new approaches and different skills may be required to help people address social issues and gain more control over their own health and wellbeing. To that end, the Government-supported national links worker programme is being delivered in seven deep-end practices, including in Possilpark, which it is hoped will lead the way in best meeting the challenges that are presented by the current health inequalities in Scotland.

Patricia Ferguson's motion emphasises that the present

"funding distribution arrangements take no account of the additional burden"

that is placed on staff and resources in the deep-end practices. I accept that resource distribution is a significant factor. However, any potential redistribution across Scotland would have to take account of the fact that deprivation is not confined to west-central Scotland but exists even in parts of relatively prosperous cities such as Aberdeen, and is significant in a number of our rural communities. Of course, demands on health services are increased in communities with a growing elderly population, among whom dementia and comorbidities are an increasing problem.

Although I understand completely the issues that concern Patricia Ferguson, the funding and provision of primary care services is a concern to all of us.

The Deputy Presiding Officer: The member must close, please.

Nanette Milne: I hope that the minister will address those points in his closing speech.

17:27

Jim Hume (South Scotland) (LD): I thank Patricia Ferguson for bringing the debate to the chamber. It is a good opportunity for us to remind ourselves that focusing solely on people in the most deprived areas is only a starting point; we also need to look at the resources that are available to people in their communities.

We all know that GPs are in most cases the first point of contact. They deliver 90 per cent of patient care in the NHS, although they receive less than 8 per cent of the NHS budget. The group of GPs that we are talking about tonight is a special group: general practitioners who are literally at the deep end in their deep-end work in the hundred most deprived communities in Scotland, and who had until 2009 never been convened or consulted by anyone. We should, of course, not forget the other hard-working staff in those practices, including our nurses. I welcome the creation of the deep-end group by Professor Graham Watt.

There are harrowing facts out there about the environment in which that group of GPs have to work. They provide care for a population that experiences 20 per cent more mental health problems and comorbidities than those in the least deprived areas—a gap that has widened since 2008. Alcohol-related illness and the ramifications of unemployment combine to create an “unfolding epidemic”, as the Royal College of General Practitioners has put it. Attempts to tackle that epidemic have so far failed—there has not been enough progress in that regard.

Yesterday, the 2015 “Long-term Monitoring of Health Inequalities” report revealed that there is a healthy life expectancy gap of 22 and a half years between women in the most and least deprived areas, and that the gap is 24.3 years for men.

The principle on which the NHS was founded—that good healthcare should be available to all, regardless of wealth—has clearly failed to translate into an effective policy. The plea for care to be delivered proportionately on the basis of need, as expressed by Professor Graham Watt, is what we should strive to provide.

However, I regret to note that that is the opposite of what is actually happening. Since 2007, there has been a constant reduction in GP funding as a percentage of the total NHS budget. This year, another £21.7 million left the primary and community care services budget. Next year, the keep well programme will have its funding phased out completely. That programme targets middle-aged men in the most deprived communities in Scotland and gives them a health check, with the aim of preventing heart disease and diabetes, which are the two biggest killers in Scotland.

Last night, the First Minister made a commitment to increase the number of training places for GPs by 100. Of course I welcome that, but the First Minister made no reference to the current understaffing of GP practices in the deep-end areas. The fact is that the practices that serve the most affluent 20 per cent of the population have twice the number of GP trainees than those that serve the least affluent 20 per cent. Unless the Government commits to changing that fact, it will be maintaining the imbalance and inequality between communities.

Members have pointed out what the GPs at the deep end are calling for, which is for the Scottish Government to allocate the right type and amount of support and resources to practitioners, which should be based not on financial ability but on the needs of the population. The solutions for the GPs at the deep end are of course not easy—nobody says that they are—but they are there, and we need to enable GPs to achieve them.

17:31

Mark McDonald (Aberdeen Donside) (SNP): I thank Patricia Ferguson for bringing the debate to the chamber. I have two practices in my constituency that serve areas of deprivation in the city of Aberdeen, although I am not sure whether they fall within the deep-end 100—they are the Woodside and the Northfield and Mastrick practices. For both of them, more than 30 per cent of their patient cohort comes from the most deprived areas of the city.

Much has been said about pressures on the deep-end practices and on GP practices more widely. I have experienced that in my constituency as a result of the Brimmond medical group’s announcement that it was going to withdraw from the provision of general medical services. It had to give six months’ notice, but that was a very tight timescale to put in place a solution and resolve matters.

The new Dyce medical practice, which has opened up in response to the situation, is now in place and is seeing patients. I have written to the cabinet secretary to suggest that the six-month period needs to be reconsidered, with the aim of allowing health boards and others a longer period to put in place the required solutions to service communities with a general practice should the need arise.

One thing that drives some decisions by GPs on retirement is pension changes. I have heard from a number of GPs in my constituency that, as a result of changes that have been made, it has become more beneficial to GPs to take their retirement earlier in order to get a better pension.

That perhaps needs to be looked at but, obviously, the powers on that do not sit with this Parliament.

Another issue that has been raised is how we attract more young medical students and graduates to view general practice as a career option. One GP in Aberdeen, Chris Provan, who leads on general practice for NHS Grampian, is a good and enthusiastic advocate of the benefits of general practice and of being a family doctor. We need to get that message out there more. We often hear about the pressures in general practice, and nobody denies that those pressures exist, but we must ensure that we get out the message that a number of rewards come from entering general practice. If we do not balance the message, we will not sell general practice as an opportunity for young graduates and we will not do enough to promote it.

We need to consider how best to structure health services and we should welcome the work that the Scottish Government is doing on that. There are examples out there. The minister has been to my constituency and has visited the Middlefield healthy hoose, which is a nurse practitioner-led service in one of the most deprived communities in the city of Aberdeen. The service supports the work of the general practice in the area, which is the Northfield and Mastrick practice, by seeing patients and offering them advice and support. The service therefore reduces some of the pressures and improves health and wellbeing in the local community.

We must also ensure engagement by organisations from the third sector, such as Home Start, which I readily accept have an important role to play. Home Start in Aberdeen does play an important role and is currently working with families to encourage, for example, home cooking and healthy eating, demonstrating how that can be done within the limited financial abilities that many in deprived communities have.

All those things working together can not only support the work of general practice but reduce some of the burden on general practice. One of the things that we want to ensure is that, when an individual sits in front of a GP, they are there because it is the GP who is the most appropriate person to see them and not because that is who they feel they need to go to.

The answer to the problems that GP practices have is working with other organisations and health professionals. There are good examples out there that we need to look at and ask whether they can be transplanted into other areas; if the answer is yes, we must ask why that has not happened before now.

17:35

Margaret McCulloch (Central Scotland)

(Lab): I, too, congratulate Patricia Ferguson on securing this debate on deep-end general practices and health life expectancy. In bringing this debate to the chamber she has allowed us not only to delve into issues concerning the health service and health inequalities but to put on record our appreciation for the hard work and dedication of all those who work in the deep-end practices, serving some of the most deprived and excluded communities in Scotland.

As the motion makes clear, patients in the areas served by the deep-end practices will have a lower-than-average healthy life expectancy. We need to think carefully about how our public services deal with that kind of inequality. How do practices and front-line services cope, and how do we as a society ultimately overcome inequalities in health?

I draw members' attention to the work of the Socialist Health Association Scotland and the report into health inequalities commissioned by my party colleagues. The uncomfortable truth documented in that report is that, today, a boy born to a family in Lenzie can expect to live until he is 82, but a boy born just 8 miles away in Calton has a life expectancy of 64. The progress that we have made as a nation simply is not enough when poverty and inequality take so many people from us so soon. The life expectancy gap between the richest and the poorest in our society is the stubborn and stark reality of health inequality in Scotland. It should shame us and offend us, but it should also motivate us to close the gap.

The inequalities in health and wellbeing that the people who are served by the deep-end practices experience are created and influenced by a number of economic and social factors: insecure employment; family income; housing conditions; and a sense of social coherence, or lack of it. We cannot tackle health inequalities if we do not reduce the social risk factors that lie behind them, and that is as much about education, welfare and housing policy as about how our health services are organised and configured.

The Health and Social Care Alliance Scotland is quite right to call for a cross-portfolio response to health inequality, and I associate myself with that call today. Patricia Ferguson is right, too, because we will struggle to deliver the level of service that people in communities like Possilpark need and deserve if the burden on general practice keeps on mounting.

I welcome the recent efforts to understand and quantify the additional pressures that deep-end practices face. I accept the consensus view that

inequalities rooted in multiple deprivation require a multilayered response. I am personally interested in the national links worker programme, which some of us have received briefings about, and its work on new models of primary care for communities in the greatest need.

I echo the sentiment of the motion before us and suggest that we should do more to understand the financial consequences of health inequalities for our public services. Deep-end practices are on the front line in the struggle against vicious health inequalities, and we must give them our support.

17:39

Joan McAlpine (South Scotland) (SNP): I, too, congratulate Patricia Ferguson on securing the debate. I think that we can all sign up to supporting GPs in deep-end practices. I praise the work of the University of Glasgow in drawing attention to many of the challenges that the practices face.

As a representative of a rural constituency—South Scotland—I do not wish to take anything away from the concentrated levels of poverty and associated ill health and mortality that deep-end practices deal with in particular postcodes in urban areas. However, I would be remiss in my duty to my constituents if I failed to point out that rural poverty is also a serious problem that is encountered by GPs in my region—often few GPs.

In Dumfries and Galloway, we need to replace 19 per cent of the 132-strong GP workforce. That is in addition to the 12 existing vacancies. I very much welcome the measures that the Government is taking to address GP shortages, such as its plans to increase training places by one third and, of course, the £8 million increase in funding for primary care.

Dr Simpson: The problem is that vacancies are running at 20 per cent. While the announcement is welcome, another 100 training places will not be helpful if vacancies are at 20 per cent already.

Joan McAlpine: I said that we will be looking to replace 19 per cent of the workforce; those are not vacancies at the moment. That refers to Dumfries and Galloway as a whole. The Government is working closely with GPs and I am sure that the minister will say more about that. As I know Richard Simpson is aware, the challenges of GP recruitment are complex.

I will speak specifically about the motion's reference to the distribution of funds. As I said, I do not want to take anything away from the particular challenges that practices in urban areas face, but it is important to talk about poverty affecting all parts of Scotland. In Dumfries and Galloway, for example, average wages are lower

than the Scottish average and the population is older, which has associated health problems. Fuel poverty is experienced by 45 per cent of homes in Dumfries and Galloway, compared with rates of 36 per cent in Glasgow and 26 per cent in Renfrewshire, which is another urban area.

This morning, the Economy, Energy and Tourism Committee had a session on fuel poverty and heard from witnesses that the index of multiple deprivation, to which many members have referred, does not accurately reflect or identify some of the poverty that exists in rural areas. For example, the committee heard that a household's having access to a car often means that it scores lower on the deprivation index. In the countryside, a car is often a lifeline and the only way to get to work. That can result in families experiencing more severe poverty, because to run the car they have to make even more cuts to essentials such as food and heating.

The committee heard about the role of GPs and the NHS in providing indicators of deprivation in a rural context. In relation to fuel poverty, which has serious health implications, we heard that quality advice from trusted people on the ground is one of the most effective ways to deliver home insulation programmes and other improvements that the Scottish Government offers, which can lift families out of fuel poverty. GP practices have an important role in that, particularly in rural areas that suffer extreme levels of fuel poverty. It is not just urban areas that face those significant challenges.

It should be said that the committee's witnesses praised the Scottish Government's efforts, such as the home energy efficiency programme Scotland, which address the fabric of buildings, but they commented that key drivers of fuel poverty and all kinds of inequality are outwith the Scottish Government's control. Several witnesses said that the £350 million in cuts to tax credits that families in Scotland are experiencing are plunging more people into fuel poverty.

We need to support everyone who is in need, whether they live in an urban or a rural area. We must recognise that GPs in every part of Scotland are dealing with the consequences of inequality, which are being exacerbated by welfare reforms over which we have little control.

17:44

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I congratulate Patricia Ferguson on securing the debate on this important motion, which focuses on healthcare in the most deprived general practice populations. The general problems of general practice, which we debated on 1 September, are highly relevant to the subject.

For example, we know about the recruitment and retention problems, and Richard Simpson has reminded us that the level of training-place vacancies is at 20 per cent in the west of Scotland.

We know that much of the problem relates to the increased workload and, in the debate on 1 September, we heard how that relates partly to the shift towards primary care—although there has, unfortunately, been no shift in the percentage of resources that are allocated to primary care. Many of us spoke about demographic change as a key factor, as is the fact that more people are living with complex medical conditions.

In that debate, we focused on complex medical conditions in older people, which are important, but today we are reminded that those conditions often affect younger people, particularly in the most deprived communities. That is why healthy life expectancy is mentioned in the title of the motion—that refers to years of good health. As Patricia Ferguson reminded us at the beginning of the debate, among men and women in the most deprived fifth of the population, healthy life expectancy ends 20.8 years earlier for men and 20.4 years earlier for women than it does among those in the least deprived fifth of the population. That is perhaps the most shocking and important fact to remember from the debate.

The consequences of that have been highlighted by Professor Graham Watt and his colleagues in the deep-end practices. They have more patients with complex comorbidities, and there is also the issue of unmet need in those communities. One of the key issues that Professor Watt highlights is simply a lack of time. He has stated:

“Since 1948, the NHS has supplied GPs in the same way that bread, butter, and eggs were rationed in World War 2—everybody gets the same. In severely deprived areas this results in a major mismatch of need and resource, with insufficient time to get to the bottom of patients’ problems—hence the swimming pool analogy in which GPs at the Deep End are treading water.”

That is the strong message that comes out of the deep-end work. There must be funding changes in the health service that shift a higher proportion of resources to primary care in general and, within that, health boards must ensure that the way in which they distribute money takes account of deprivation. That fundamental shift must take place if we are serious about dealing with the profound problems of health inequalities.

Doing more in primary care will not, on its own, solve the problems of health inequalities. We all know about the upstream influences related to life circumstances that are the primary cause of health inequalities. We also accept that there must be lifestyle initiatives to address the problems. However, the role of health services is crucial, and

getting more resources into practices in areas where the most deprived people live is essential in dealing with health inequalities. That is not just about GPs; we have to remember the role of other health professionals—I am thinking about nurses in particular. We had a debate about nursing at the edge, in which we talked about the role of nurses in dealing with individuals in the most deprived circumstances. We need more resources for primary care in those areas, and they must go to the whole primary healthcare team.

As a strong supporter for a long time of community health projects—I always mention the Pilton community health project in my constituency—I believe that their contribution should also be recognised and valued. However, the general message is that deprived communities must receive more resources to deal with the profound health inequalities that are manifest in them.

17:49

The Minister for Sport, Health Improvement and Mental Health (Jamie Hepburn): I join others in thanking Patricia Ferguson for securing the debate, and I make it clear that the Government attaches the highest value to Scotland’s GPs and the work that they do.

It is appropriate that—as Margaret McCulloch invited us to do—we place on record our particular thanks to those GPs who are working in the deep-end practices. I have met representatives of the deep-end practices on more than one occasion, and I have been hugely impressed by their commitment to their patients. We would do well to reflect on the fact that many actively choose or have chosen to work in the communities that they serve. That is what they want to do, because they recognise that there are communities that require support.

This Government wants to ensure that local community-based services are delivered by the appropriate range of health and social care professionals working together more effectively. That comes with a commitment to invest in Scotland. This year, we are spending £12 billion on our health service, of which £770 million is being invested in general practice.

Patricia Ferguson and Richard Simpson raised issues around funding for general practice in deprived communities. It is important to place on record that there is recognition of the additional needs of patients in areas of deprivation in the calculation of funding to GPs for the provision of core services, as is shown in the weighting given to reflect deprivation. In that way, the allocation formula takes account of deprivation. Government will shortly publish statistics showing all funding to

GP practices for 2014-15. I would urge members who take an interest in those matters to take a look at the figures.

We will be investing our recently announced £60 million primary care fund, which Bob Doris mentioned, to transform primary care, building on the great examples that exist across the country of providing care for patients at or near home rather than in hospital. The fund will help to address the immediate workload and recruitment issues through long-term sustainable change.

Dr Milne suggested that all of us here would accept that there are challenges in general practice. I agree: there are challenges in general practice. This Government knows that GP workload is increasing, as is the complexity of healthcare. While more healthcare is being delivered outside hospital settings, resources have not always followed. We understand that GP services in some places are stretched. At the same time, communities rightly expect more from their health services.

Our plan is to transform our approach to primary care to ensure that, in future, people see the right professionals more quickly. We will continue to work with Scotland's GPs to design that new future. That is why a review of primary care out-of-hours services was commissioned; that is also why we need to redesign primary care collaboratively and inclusively, transforming and invigorating the workforce, creating new roles and supporting communities to innovate, so that services are available where people need them.

Our challenge is to evolve our health service to best meet the needs of an older population who will often have multiple complex conditions, while ensuring that we drive down health inequalities found in our most deprived communities.

There was some focus, understandably, on the situation at the Balmore practice in the north of Glasgow—Patricia Ferguson and Bob Doris in particular raised the issue. It should be acknowledged that Greater Glasgow and Clyde NHS Board has begun work to address the issues that have been raised in order to ensure that the practice is sustainable over the medium and long term. I expect it to engage closely with GPs and local communities as it begins to develop sustainable, future-proofed primary care services.

Mr Doris mentioned that he had written to the Cabinet Secretary for Health, Wellbeing and Sport. In her reply, she was clear that she will use every avenue to encourage the board to work closely with the GPs in the Balmore practice to address the issues that have been highlighted. I am sure that when he meets the cabinet secretary, Mr Doris will be able to raise the issues that he has raised in the debate.

Overall, health in Scotland is improving. People are living longer, healthier lives. Reducing the health gap between people in the most deprived and affluent communities is one of our greatest challenges. At its root, as members said, is income inequality. We recognise that that problem cannot be solved with health solutions alone. As Joan McAlpine and Mark McDonald mentioned, the UK Government's welfare reform programme presents the most immediate threat to health inequalities. We have taken action to tackle health inequalities. The Government has responded and will continue to respond to mitigate the worst effects of welfare reform wherever we can.

As I have said, we also need to look at the further support that we can provide to practices at the deep end. As Dr Simpson mentioned, the Scottish Government has provided consistent financial support for the deep-end project, including via locum-funded meetings and conferences.

Dr Simpson, Dr Milne and Margaret McCulloch mentioned the series of deep-end projects that led to the establishment of the five-year link worker programme. I understand the desire for that programme to be rolled out further, but it is right that we fully assess its efficacy and seek to learn from it. Members can be assured that we will do that and that we will continue to support other innovative projects in the deep-end practices.

We know that we need to continue to innovate and look at the future of primary care. We know, too, that one size does not fit all—that is why we want to test and seek views on new models of care, including those that might be delivered by multidisciplinary teams in a community hub-type arrangement. There are good models out there. I was delighted to join my friend Mark McDonald on the visit to Middlefield healthy hoose, which is an extremely impressive arrangement. Professionals need to collaborate across the boundaries of primary and secondary care.

Patricia Ferguson *rose*—

Jamie Hepburn: Do I have time to take an intervention, Presiding Officer?

The Deputy Presiding Officer: Yes, of course.

Patricia Ferguson: I think that we would all recognise that this is not a problem just for GPs and that the multifaceted approach that Mark McDonald described needs to be adopted, but the problem that I have is that although Balmore practice already has a pharmacist, has employed additional nursing staff, has links with the financial inclusion service, has signed up to a new alcohol initiative and now has a drop-in clinic on a Monday to sweep up those people who have not seen a GP over the weekend, it is still at breaking point. One and a half sessions per week for eight weeks

and a review team will not get the practice over the hurdle. It needs a bit more help than that.

Jamie Hepburn: I have put on record the fact that reforming general practice generally and making sure that it is fit for the future is a priority area for the Government. In relation to the Balmore practice specifically, the cabinet secretary is aware of the situation. Ultimately, it is a matter for the health board but, as an Administration, we are clear that we expect the health board to engage positively with the GPs in the practice and the wider community to ensure that it has a sustainable future.

It is important that we do what we can to talk up Scotland's general practice and to encourage more doctors to stay in the profession. We had the First Minister's announcement just the other day, and we need to ensure that medical students choose a career in general practice, because it is one that deserves to be admired and respected. That is particularly true in Scotland's most deprived communities.

We face challenges in primary care, but members and the wider public across Scotland can be assured that this Government is determined to meet those challenges going forward.

The Deputy Presiding Officer: I thank everyone for taking part in this important debate.

Meeting closed at 17:57.

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