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Wednesday 19 April 2017

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Scottish Parliament

Wednesday 19 April 2017

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

Portfolio Question Time

Environment, Climate Change and Land Reform

National Parks (Designation)

1. **Finlay Carson (Galloway and West Dumfries) (Con):** To ask the Scottish Government what processes are in place to consider a proposal for the designation of a new national park. (S5O-00858)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): The process for the designation of new national parks is contained in sections 6, 7 and 8 of the National Parks (Scotland) Act 2000.

Finlay Carson: In my Galloway and West Dumfries constituency, there is great support for the designation of a Galloway national park, and a report commissioned last year by Dumfries and Galloway Council found that such a national park could increase tourism, boost jobs, improve development and help bring investment to the region. Given the wealth of opportunities offered by a national park, will the cabinet secretary show her support for the south-west of Scotland and commit to instructing her civil servants to look seriously at the designation of a Galloway national park?

Roseanna Cunningham: As I think I have already indicated to the member, the Government does not just roll out future national parks at some point. In this time of straitened financial circumstances, we consider it better to concentrate our resources on the existing two national parks. Affordability in the face of significant pressures on public finances and a number of competing priorities across the country make that absolutely vital. As I have previously done, I direct the member to the example of the successful Galloway biosphere, which we are supporting, and I hope that I hear from him his support for that.

Maree Todd (Highlands and Islands) (SNP): Does the cabinet secretary agree that our two existing national parks are, like most public bodies in Scotland, already having to shoulder cuts to their annual budgets as a result of Westminster cuts and that we need to focus efforts and

resources on ensuring that those parks continue their track record of success?

Roseanna Cunningham: As I think I indicated in my previous answer, that is, at the moment, where the Government wishes to put its financial resources. We feel at this point that moving towards increasing the number of national parks will not necessarily help us. We need to ensure that the two national parks that we have are adequately funded for the very good job that they do and that, where possible, we support some of the other very good designations that exist. I am sure that the member will join me in recognising those good efforts, too.

Claudia Beamish (South Scotland) (Lab): What consideration has the cabinet secretary given to the designation of a marine national park and to its value as a model of sustainable development, given that, at the moment, we have only terrestrial parks?

Roseanna Cunningham: In general terms, I would say that we would always like to be able to be in a position to move in that direction, although some of the same points that I have indicated in respect of terrestrial national parks would apply in that case, too. The scoping of what that proposal would cost has not actually been done; we have scoped what a likely new national park would cost if we were to go from start-up, and I would expect a considerable cost to be attached to marine national parks, too. Right now, we do not think that that is the best way of spending our resources. However, I would never want to rule these things out for the future, because obviously they would, in general terms, be a very good idea.

United States Fishery Product Import Regime

2. **Mark Ruskell (Mid Scotland and Fife) (Green):** To ask the Scottish Government whether it will provide an update on its discussions with the United Kingdom Government and the European Union regarding the licensing of seal killing and the fishery product import regime of the United States. (S5O-00859)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): The Scottish Government has already made a contribution to the UK response to the European Commission, which is co-ordinating the EU membership reply to a request for information by the US Government. We await further developments.

Mark Ruskell: From answers to written questions in this Parliament and freedom of information request releases, it is very clear that, unless we take action, Scottish fisheries could lose their entire US export market in five years' time,

which would be an annual cost to the Scottish salmon farming industry of £200 million.

There is a clear choice here: we can either change the law in the next five years to ban the killing of seals in Scotland; or we can lobby Donald Trump's Administration to weaken environmental protections. Which will it be, cabinet secretary?

Roseanna Cunningham: As the member has indicated, the ruling that is under discussion has a five-year exemption period that means that it will not come into force until 1 January 2022. The precise implications of the regulations remain unclear in a number of areas and for many countries. As I indicated, we intend to seek further clarification, along with the United Kingdom Government and the European Union, through discussions with the US Government in response to its request for information. The EU is considering a number of approaches, including a joint response to the US, a reversion to the World Trade Organization and, potentially, a request for more time to respond to the request for information.

The current situation is that it is a matter for individual companies to decide whether to apply for a licence under the Marine (Scotland) Act 2010, and some companies already choose not to do that. Forty-four per cent of those that applied for and were granted a seal licence in 2015 chose not to use it.

David Stewart (Highlands and Islands) (Lab): Will the cabinet secretary confirm whether the Scottish Government is considering further seal conservation areas? If so, what areas have been identified?

Roseanna Cunningham: We would always want to have under consideration the potential for further conservation areas, regardless of the animals in question. However, the member will know from experience that a great deal of care and thought have to be taken in considering where such areas might be, and he will know about the consultation that is required and that such things cannot be done overnight. Right now, we are not taking forward any more areas than are already in place, but we are looking at the situation very carefully and will ensure that we have it under regard. However, as the member knows, the matter is not as easy as simply signing a bit of paper.

Water Charges (Business Centres)

3. John Mason (Glasgow Shettleston) (SNP): To ask the Scottish Government what the impact is of water charges on smaller organisations that operate in business centres in which they do not have their own water supply but share kitchens and toilets. (S5O-00860)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): All businesses in Scotland that are connected to the public supply are liable for water and sewerage charges. Where a property is part of a much larger building that is connected to public water and/or sewerage, it may be liable for charges if it has access to services in the common parts of the building.

John Mason: There are a number of businesses in my constituency that are really struggling with heavy business rates, specifically from Business Stream. They seem to be trapped, because they are not allowed to switch to another supplier while they have arrears with Business Stream and their landlords are reluctant to install a meter that would show how little water is being used. Can the cabinet secretary suggest a way out of the situation?

Roseanna Cunningham: It is important for all customers to pay their fair share for services received and, at the moment, there are no plans to offer alternative charging arrangements for the situation that the member described.

Business Stream works hard to ensure that it takes as much account as possible of the individual circumstances that customers face. If there are businesses with very individual issues, I recommend that the member takes those issues up directly with Business Stream if he has not already done so, or writes to me about individual circumstances.

Proposed Wild Fisheries Bill (Rod Licence Scheme)

4. Liam McArthur (Orkney Islands) (LD): To ask the Scottish Government whether the proposed wild fisheries bill will make provision for a scheme for rod licences. (S5O-00861)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): I announced on 3 February that proposals to introduce rod licences would not be taken forward. It is important that we represent the interests of all our anglers. I have listened to their concerns about increasing costs and acted on the feedback from the consultation process that a rod licence would discourage participation.

I am pleased to report that the decision has been broadly welcomed. For example, FishPal, which is an online booking and information system for all types of rod fishing, said:

"this is good news for anglers—we are receiving positive feedback across our social media channels to the news release".

Liam McArthur: The cabinet secretary will be aware that, in Orkney, we already enjoy effective

community ownership of and free access to a renowned trout fishery. The local community takes pride in the responsibility that it has for looking after that resource in the interest of all anglers. That is a model for what the Government should be looking to achieve across Scotland. Ironically, the initial proposals in the draft bill would have undermined that legitimate access and ownership structure. On the back of the announcement that she made in February, will the cabinet secretary look to extend to other parts of the country the model that has been working effectively in Orkney, to make access to angling more widely available?

Roseanna Cunningham: I will pay particular attention to the situation in Orkney and will consider whether we can learn any lessons from it that can be applied elsewhere. I am grateful that the member has acknowledged that the decision not to impose rod licences was absolutely correct. I know that anglers across the country have expressed a great deal of interest in the matter and have had a great deal of input into the discussion.

I might be wrong, but I think that angling is a sport with one of the highest participation levels in Scotland. I am not an angler, but I have always felt that it would be manifestly unfair for the ordinary hobby angler to be subjected to rod licences.

I will look at the situation in Orkney. If the member wants to talk to me more directly about that, I will be happy to have that discussion. We still intend to take forward wild fisheries legislation later in this session.

Graeme Dey (Angus South) (SNP): Does the cabinet secretary share my view that the opinions of all anglers—particularly those from a less well-off background—must be taken into account in determining the best way forward in legislation?

Roseanna Cunningham: The member will have taken from my answer to Liam McArthur that I felt quite strongly about that when I came into this job at this time last year. On wild fisheries reform, a group is dedicated to taking forward the very strategy that the member in effect refers to. The promotion and development working group's aim is to develop and agree a five-year action plan for the development and promotion of angling, which, as I indicated, is a sport with one of the highest participation rates in Scotland. That group has a diverse membership.

The social benefits of angling are well known and I am keen for it to flourish. I am also keen for it to be available to as many ordinary people as possible.

Finlay Carson (Galloway and West Dumfries) (Con): Will the proposed wild fisheries bill make any provision for the designation of haaf-netting as a heritage fishery?

Roseanna Cunningham: I am having active discussions with the member and with Joan McAlpine on the issue. Haaf-netting will be part and parcel of the bill. The absolute detail of that legislation has not been worked through, as the member might expect, but I confirm that it will refer to haaf-netting.

Neil Findlay (Lothian) (Lab): On participation, in the early 1990s, a radical young lawyer represented in court anglers who had been criminalised because of the restrictive protection order system on Scottish rivers. Is it ironic that that radical young lawyer is now the very cabinet secretary who is defending the protection order system and keeping it in place without a shred of scientific evidence to back it up? Will the process for the wild fisheries bill allow the Parliament to debate the future of those restrictive orders and the absence of an evidence base for their retention?

Roseanna Cunningham: I am flattered that the member pays such close attention to my previous career. It would not be the first time that my ministerial office has resulted in my confronting casework that I did in that earlier career.

If the member wants to debate such an issue on his own behalf or wants to persuade his group that it is worth spending some time in the chamber doing so, I have no difficulty with that. As I indicated, there will be a piece of legislation later in this parliamentary session and I am sure that, during that legislative process, the member will take part in as many debates as he thinks appropriate.

Domestic Waste Recycling

5. **John Lamont (Ettrick, Roxburgh and Berwickshire) (Con):** To ask the Scottish Government what it is doing to encourage more recycling of domestic waste. (S5O-00862)

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): The Waste (Scotland) Regulations 2012 require separate collection of dry recyclable materials and food waste. As well as having introduced those regulations, we are taking a range of actions to support and encourage recycling. For example, between 2011 and 2015, funding of around £25 million was made available to councils to address the start-up costs of introducing food waste collections, and 1.95 million households—that is 80 per cent of households in Scotland—now have access to a food waste collection service, which is up from 300,000 in 2010.

In December 2015, we launched the household recycling charter to achieve more consistent local collections and improve the quantity and quality of

recycling. That will make it easier for people to recycle the right things, and we have put in place advisory and financial support to help councils with that work. As at the end of January 2017, 25 out of the 32 councils had signed the charter.

John Lamont: I note the Scottish Government's target for a maximum of 5 per cent of waste to be sent to landfill by 2025. In the Borders, we are a long way off the Government's recycling targets: more than 61 per cent of domestic waste is sent to landfill, which is up from 53 per cent in 2011.

We all share the aspiration to increase recycling, but people in the Borders are being discouraged from doing so. The green bins for garden waste have been withdrawn, fewer than half of households have a food waste bin, major towns such as Jedburgh do not even have their own recycling centres and each household in the Borders has one bin for all domestic waste, whereas other council areas provide multiple bins.

Does the Scottish Government expect to get anywhere near its target with such an approach? Is it not time for a single, consistent, easy-to-use recycling collection system or for serious action to be taken to tackle recycling?

Roseanna Cunningham: I note with interest the member's implicit call for the Government to centralise all waste and recycling services, which are currently the responsibility of local authorities. I also congratulate him on what will no doubt be turned into a local press release, which may or may not have something to do with the current elections.

Scottish Borders Council has increased its recycling rate. Like many councils, it is dealing with significant challenges. However, we are absolutely on track to make the progress that we want and intend to make over the next number of years.

Ivan McKee (Glasgow Provan) (SNP): The cabinet secretary will be aware that disposable nappies contribute more to landfill in Scotland than any other single item and that 160 million are sent to landfill every year, at enormous cost to local authorities and the environment. What is the Government doing to increase the use of sustainable solutions such as reusable nappies?

Roseanna Cunningham: The use of disposable nappies certainly creates some waste issues. However, I will be careful about what I say, because I am conscious that there will be considerable debate in many families about the matter. I hope that the member is able to indicate that, in his family, he would always have been the one to take care of issues such as nappy management.

There is an issue. We always encourage people to use reusable items where possible, whether they are nappies or anything else, and to deal with any consequential waste as responsibly as possible.

Elaine Smith (Central Scotland) (Lab): When does the Government intend to reach a conclusion on a deposit return system for plastic bottles? In the meantime, what work is being done on possible exemptions for rural shops and small retail businesses?

Roseanna Cunningham: In a sense, the member's question carries some of the answer in it. It is not as straightforward as people might imagine to impose a deposit return system, because particular issues need to be considered, which include the implications for small stores and the costs to smaller retailers. The interaction with local authority kerbside collection also needs to be considered, as well as the changes in customer behaviour when a deposit return scheme has been in place.

We have asked industry and retailers to evidence all the claims that have been made, and the matter is actively under consideration. We are carefully considering deposit return. Views have become relatively fluid over the past wee while, and it is clear that a number of companies and organisations are beginning to change their minds, but we need to be careful to avoid inadvertently creating difficulties for much smaller businesses. That is why we are taking time over the matter.

Rural Economy and Connectivity

Impact of Bank and Post Office Closures

1. **Iain Gray (East Lothian) (Lab):** To ask the Scottish Government what the impact is on the rural economy of banking and post office closures in rural villages. (S5O-00868)

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): Bank branch closures, although they are commercial decisions, have an adverse impact on some local communities, as well as obviously affecting employees. There remains a need for face-to-face provision of banking, as digital access will not be available to or suitable for everyone. Banks must consider branch closures only as a last resort.

The Scottish Government continues to support Scotland's post office network, with more than two thirds of post offices benefiting from 100 per cent rates relief, funded by the Scottish Government.

Iain Gray: I wish to raise with the cabinet secretary the specific example of Gullane, which is a community that has had no post office since the previous postmaster gave up, and which is now to

lose its only bank, thanks to Bank of Scotland closures—the Bank of Scotland that wrote blithely to local customers suggesting that they bank instead at the local post office. Will the cabinet secretary please contact the Bank of Scotland and Post Office Ltd to raise with them the case of Gullane specifically and directly?

Fergus Ewing: Iain Gray raises a valid point. We have made it clear in a great many debates, as he knows, that closure should be considered only as a last resort, and that there should be the most detailed consideration of the views of local communities and individuals.

Paul Wheelhouse, who is sitting here with me, is primarily dealing with the matter, which is in his portfolio. I am sure that he heard what Mr Gray had to say. I read in preparation for this question that he stressed in a recent debate in March that he has regular dialogue with representatives of the retail banks—as do I. We will continue to use those opportunities to re-emphasise our approach, which I have described.

Lastly, if Iain Gray wishes to write to Mr Wheelhouse and to me, I am sure that we will give the matter further consideration, because it is serious.

Richard Lochhead (Moray) (SNP): The cabinet secretary may be aware that Moray has been hit disproportionately by the decision by the major banks in Scotland to withdraw from Scotland's high streets. Indeed, in the whole of Speyside, in my constituency, there will shortly not be one high street bank left. Many constituents—in particular, more vulnerable customers—have contacted me to say that they will be unable to access banking services. Will the cabinet secretary speak first and foremost to his United Kingdom colleagues who regulate the banking sector as well as post offices, and will he speak directly to the banks to ensure that they deliver a minimum standard of banking services in our rural communities and that they understand the very serious impact that their withdrawing high street banks is having on the more vulnerable members of our society?

Fergus Ewing: Mr Lochhead raises a very important point that is particularly relevant for constituencies such as Moray, which he represents. Many other rural constituencies have many towns that are, increasingly, experiencing loss of access to banks and post offices. It is a very serious matter.

I mentioned that the Scottish Government has provided rates relief to small businesses: I confirm that two thirds of all post offices receive business rates relief and that we have increased the threshold under which businesses are entitled to total relief from £10,000 to £15,000. I mention that because it is the most concrete help that is

provided to small businesses by any Government on these islands, and it really helps to avoid even more losses.

Richard Lochhead made the point that the UK Government is responsible for banking, as it is a reserved matter. It is right that all members, whatever their political persuasion, encourage the UK Government to consider an approach along the lines that Mr Lochhead and other members from all parts of the chamber have suggested.

John Scott (Ayr) (Con): The cabinet secretary will be aware that the Royal Bank of Scotland intends to close its branches in Prestwick and Troon. It proposes that post offices provide alternative services and so does not intend to provide mobile banking services in Prestwick and Troon, although it provides them elsewhere in rural communities that are served by post offices. Can the cabinet secretary therefore encourage RBS to provide mobile banking services in Prestwick and Troon as well as in other communities in South Ayrshire, given that its action will leave open only one RBS branch in my constituency?

Fergus Ewing: John Scott has raised a very fair point. If he wishes to write to me with the details, I will consider the matter further, with joint working and co-operation with Paul Wheelhouse.

Not everyone accesses digital banking services. People who are over a certain age perhaps choose not to use the internet at all because they prefer not to do so, or they may have difficulty in adapting to it. I mean no disrespect to anybody—it is something of which we are all aware. In fact, I should say that those people are not much older than I am.

There are also people who cannot access internet banking; there is a responsibility on the retail banks to take account of that. I would be happy to consider adopting the approach that John Scott suggested. In conclusion, I say that I hope that the Royal Bank of Scotland is listening to these questions and answers, and that it takes heed of the fact that members from all parts of the chamber are making points on behalf of their constituents.

Common Agricultural Policy Payments

2. Alexander Stewart (Mid Scotland and Fife) (Con): To ask the Scottish Government what reassurances it can give that, and by what date, all outstanding 2015 pillar 2 common agricultural policy payments will be completed in full. (S5O-00869)

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): As Alexander Stewart will probably be aware, there is no payment window for pillar 2 payments. We have

paid more than 97 per cent of all rural priorities claims for 2015, along with 93 per cent of payments under the land managers options scheme, and we have processed 85 per cent of less favoured areas support scheme 2015 claims. Furthermore, for pillar 1, we completed 99.9 per cent of payments by the European Union deadline of 15 October.

I am very aware of, and take very seriously, the potential impact of continued delays in completing payments to farmers and crofters. I regret the situation, but I assure Alexander Stewart that everyone in the Scottish Government and in CGI—our information technology development partner—is striving hard to deliver the complex IT functionality and the other steps that are necessary to complete LFASS and other 2015 pillar 2 payments as soon as possible.

Alexander Stewart: The Scottish Government's latest update to the Public Audit and Post-legislative Scrutiny Committee showed that 1,700 LFASS 2015 payments are outstanding, that the delays continue to cause financial hardship, and that further IT functionality is required in order to make the payments. When will the Scottish Government's CAP IT system be fit for purpose for those long-overdue payments?

Fergus Ewing: We have processed 9,667 LFASS claims worth £52.9 million, and we have approximately 1,700 more payments to make. However, we have also made £54 million of national loans available to address the known challenges in the system. The outstanding payments therefore amount to £3 million out of more than £60 million. I am sure that Alexander Stewart did not deliberately omit to mention the fact that there has been a substantial loan payments system, and that those who are entitled to payments have, in most cases, received a loan payment.

In addition, as I am sure Alexander Stewart is aware, I recently announced that there will be payments made by or around the end of May in respect of 2016 LFASS payments precisely because LFASS recipients tend, by and large, to be hill farmers and are therefore very dependent on the payments. The matter is very serious: I take it thus, and we are working extremely hard to resolve the IT difficulties that we have had.

Angus MacDonald (Falkirk East) (SNP): Can the cabinet secretary inform Parliament whether the Scottish Government has received assurances about the future of agricultural payments after the United Kingdom leaves the European Union, and assurances that the powers over those fully devolved issues will return to the Scottish Parliament and not to Westminster?

Fergus Ewing: I am relieved that we have received assurances that payments will be made up to Brexit but, as per the UK Government's plans, it is not very far away—two years. We have asked for but have received no response to the question about what will happen after Brexit, which will—if the UK Government's plans go ahead—occur in just two years, in April 2019. I have asked the question on several occasions and have suggested that a transitional arrangement should be made over a period of, say, five years, to allow clarity and certainty for people in the rural economy. I have, as yet, received no answer. I plan to meet my UK counterparts in London tomorrow, and Angus MacDonald can be assured that I will ask the questions again. I hope that, this time, there will be clear answers.

Rail Service Improvements (Central Scotland)

3. Monica Lennon (Central Scotland) (Lab): To ask the Scottish Government what steps it is taking to improve rail services in Central Scotland. (S5O-00870)

The Minister for Transport and the Islands (Humza Yousaf): Services in Central Scotland will enjoy new faster electric and high-speed trains as well as improved journey times and frequencies across most routes. New stations have been and will be delivered and there have been station improvements in other places.

Investment in Scotland's railways is of course a national priority for the Government. That is why we have committed to a £5 billion programme of railway investment in control period 5, which runs to 2019, including a transformative programme of £3 billion of capital investment in rail infrastructure. Those levels of financial support I hope show members the Scottish Government's commitment to invest in rail infrastructure and services to better connect communities, to transport freight and to help us to achieve sustainable economic growth and growth in jobs, not just in Central Scotland but, I hope, across the country.

Monica Lennon: Recent figures from Transport Scotland revealed that trains in East Kilbride are among the worst in the country. Three of the top 10 most overcrowded trains in the past year were found on the East Kilbride to Glasgow line, with occupancy on one train journey at a huge 135 per cent of capacity. Those revelations strengthen the case for investing in and upgrading the East Kilbride line, proposals for which have already been put on the table by Network Rail. Will the minister agree to Labour's call for the enhancement and electrification of the East Kilbride line to be fully supported and funded by the Scottish Government?

Humza Yousaf: Monica Lennon is absolutely right that overcrowding is an issue on railways

across the United Kingdom. In fact, overcrowding is seen on railways across Europe and beyond. Certainly, however, we have an issue here in Scotland that we are keen to tackle. On overcrowding, it is worth saying that, because of the popularity of our railways, we have added 140 carriages since 2007, and we will add 200 more carriages over the next 30 months. That is 50 per cent more carriages. There is £475 million going into refurbished and new rolling stock, which will increase seating capacity by 23 per cent.

Notwithstanding all that, on the issues around East Kilbride, which my colleague Linda Fabiani has raised with me on many occasions, I have said that there will be an opportunity when we move into control period 6 in 2019. It will be for local authorities, political parties and regional transport partnerships—in this case, Strathclyde partnership for transport—to put forward proposals for infrastructure improvements, such as the electrification of certain lines, for control period 6. It is worth saying that we have many projects under way in the current control period, such as our flagship Edinburgh to Glasgow improvement programme. No proposals are off the table, and I am happy to examine and explore the issues with Labour's transport spokespeople. There is an opportunity for the next control period, which is control period 6.

Tom Arthur (Renfrewshire South) (SNP): What is the minister's reaction to the announcement last week that ScotRail has achieved a sixth consecutive period of year-on-year train service performance improvement and is now on a par with the best operators across Europe?

Humza Yousaf: I am delighted about ScotRail's improvement. When performance was not at the levels that it should be at, Opposition members were coming to the chamber every day and every week, rightly asking why it was not. It is a shame that we have heard barely anything from those members to congratulate the 7,500 hard-working railway staff who have helped to achieve that improved performance over the past six months.

It is important to say that there is still work to be done. The performance level is sitting today at about 97 per cent. That is an extraordinary level, and I thank all the railway staff for all their hard work. There is still work to do, and the performance improvement plan will stay until I am satisfied that performance and the moving annual average are at the levels that are set in the contract.

Animal Welfare (Use of Closed-circuit Television)

4. Gail Ross (Caithness, Sutherland and Ross) (SNP): To ask the Scottish Government

what steps it is taking to ensure that closed-circuit television is being installed in slaughterhouses to assist in animal welfare scrutiny. (S50-00871)

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): The Scottish Government has already recommended the installation of CCTV as best practice in the monitoring of the welfare of animals at the time of killing. The Scottish Government does not consider that CCTV by itself prevents welfare failures or secures welfare compliance. We will continue to monitor animal welfare at the time of slaughter through the presence of Food Standards Scotland staff in all approved slaughterhouses, and we will consider whether there is a role for the Scottish Government to help industry to produce a set of good-practice protocols for the review, evaluation and use of CCTV.

Gail Ross: Does the cabinet secretary share my concerns about the recent data released under freedom of information law by Food Standards Scotland, which lists 706 breaches of animal welfare regulations at Scotland-certified abattoirs, on certain farms and during transportation between 1 May 2015 and 31 January 2017? What actions is the Scottish Government taking to bring those involved to justice? Are there any plans to strengthen regulation and enforcement, to ensure that such horrible instances of animal cruelty do not happen again?

Fergus Ewing: We take all animal welfare issues seriously, and Food Standards Scotland takes proportionate action in relation to breaches, which ranges from verbal advice, enforcement letters and welfare enforcement notices to investigations with a view to providing reports to the procurator fiscal.

It is fair to point out that the majority—almost 70 per cent—of the reported breaches did not take place in slaughterhouses but related to on-farm or transportation issues and were discovered by Food Standards Scotland officers when the animals arrived at the place of slaughter. It is also fair to point out that Scotland has high welfare standards at slaughter and high enforcement and regulatory standards. We should recognise that our abattoirs seek to comply with those high standards, and they should receive credit for that. From the meetings that I have had with them, I know that they are as concerned as everyone else with ensuring that the highest standards are observed.

Peter Chapman (North East Scotland) (Con): There is no excuse to mistreat animals at slaughter or any other time. Does the cabinet secretary know how many slaughterhouses in the north-east are equipped with CCTV cameras?

Fergus Ewing: An estimated 95 per cent—the overwhelming majority—of animals are slaughtered in plants where CCTV has already been installed voluntarily. I do not have a breakdown of the provision in the north-east, but it is apparent that most abattoirs have CCTV in place.

Although CCTV films what happens, it is not CCTV itself but the good practice that is employed by the managers, the workforce, the Food Standards Scotland officers and veterinary practitioners, who all play a collective role as a team, that ensures that we in Scotland continue to observe the highest animal welfare standards.

Digital Scotland Superfast Broadband Programme

5. Lewis Macdonald (North East Scotland) (Lab): To ask the Scottish Government for what reason the digital Scotland superfast broadband programme has replaced old copper wire networks in some rural areas but not in others. (S5O-00872)

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): The digital Scotland superfast broadband programme is currently deploying fibre broadband networks across the country, in many cases replacing copper networks. Fibre is being deployed in two ways: fibre to the cabinet, which replaces part of the copper network, and fibre to the premise, which replaces all of the copper network. Fibre to the cabinet has been deployed most widely through the digital Scotland superfast broadband programme because a high number of premises can be connected to fibre infrastructure via a single cabinet. It is a more cost-effective solution, as it utilises part of the existing copper network.

Lewis Macdonald: Fibre to the cabinet may indeed be more cost effective, but the cabinet secretary will be aware that it is not effective in achieving its purpose. A recent survey in Kintore, which he may be aware of, found that broadband speeds outwith the town centre were up to 140 times slower than those within a mile of the exchange, and residents of New Leeds in Buchan also have no access to superfast broadband, for the same reason of being too far from the exchange and being reliant on old copper-wire networks. Given the clear relationship between what the cabinet secretary has said is a cost-saving measure and the impact on homes and businesses, what does he intend to do to address that digital disadvantage in so many rural communities?

The Presiding Officer: Please answer as briefly as possible.

Fergus Ewing: In the north-east of Scotland, 114,727 premises are capable of accessing fibre

broadband, and 99,321 are capable of receiving superfast speeds. That has taken place because of the investment by the Scottish Government of around £400 million despite the fact that, under schedule 5 to the Scotland Act 1998, responsibility for providing internet and mobile rests with the UK Government. We were not prepared to wait for the time when the UK Government would get around to a programme—we acted. Furthermore, by the end of this session of the Scottish Parliament in 2021, our further programme R100, which is directed towards the individuals Lewis Macdonald referred to, aims to provide universal access to all businesses and premises in Scotland.

Scotland's Economy

The Presiding Officer (Ken Macintosh): The next item of business is a debate on motion S5M-05172, in the name of Murdo Fraser, on Scotland's economy.

14:41

Murdo Fraser (Mid Scotland and Fife) (Con): This afternoon, the Scottish Conservatives will use our debating time to highlight our concerns about the Scottish economy and, in particular, the growing divergence between Scotland's economic performance and that of the rest of the United Kingdom—the Sturgeon slowdown. We want to examine the reasons behind that, press the Scottish Government for action and propose our own solutions for improving Scotland's economic performance. Above all, we will ask the Scottish Government to drop its high tax agenda and its ruinous plans for a second independence referendum.

Last year at this time, we were in the run-up to a referendum on European Union membership. Ahead of that vote, there were many warnings from economic forecasters as to the negative impact on the UK economy of a vote to leave the EU. I was part of the remain campaign, and I shared many of the concerns that were being expressed on the impact that a vote to leave the EU would have. As it happens, as we know, the UK economy has defied those predictions and since last summer it has grown much more strongly than was previously forecast.

Tom Arthur (Renfrewshire South) (SNP): Will the member give way?

Murdo Fraser: Yes, of course.

Tom Arthur: Does Murdo Fraser recognise that those forecasts were based on the UK leaving the EU? It has not actually left the EU yet.

Murdo Fraser: Tom Arthur is totally wrong. The forecasts were for the economy at the point where we currently stand: after a vote to leave. The forecasts—including those of the International Monetary Fund, incidentally—said that the UK economy would lag. I do not know whether the member was paying attention; just yesterday, the IMF revised upwards its growth projection for the UK economy by 0.5 per cent. That is the biggest upward change that the IMF has ever made in its history. The British economy is growing; the member needs to pay more attention.

The unemployment rate has continued to fall, and the employment rate across the UK is now 74.6 per cent—the highest rate of people in work since records began in 1971.

The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown): Will the member taken an intervention?

Murdo Fraser: I will in a second.

That is a story of economic success. I give way to the cabinet secretary.

Keith Brown: Given what the member says about the growth rates that are projected for the UK economy, can he explain why the unemployment rates between Scotland and the UK diverge, with unemployment being lower in Scotland? Can he explain the statement that he made previously, when he said:

“The SNP Government cannot evade responsibility for this failure as the gap between UK and Scottish unemployment rates continues to grow.”

It does: the UK has higher unemployment than we have.

Murdo Fraser: Oh, dear me. I would think that the Cabinet Secretary for Economy, Jobs and Fair Work would understand the issues. According to the Fraser of Allander institute—I suggest that it knows more about this than the cabinet secretary does—the reason that the unemployment rate has been falling is that people are coming out of the jobs market altogether and there has been a rise in economic inactivity. If the Cabinet Secretary for Economy, Jobs and Fair Work does not understand that and his own figures, he should not be in his job.

There is much to celebrate in the growth of the UK economy: high growth rates, record levels of employment, falling unemployment and solid levels of business confidence. However, there is just one fly in the ointment: the good news stops at the border, for the situation in Scotland is markedly different from that elsewhere in the United Kingdom. Only in Scotland, uniquely across the United Kingdom, are we seeing economic underperformance. Over the past year, our economy in Scotland has been flatlining and not growing at all over the 12 months to quarter 4 of 2016, as opposed to growth of nearly 2 per cent across the UK. In the fourth quarter of 2016, the most recent one for which we have figures, the output of the Scottish economy contracted by 0.2 per cent, while across the UK as a whole there was growth of 0.7 per cent. If we have another quarter of contraction, we will officially be in recession and the Sturgeon slowdown will have become the Sturgeon slump.

Those headline figures mask a more serious problem, in that the active economy—defined as a measure that strips out public sector activity and focuses on private sector, non-financial services—contracted by 0.6 per cent over the past year compared with growth of 3.6 per cent across the UK. On that measure, Scotland's active economy

over the past four years grew just 2 per cent, against 13 per cent growth across the UK. We are growing at one sixth of the UK average. The figures elsewhere are little better. Scottish workers have had the lowest rise in gross annual pay for any UK region and Scottish business confidence is significantly lower than that across the UK as a whole, according to the Federation of Small Businesses.

On the unemployment figures that the cabinet secretary talked about, it is clear from the most recent figures that unemployment in Scotland fell. However, the Fraser of Allander institute says that that is driven by a rise in economic inactivity. It is not about jobs being created; it is about people taking themselves out of the economy altogether. The employment rate in Scotland is lower than the UK average and Scotland lags behind every other UK region on job creation rates. I do not know why the cabinet secretary is shaking his head. Those are the facts and he has to start taking responsibility for the actions of his Government.

The picture that we have is absolutely clear: while the economy of the UK as a whole grows strongly, we have a specific, Scotland-only problem. Our economy is not growing, we are not creating more jobs, and wages are not rising. How do we explain the divergence between the economies of the UK and Scotland? We had our answer from the Cabinet Secretary for Finance and the Constitution two weeks ago. I note that he is not in the chamber this afternoon. Perhaps he is still on holiday or has been hidden away this afternoon, which would not be surprising because his response two weeks ago was laughable—almost as laughable as the concept that Sir Jamie McGrigor has just joined the Scottish National Party. The finance secretary's response was ridiculed in all quarters, for he tried to blame Scotland's relative underperformance on Brexit. Professor Graeme Roy of the Fraser of Allander institute put it much more diplomatically than many others:

"With any Brexit uncertainty affecting the UK as well, it's hard to argue that Scotland's relatively weaker performance can be explained by the outcome of the EU referendum."

As I said, that is putting it diplomatically but others put it in much more colourful terms, for it is simply ludicrous to blame Scotland's relative economic performance on a factor that affects the whole of the United Kingdom.

Why is every part of the UK doing well apart from Scotland? It must be because of a specific, Scotland-only issue. We are very happy to have a serious conversation with the Scottish Government about what the factors that apply to Scotland alone might be. However, in the absence of any more credible explanation than blaming Brexit, which is the go-to excuse from the Scottish

Government when anything goes wrong, let me propose two possible causes. The first is the question of tax. We know that the Scottish Government has extensive tax powers, and the recent budget passed by the SNP, with the support of the Greens, means that one in seven income tax payers in Scotland will pay more tax—up to £400 more a year—than they would if they stayed elsewhere in the rest of the United Kingdom.

Patrick Harvie (Glasgow) (Green): Will the member take an intervention?

Murdo Fraser: Not at the moment.

We also have council tax rises that see some families paying more than £500 a year extra and we have increased tax on business, with the large business supplement being double the rate that applies south of the border. Let us remember that the misnamed large business supplement applies to many comparatively modest retail premises that happen to suffer from high rateable values because of their location.

On top of that, we have the land and buildings transaction tax, which is set at the upper end of the market at higher rates than elsewhere in the United Kingdom. It is no wonder that the draft budget for 2017-18 had to revise downwards by some £750 million the take from residential LBTT between 2017-18 and 2020-21. Indeed, the Scottish Property Federation pointed out at the end of last month that the LBTT take for the current year was £100 million short of target with just one month to go in the tax year. That is no surprise because, if the tax rates are set too high, economic activity is depressed and we end up with less tax revenue as a result.

Gillian Martin (Aberdeenshire East) (SNP): Will the member give way?

Murdo Fraser: Yes—I have time, so I will give way.

Gillian Martin: Does the member agree that what will actually affect ordinary families' incomes and the economy is the decrease in tax credits for families with three or more children, which will take about £7,000 out of their annual incomes? Does he agree that that is a more serious impact on ordinary families in Scotland?

Murdo Fraser: That is an astonishing intervention from somebody on the SNP benches who wants to take us down the route of independence, which will leave a £15 billion black hole in Scotland's public finances. If she thinks that welfare cuts are an issue, why on earth does she support a policy that will see austerity max imposed on the people of Scotland? Is that what she wants?

It is no wonder that business rates are causing so much concern. The recent rates revaluation saw businesses throughout Scotland react with horror to huge increases in their valuations. After pressure from us and others, the Cabinet Secretary for Finance and the Constitution agreed to cap the increases for the hospitality sector at 12.5 per cent for the coming year, but he did not tell us—he did not realise—that in fact it was not a cap at 12.5 per cent but a cap at 14.7 per cent, because he had forgotten about the impact of inflation.

Just this afternoon, I have heard from Fife Council that, because the Scottish Government laid its regulations to implement the cap so late, the rates demands that the council is issuing to businesses now do not take the cap into account and businesses will be asked to pay the higher figure. I ask the Cabinet Secretary for Economy, Jobs and Fair Work whether that is a specific problem for Fife or whether it is occurring across Scotland—if so, he needs to get it sorted.

We have heard elsewhere that the cap may not be automatically applied, that it will be up to businesses to apply for it themselves and that, in the meantime, they will be expected to pay the higher sums. It is simply a shambles, and it sums up this Government's lack of understanding of the business community.

This is a Government that has done nothing for all those other businesses that are not protected by its cap. Whether they are children's nurseries, renewable energy projects, garden centres or the host of other businesses that contribute to our economy and provide jobs, all are seeing dramatic increases in their rates bills. Over the recess, I met two hoteliers in Perthshire who told me that, unless real action is taken on their rates bill in the longer term, it will no longer be viable for them to do business beyond next year. That is the impact that this Government's policies are having on the Scottish economy, and it is time that it thought again.

A second factor that is doing damage to the Scottish economy is the on-going uncertainty caused by this Government's obsession with a second independence referendum. A host of business figures from the Royal Institution of Chartered Surveyors to the Institute of Directors in Scotland have warned of the impact that that uncertainty will have on their ability to do business and to attract investment. A corporate survey by the law firm Burness Paull found that 88 per cent of firms thought that the prospect of a second independence referendum was creating uncertainty for Scotland. In the survey, 50 per cent stated that their company would not feel comfortable undertaking investment activity until the outcome of another referendum was known,

and 83 per cent said that it is vital for Scotland to remain part of the United Kingdom. The evidence from business is absolutely clear. The uncertainty caused by the prospect of a second independence referendum is damaging Scottish economic recovery.

I have set out what we believe are the problems with the SNP's approach. What will the Scottish Government do about it? Let me make some practical suggestions of what it might do to improve things. First, the Scottish Government has extensive powers on taxation, and it should be using them to create a competitive tax environment in terms of business rates and personal taxation, including LBTT. Secondly, we need constitutional stability. We need to rule out a second independence referendum, which the people of Scotland simply do not want. Thirdly, there needs to be a renewed focus on improving productivity. The Scottish Government should be working with the UK Government to help to develop an industrial strategy that is focused on innovation and the promotion of research and development.

Fourthly, there needs to be a renewed focus on exporting, with the role of Scottish Development International enhanced, particularly in non-EU countries. Fifthly, we need to do more to see our cities as drivers for economic growth. The UK Government's initiative for city deals is being rolled out to every city in Scotland. That is a welcome initiative, but it needs to be supplemented by Scottish Government action.

Finally, we should empower local government to assist growth. I commend to the Parliament our ideas in that regard; they are in our local government manifesto, which was launched this morning.

Above all, the Scottish Government needs to think again on its damaging policies for Scotland. It needs to think again on tax and it needs to think again on a second independence referendum. If it does not do those things, jobs will continue to disappear, our economy will continue to suffer and the Sturgeon slowdown will become a Sturgeon slump.

I am pleased to move,

That the Parliament notes with concern that the Scottish economy contracted in the final quarter of 2016, while the wider UK economy experienced strong growth; notes that business confidence in Scotland is lower than in any other part of the UK; further notes commentary from the Fraser of Allander Institute that it is hard to argue that Scotland's weaker economic performance can be explained by the outcome of the EU referendum; recognises that recent policies of the Scottish Government, including on income tax, business rates, the large business supplement and the Land and Buildings Transaction Tax will further undermine growth; considers that in prioritising its aim of separation from the UK above all else, the Scottish Government has

neglected and mismanaged the economy; further considers that the threat of a second referendum is causing further economic damage, and therefore calls on the Scottish Government to set aside its campaign for a second referendum and take urgent action on the economy instead.

The Deputy Presiding Officer (Christine Grahame): We have no time in hand. Time is very tight.

14:55

The Minister for Business, Innovation and Energy (Paul Wheelhouse): Before I set out some of the Scottish Government's actions to strengthen and grow Scotland's economy, I want to say that it is clear from Corporal Fraser's speech that the Tories are setting out to ignore the fundamentals of Scotland's economy, which are strong.

For the record, Scotland's gross domestic product per head is 99.9 per cent of the UK average. Scotland has achieved strong productivity growth. Since 2007, productivity per worker has grown 9.4 per cent in Scotland, in comparison with 0.1 per cent for the UK as a whole. Scotland has a strong and resilient labour market, and let me say for Mr Fraser's benefit that the latest figures show that unemployment in Scotland, at 4.5 per cent, is lower than the 4.7 per cent rate in the UK as a whole. Since 2008, employment in Scotland has risen by 45,000.

Murdo Fraser: Will the minister take an intervention?

Paul Wheelhouse: In a moment; I will just finish making these points.

Scotland has a very supportive ecosystem for new businesses. Since 2007, the number of registered businesses in Scotland has grown by 15 per cent to an all-time record level. Indeed, a survey of 43 UK cities for Expert Market cited Edinburgh as the best city in which to start a business. The value of Scottish international exports increased by 41 per cent between 2007 and 2015, from £20.4 billion to £28.7 billion. Scotland's business expenditure on research and development, albeit that it is not as high as I would like it to be, rose by more than 40 per cent in real terms between 2007 and 2015, to reach £871 million.

Murdo Fraser: I do not know whether the minister is familiar with the Fraser of Allander institute. He needs to read the institute's analysis of what is happening. The fall in unemployment is down to a rise in economic inactivity—it is not because jobs are being created but because people are leaving the labour market. The increase in productivity, according to Fraser of Allander, is down to fewer hours being worked, not

an increase in output per hour. Why does not the minister study the figures, rather than make bland assertions?

Paul Wheelhouse: I was a professional economist for 19 years before I was elected to the Parliament and, yes, I know the Fraser of Allander institute very well—I have worked with the Fraser of Allander institute. I repeat to Mr Fraser that since 2008—at the peak of economic activity prior to the UK-wide recession—employment in Scotland has risen by 45,000. We need to get this into perspective.

The Scottish economy has remained resilient in 2016, despite the significant challenges that continue to face the oil and gas sector and the heightened uncertainty that has been created by the UK's decision to leave the EU. Since the Brexit vote, consumer confidence in Scotland has fallen and is lower than it is in the UK as a whole. We can see, even if the Tories cannot, that Captain Theresa May and First Officer Johnson seem intent on steering a collision course for the SS Brexitannia, rather than steering it away from the economic iceberg. We can see the problems that are coming; the Tories seem to be ignoring them.

Mr Fraser might want to listen to this point. Only this week, Begbies Traynor, the insolvency practitioners, gave us the welcome news that the number of Scottish businesses that are facing serious financial hardship is falling, bucking the upward trend for the UK as a whole. The company found that firms in Scotland saw a 28 per cent reduction in the most serious signs of business distress during the first quarter of 2017, compared with a 7 per cent increase across the UK. Ken Pattullo, who leads Begbies Traynor in Scotland, said:

“Overall the supply chain in the UK is facing challenges from a weak pound and rising inflation, in particular in fuel and food costs”.

and in case the Tories missed this, I highlight that he went on to say:

“there is no doubt that these 'Brexit effects' will keep impacting parts of the Scottish economy too.”

However, despite the headwinds, Scotland's economy grew 0.4 per cent in 2016 and Scotland's labour market has continued to show welcome resilience. The latest data to February 2017 shows that our unemployment rate not only outperforms the UK average but outperforms on both female and youth employment rates.

The 0.2 per cent contraction in the Scottish economy in the final quarter of 2016 stems largely from the continued slowdown in the oil and gas sector and the impacts that that is having on the wider supply chain. In that context, I welcome Begbies Traynor's assessment that

“It would appear that we could have seen the peak of distress in that sector”.

Clearly, we need to remain vigilant, given that the oil and gas sector is still fragile. I acknowledge that. However, if the peak has indeed been passed, that is great news for the oil and gas workforce and for the sector, which has a long-term future in Scotland. The Scottish Government remains committed to supporting the oil and gas sector through measures such as the energy jobs task force, our £12 million transition training fund and our new £5 million decommissioning challenge fund.

To date, the TTF has assisted more than 1,800 individuals who have been affected by redundancy, and up to a further 755 are being provided with new employment opportunities through two larger-scale procurement rounds. Furthermore, the partnership for action on continuing employment has, in the year to 31 March, supported 15,167 employees and 299 employers across the economy, with the 2016 PACE client experience survey, which was published last October, suggesting that some 71 per cent of those who had been assisted had found new employment. To the best of my knowledge, that excellent service is provided only in Scotland.

Dean Lockhart (Mid Scotland and Fife) (Con):

If the contraction last year was a blip, can the minister explain why, under 10 years of the SNP Government, the average annual growth in Scotland has been a mere 0.7 per cent—a third of our long-term growth rate?

Paul Wheelhouse: As we will come to discuss, the UK Government also has a role in the management of the economy—a point that has already been made to Mr Fraser. [*Interruption.*] He may not like it, but those powers are still reserved. Both the Scottish Government and the UK Government must accept that we would like to see improvement in economic performance in Scotland, but I have highlighted a number of examples of Scotland performing extremely well in comparison with the UK.

Mr Fraser mentioned renewables, and last week’s Baringa study demonstrated that at least 1GW of new onshore wind can be commissioned without subsidy—although, because of the 2015 Conservative Party manifesto, the UK Government continues to deny a route to market for that technology—alongside 812MW of islands wind, 1,072MW of pumped hydro capacity and 150MW from tidal projects. All those developments have been held up because of a lack of support from the UK Government, despite the fact that they represent potentially billions of pounds of capital investment in Scotland and the wider UK supply chain.

The Scottish Government is also investing in the wider economy to boost growth and create jobs over the longer term, including by investing in our future through our £6 billion infrastructure plan and the £500 million Scottish growth scheme. Hundreds of millions of pounds are being invested in transport, housing and energy efficiency, and £400 million is being invested in digital connectivity to mitigate failings in another area that is reserved to Westminster. We are also committed to reducing the burden of air passenger duty to improve Scotland’s connectivity.

We plan to invest more than £1 billion in our universities in 2017-18 and are supporting collaborations between universities, businesses and others through our innovation centres, but it is vital that we retain access to horizon 2020 and other key sources of funding. We have established a board of trade and are creating permanent trade representations in Berlin to add to our innovation and investment hubs in Dublin and Brussels. The new innovation and investment hub in London was officially opened by the First Minister yesterday and will provide Scottish companies with a place to meet clients and customers, target new markets and secure investment. We are also increasing the number of modern apprenticeship opportunities to 30,000 per year by 2020.

Those investments in our economy are crucial, both as investment in the short term, to support Scotland’s economy during these uncertain times as the UK embarks on a hard Brexit, and as investment in the long-term productivity of our economy.

We are using our tax powers to support growth in the economy. On business rates, our actions demonstrate a continuing commitment to a competitive business rates environment, and we have reduced the overall rates burden by around £155 million. We have ensured that more than 50 per cent of all properties will pay no business rates this year, with more than 70 per cent paying the same or less than last year; that 8,000 business properties will no longer pay the large business supplement; and that the overall core business rates poundage will be cut by 3.7 per cent to 46.6p. We have also provided specific rates relief schemes for office accommodation in north-east Scotland and for renewables projects and the hospitality sector Scotland-wide. Those are all measures that the Tories voted against in the recent budget vote.

The economic outlook for Scotland remains positive. However, the main risk facing Scotland’s economy continues to be the prospect of a hard Brexit. Brexit presents a huge threat to jobs, trade, living standards and investment in Scotland. Brexit will take Scotland out of the largest single market

in the world and threatens more than £12 billion of exports from our country.

I move amendment S5M-05172.3, to leave out from first “notes” to end and insert:

“recognises the strength of the Scottish economy, with unemployment now lower than in the UK as a whole, productivity growing four times faster in Scotland than the UK, and the number of people in employment up by 45,000 since 2008, with the number of registered businesses having grown by 15% since 2007 to an all-time high; notes that most powers over the economy are reserved to the UK Government; acknowledges the resilience of the Scottish economy in the face of the slowdown in the oil and gas sector and welcomes the measures that the Scottish Government is taking, including the Energy Jobs Taskforce and the Decommissioning Challenge Fund; further acknowledges the wider measures that it is taking to grow the Scottish economy, including investment in transport and digital infrastructure and financial support for private sector business investment through the Scottish Growth Scheme, and believes that the main risk facing Scottish households and companies is the UK Government’s plans to adopt a hard Brexit, against the wishes of the Scottish people, impacting negatively on business growth and leading to skills shortages, which will in turn reduce employment, investment and public spending across the country.”

The Deputy Presiding Officer: I added on a little extra time because of the interventions, but time is now very tight.

I call Jackie Baillie to speak to and move amendment S5M-05172.1. You have seven minutes, please.

15:04

Jackie Baillie (Dumbarton) (Lab): I welcome any opportunity to debate the economy, although I must confess that the debate is wholly overshadowed by events elsewhere.

Before I turn to the Scottish economy, I will make an observation about what businesses tell us that they value. As confirmed this morning on “Good Morning Scotland” by David Watt of the Institute of Directors, businesses value certainty. I think that it is fair to say that that is the last thing that the UK and Scottish Governments have given them. We had an independence referendum in 2014, with all the uncertainty that that meant for the economy, a general election in 2015, a Scottish Parliament election in 2016 and a European Union referendum a month later, and now we have another general election and the threat of indyref 2.

Although Barbara from Bristol might have summed up the nation’s view, I think that it is safe to say that the stable, certain environment for business is truly non-existent.

Murdo Fraser: Will the member give way?

Jackie Baillie: The only thing that is a constant is change—and Murdo Fraser’s interventions.

Murdo Fraser: I am very grateful to my favourite Labour MSP for giving way.

The Deputy Presiding Officer: I think that that is your intervention finished.

Murdo Fraser: That is all my intervention.

The Deputy Presiding Officer: I am afraid that you must sit down, Mr Fraser.

Jackie Baillie: What a waste of an intervention, Presiding Officer. That reminds me: the previous time that the Tories took us to the polls was to sort out an internal party problem over Europe. Look where that got the country: it took us out of Europe and brought us the entirely fictitious promise of more money for the national health service—and it got David Cameron out of office. The new Prime Minister looks intent on using a general election to silence her internal critics. I can but live in hope that she will suffer a fate similar to that of her predecessor.

Murdo Fraser: Will the member give way?

Jackie Baillie: Hold on.

It was, of course, Theresa May’s long-held view that a general election during the Brexit negotiations would be damaging to businesses and households. What a complete U-turn on her own position. It is clear that she simply does not care about the damage that will result.

Although, like most politicians, I quite enjoy elections, the reality is that the Scottish economy, which is already in a precarious state, might suffer further. The uncertainty of an election clearly does not help. Although I will relish the debate, I cannot help but think that, as someone once said,

“now is not the time”.

Jackson Carlaw (Eastwood) (Con): Will the member take a quick intervention?

Jackie Baillie: No. I accept that this is uncomfortable to hear, but the member should listen. Our collective focus, whichever Parliament or party members belong to, should be on growing the economy, because, whatever set of figures the Scottish National Party tries to spin, we do not start from a strong base. The economy is not just stagnating, it is in decline. The last quarter’s gross domestic product figures show a contraction in the economy, with negative growth of -0.2 per cent at the same time as the UK economy grew by four times as much. That trend—the difference between Scotland and the UK—has also played out over the full year.

The key areas that contracted include construction and production. I urge the Scottish Government to look at those areas when it is considering investment and to bring forward the

capital infrastructure and housing projects that would make a difference in those sectors.

There is no doubt that the Scottish economy is underperforming against the rest of the UK across a number of measures. Growth is down and has been revised downwards; employment levels are decreasing, with 17,000 fewer people in employment this quarter than there were a year ago; and there is greater underemployment in the workforce, with worklessness increasing and economic inactivity levels standing at 60,000 people more than has been the case over the past year. The Scottish Government has not taken the time to understand what lies behind that increase, which is ultimately bad for our economy. I see the minister shaking his head, but I must say that I found his speech to be entirely complacent about the needs of the Scottish economy.

Paul Wheelhouse: Will the member give way?

Jackie Baillie: No—I think that we have heard enough. *[Interruption.]* Government front-bench members might want to listen to this. Yesterday, the Scottish Retail Consortium reported that retail sales were down for the last month. Although food sales appear to have gone up, that is largely down to price inflation. That should concern us all, because retail matters to the Scottish economy. It is important that we encourage productivity and growth in the retail sector, and it is time that the Scottish Government invested in a dedicated retail strategy.

The truth is that Scotland has lost out on billions because of the SNP's mismanagement of our economy. Failure to return to pre-recession levels of growth has cost the Scottish economy £6.5 billion since 2011. *[Interruption.]*

The Deputy Presiding Officer: Just a minute, Ms Baillie. Somebody was whistling; I do not like people whistling. We are not in a classroom, so I do not need to ask the culprit to stand up, but we will not have that.

Jackie Baillie: With our new powers over taxation, we absolutely need to create jobs, to increase revenues and to ensure that we have enough to invest in public services. After a decade of the SNP being in charge, one would have thought that we would have a Government that is focused on boosting growth by investing in the economy and creating jobs. Instead, bodies such as Scottish Enterprise—the very agency that is charged with growing the economy—are experiencing breathtaking cuts of some 40 per cent. Quite simply, the SNP Government is not serious when it comes to dealing with the economy—either that, or it really does not know what it is doing. I am not entirely sure which is worse.

We need only look at the economic strategy. There is much in it that we support, but the ambition and warm words are simply not matched by action. There is little monitoring and little forward direction. To suggest that it should not be fundamentally reviewed in light of Brexit is astonishingly stupid.

We also have the SNP's plans for a second independence referendum. An independence referendum is no longer something that should take place once in a generation—it should now happen once every few years. The holding of another independence referendum would be economic vandalism on a truly breathtaking scale. Just the prospect of indyref 2 will cause damage to the economy, never mind independence itself. The SNP cannot even tell us the answer to that most basic of questions: what currency would we use? There is also the question of how we would fill the £15 billion black hole in our accounts each year.

There is no greater ambition than that of growing the economy, but that ambition must be matched by action. We need investment in growth, in skills and in our businesses, and we need certainty to help our businesses to invest in the future. We stand ready to work with the Government, but it must pull its head out of the sand and focus on the economy, not on another independence referendum.

I move amendment S5M-05172.1, to leave out from “recognises” to “undermine growth” and insert:

“believes that the Scottish Government has not fully utilised the new powers of the Scottish Parliament, which could boost economic growth; further believes that the economic strategy requires urgent review to turn around the fortunes of the Scottish economy, as well as to deal with the impact of Brexit”.

15:12

Patrick Harvie (Glasgow) (Green): I welcome this afternoon's debate on the economy, and I am glad that it has not descended wholly into a debate on independence and Brexit, as happens so often, although I must say that, when the opening Conservative speaker called for a period of constitutional stability, I almost choked on my watermelon—I really did. *[Laughter.]*

The Green amendment focuses on two main themes: the failure to invest in a transition away from the fossil-fuel age and towards long-lasting, high-quality and sustainable economic activity in the future; and the inequality that persists in our economy. On their own, narrow metrics such as growth and productivity are not enough to tell us about the quality of economic activity, as opposed to its quantity.

For some people, there is a strong economy: for example, the top 10 per cent of the Scottish population have more than doubled the income gap between themselves and the bottom 40 per cent in just one year. That is in keeping with the situation in the rest of the UK, where the richest 10 per cent of households hold 45 per cent of all wealth. By contrast, the poorest half of the population hold just 8.7 per cent of it.

It is true that the proportion of working-age adults in employment is at a high, but 55 per cent of people in poverty are in working families, which is also a record high. The Scottish Government's statistics show that 20 per cent of people in Scotland were living in relative poverty in 2015-16.

For people who enjoy a position of wealth and privilege, one can indeed claim that there has been a recovery and that we have a strong economy. They will enjoy the fruits of that. However, far more people are experiencing a labour market and an economy that are characterised by low wages, bogus self-employment and precarious employment through the so-called gig economy—which is, of course, the shiny new name for old-fashioned casualisation, but this time with apps. We should not be excited about that; instead, we should be concerned about the people who are being exploited through it.

The Tory Government is pursuing policies that will actively make poverty and inequality worse. Indeed, much has been said about the impact of cuts to tax credits and universal credit. I find it simply laughable that, in response to Gillian Martin, Murdo Fraser seemed to suggest that taking thousands of pounds from a low-earning or average-earning households is somehow to be ignored, and that taking a few hundred pounds from people like us who are on high incomes is so much more devastating to the economy. All that highlights the fact that inequality is the context in which we need to read what the numbers in narrow economic measures, including productivity and GDP, tell us about the economy.

Another factor that is ignored by those narrow economic metrics is, of course, sustainability. Brexit has endangered our economy; that much is certain, and the Conservatives' internal party squabbles look set to trigger an opportunistic snap election and a power grab to undermine both Parliaments. However, in answering his own question about the reasons for the divergence between Scotland and the rest of the UK, Murdo Fraser cited tax policy—even though his beloved Fraser of Allander institute has pretty much blown out of the water the claim that Scotland is the highest-taxed part of the UK—and he also suggested that it is because of the debate on independence. I have to point out that the

divergent performance that he pointed to started after the 2014 referendum and in the run-up to his party's reckless decision to pursue a hard Brexit. I think, therefore, that the independence referendum cannot be the issue.

As for the Fraser of Allander institute report that Murdo Fraser mentioned on several occasions, that analysis concluded by saying:

“the independence referendum does not appear to have been a major driver of volatility ... We find that global events—such as the Eurozone debt crisis—tended to have a much more significant impact.”

Murdo Fraser: Will Patrick Harvie give way?

Patrick Harvie: Just one moment.

The same analysis cites the downturn in the oil and gas sector as “part of the explanation”. I find it astonishing that Murdo Fraser wants to look at tax policy or the constitutional debate as though all the uncertainty is coming from Scotland and not from the UK, and that he wants to ignore the fundamental structure of the Scottish economy.

I would now welcome some nice new fruit and vegetable based insults from Mr Fraser. That will be great fun.

The Deputy Presiding Officer: He will certainly not be doing that.

Murdo Fraser: Does Patrick Harvie accept that the Fraser of Allander institute analysis that he has just quoted refers to the impact of the constitutional debate on financial markets—in other words, on stock prices—and not on the broader economy?

Patrick Harvie: From a reading of the Fraser of Allander institute's publications and from what we know about the economy, I find it bizarre that someone can dismiss, ignore and not even refer to the overreliance on the fossil-fuel industry, which is central to Scotland's position. Given, as we know, that burning just the fossil fuels in known reserves will tip the climate system into disarray, that resource will never be successfully turned into profit or economic activity. We cannot allow people's livelihoods to depend on that volatile global price and unburnable resource: that much is certain.

Moreover, I point out that the BBC's Douglas Fraser said:

“Down in the doldrums with Scotland was Russia ... Those over-dependent on oil revenues, as well as those afflicted by war, dominate the list of those with contracting economies”.

I simply do not think that we can dismiss the reality of the issue, and it really should focus our minds on the urgent need to invest in a sustainable alternative.

I do not have the time to go through the other amendments but, as my colleague Andy Wightman will explain in his summing up, we will be voting against all of them for different reasons.

I move amendment S5M-05172.4, to leave out from “contracted” to end and insert:

“has been affected so profoundly by the fall in oil prices, and that inequality of wealth and income remains high; considers that the ongoing failure to transition Scotland’s economy away from a dependency on fossil fuels has risked the jobs and livelihoods of people in Scotland, and that poverty and inequality are causing severe damage to people’s health and quality of life; notes commentary from the Fraser of Allander Institute that the low oil price continues to have a significant impact on the wider Scottish economy; considers that narrow metrics, which ignore the inequalities in the economy are inadequate; notes that the economic powers necessary to react to an asymmetric shock to the Scottish economy, such as oil price fluctuations, are reserved to the UK Parliament; considers that collaboration on green energy targets and global climate agreements through the EU to be vital, and calls on the UK and Scottish governments to start a rapid transition to a low carbon economy in order to protect livelihoods, reduce wealth and income inequalities, and prevent the worst effects of climate change.”

15:19

Mike Rumbles (North East Scotland) (LD): The Scottish economy is not in a good place. It is not as though the Scottish Government has not been warned about the fragility of our economy, the problems with business confidence and the problems that companies face through skills shortages. The Liberal Democrats have argued that what is needed from the Scottish Government is transformational change in our education and skills base in order to build a high-wage and high-skill economy.

We argued that most recently with Government ministers during this year’s budget process, but the Cabinet Secretary for Finance and the Constitution had unfortunately already decided on his budget beforehand. The evidence for that is the almost magical appearance of extra money, which—while appeasing the Greens—did not come anywhere close to providing the funds that are necessary for the transformational change that we believe is needed.

We all know that business does not like uncertainty. The Conservative motion argues that the Scottish Government should

“set aside its campaign for a second referendum and”

focus “on the economy instead.” The Liberal Democrats could not agree more with that view, because the Scottish Government’s action with that divisive call for another independence referendum undermines business confidence in Scotland.

However, the Conservative motion is the pot calling the kettle black. There are two main reasons for the lack of business confidence in Scotland. There is the worry—there is real concern—over the future direction of our country that is caused by the constant campaigning, rather than governing, by the SNP Administration, and is compounded by the actions of the previous and current Conservative Prime Ministers with regard to Brexit. The threat of a second independence referendum, coupled with Brexit, is sending a chill through the Scottish economy.

Murdo Fraser: Will Mike Rumbles give way on that point?

Mike Rumbles: Just a moment.

The Fraser of Allander institute recently reported that the

“unprecedented ... political and economic uncertainty”

that is being generated by Brexit and indyref 2

“is likely to act as a further headwind for many businesses and potential investors.”

Since the Fraser of Allander institute is Mr Fraser’s choice for quotations, I will give way to him.

Murdo Fraser: If Brexit is causing a fall in business confidence, why has that not been reflected across the whole United Kingdom instead of only in Scotland? There is a gap of 30 points in business confidence between Scotland and the rest of the UK.

The Deputy Presiding Officer: Before you reply, Mr Rumbles, I ask that we do not have two members standing at the same time. Mr Rumbles—will you reply now, please?

Mike Rumbles: I accept that there is a difference between the two—but just imagine how our growth could be like that south of the border, in England, if we did not have that threat.

Murdo Fraser: But we do have that threat.

Mike Rumbles: Absolutely.

Surveys such as the Federation of Small Businesses’ confidence index—which is also often cited by the Conservatives—indicate that business confidence is low. The number of Scottish firms that are expecting the economic outlook to improve is outstripped by the number of firms that expect the situation to deteriorate.

Two weeks ago, Scottish Chambers of Commerce warned that companies are facing a lack of digital skills. Of the Scottish businesses that took part in its national business survey, eight out of 10 reported some form of shortage of digital skills; companies and organisations in almost every sector of the economy are struggling to find the skills that they need. The Liberal Democrats

are the only party in this Parliament that will work to change the direction of the whole United Kingdom and towards securing Scotland's economic future by avoiding a hard Brexit and keeping Scotland in both the United Kingdom and the European Union single market.

Patrick Harvie: I am sure that if Mr Rumbles is committed to changing the direction of the UK, he will do what his party leadership has not done at UK level and rule out any form of co-operation with the Conservatives after the snap election.

Mike Rumbles: What a red herring from Patrick Harvie. Quite frankly, Liberal Democrats are not interested in coalitions, and I am sure that the Greens are not, either. I believe that the Greens will not gain one MP in Scotland. Let us get back to reality.

I want to look at the economic facts that Scotland faces. During the Easter recess, we learned—as has already been mentioned—that Scotland's GDP shrank by 0.2 per cent in the final quarter of 2016, while the UK economy as a whole grew by 0.7 per cent. There has been no indication that any minister has given much thought to the possibility of a recession and how to avoid it. No minister has publicly acknowledged the risk of a Scottish recession—not even in today's debate. Given the lag in publication of statistics, we could already be in a recession. We will not know until July. What action have Scottish ministers taken to ward off the threat of recession? Instead of playing the blame game, which I have heard members do already in this debate, the Scottish Government should be setting out clear and credible plans to turn the situation around.

The Liberal Democrats will not give up on our call for transformational investment in education and skills training because we think that that is the key to addressing the situation and to making Scotland's economy fit for the future.

I turn to the Conservatives again. I have to say that it takes some gall for the Conservatives to have lodged their motion today—the day after they announced that they are going to the country to try to consolidate their hard Brexit. It is difficult for me to listen to most of the Conservatives here, because most of them do not actually believe in a hard Brexit. They did not argue for it, but because their leader now says, "Jump!", they jump. A hard Brexit will do immense damage to the economy of the whole United Kingdom. I cannot think of a worse self-inflicted wound. There is no getting around it. I thought that the Conservatives would appreciate that barriers are bad for business. People and companies are already paying the price of Theresa May's approach. Ruth Davidson knows the cost of it, too.

When we have the reckless hard Brexit of the Conservatives, the last thing that we need is the divisive approach of the nationalists. The electorate now has a chance to change the direction of our country, a chance to turn back the tide of division, and a chance to give our country a brighter and better future. The Liberal Democrats are open, tolerant and united while the Tories and the nationalists offer propositions that would harm our economy. We stand with majority opinion in this country: we stand proudly for a United Kingdom within the European Union.

I move amendment S5M-05172.2, to leave out from "strong" to end and insert:

"growth, placing Scotland on the brink of a recession; notes the string of warnings about the fragility of the Scottish economy, business confidence and skills shortages; believes that these necessitate a transformational investment in education and skills, building a high-wage, high-skill economy; further believes that the profound dangers posed to the Scottish and UK economies by Brexit are only compounded by the uncertainty created by the threat of a second referendum on Scottish independence, and therefore relishes the opportunity presented by a snap General Election to change the direction of the whole UK and work towards securing Scotland's economic future by avoiding a hard Brexit and keeping Scotland in both the UK and EU single markets."

The Deputy Presiding Officer: We move to the open debate. I ask for speeches of a tight six minutes.

15:27

Joan McAlpine (South Scotland) (SNP): The Tories have an absolute brass neck in bringing this topic to Parliament today. Before the European referendum, the UK Tory Government said that Brexit would make us "permanently poorer" and yet yesterday the Prime Minister announced a general election, the sole purpose of which is to ensure the delivery of the hardest Brexit possible, which will make us permanently poorer. Fraser of Allander institute research that is not quoted by the Tory motion has said that that will result in the value of the wage in people's pockets in Scotland falling by £2,000 in real terms and will cost Scotland at least 80,000 jobs. That is the insecurity that Scotland faces.

That warning does not come just from the Fraser of Allander institute. In a piece of work that was published this week, the World Economic Forum gave a devastating analysis of the impact of Brexit on the UK economy as a whole. It states:

"According to our calculations, based on direct costs such as job losses from the finance sector, as well as inflation eroding incomes and savings"—

because of a drop in the value of the pound—

"Brexit will cost Britain £140 billion (7.5 % of GDP) or the equivalent of £300 million a week over eight years".

In the context of the Brexit debate, £300 million a week is a familiar figure.

The World Economic Forum has more to say about the British economy under the Tories' stewardship. It is unimpressed by the bragging about recovery at a UK level. It explains that by saying:

"After an eight-year recovery built on rising asset prices and debt but stagnant wages, the poor and the old will see their incomes and savings dwindle. The canary in the coal mine is the pound sterling, which already dropped from over 1.50 to 1.25 against the US dollar. For an island that imports half its goods and food, this means higher inflation. High street retailers are already feeling the pinch: expect even smaller portions and less fruit and vegetables on the shelves.

Brexit uncertainty could also scare off some investment and push jobs away. In fact, some firms are already relocating elsewhere."

The minister outlined at length the substantial work that the Scottish Government is doing to support the Scottish economy, with the unemployment rate now lower than that for the UK as a whole and with the second-lowest youth unemployment rate in the whole European Union, which is something that we should repeat more often.

Those achievements come despite the policy of the Tory Government in London, which—I am afraid—has far more influence on Scotland's economic fortunes than anything that happens here. The fact is that 70 per cent of Scotland's taxes are still set and controlled by Westminster. Control of monetary policy lies down in London, as does that of fiscal policy. The same is true of energy policy, as alluded to by the minister. It is a critical factor in the Scottish economy and is controlled entirely by Westminster—what a pig's ear it has made of that.

Recent challenges in the Scottish economy have resulted from a fall in the oil price, which was not predicted by anyone, including the UK Government. During the independence referendum campaign, the UK Government—David Cameron, in fact—said that the North Sea was best left on the broad shoulders of the UK, but the UK Government has squandered that national resource. Over the past five decades, North Sea production has generated more than £330 billion in tax revenue. All of that went straight to the UK Treasury when it could have been invested in Scotland's infrastructure and put aside for the future. In Norway—a small independent country—oil revenues have been invested wisely and there is now a sovereign wealth fund of \$900 billion. What an indictment that is of the failure of successive UK Governments to safeguard Scotland's most precious resource.

However, the mismanagement of energy is not confined to oil. Since 2015, the UK Government under the Tories has sought to sabotage our renewables industry in what can only be described as a series of spiteful measures that undermine the Scottish economy. Scotland's ability to attract investment in the renewables sector is being hampered by UK Government policy. The UK's position in the Ernst & Young renewable energy country attractiveness index fell to 14 in 2016 because of

"Uncertainty caused by Brexit, the closure of the Department of Energy & Climate Change and the approval of Hinkley Point C all"

dealing

"a sizeable blow to the UK renewables sector."

In February 2016, the Energy and Climate Change Committee at Westminster reported that investor confidence had been dented since the UK parliamentary election in May 2015. The committee identified six factors that had combined to damage investor confidence, including

"Sudden and numerous policy announcements"

that

"have marred the UK's reputation for stable and predictable policy development."

The UK Government has been criticised by a wide range of experts and stakeholders. For example, Andrew Watkin, who is the head of the energy and marine team at the property consultancy Carter Jonas, stated that the UK Government's plans

"will kill off the solar and onshore wind industries in the UK from 2016 onwards."

The figures are stark. They show that investment in wind, solar, biomass and waste energy projects could decline by 95 per cent between 2017 and 2020.

Finlay Carson (Galloway and West Dumfries) (Con): Will the member take an intervention?

Joan McAlpine: No—I need to make progress.

The Deputy Presiding Officer: The member is in her last 30 seconds.

Joan McAlpine: Those areas are particularly important to the Scottish economy. That is only one of many aspects of the Scottish economy over which control lies entirely with the UK Government. The UK Government has made a mess of that in the past and, because of Brexit, it looks set to make an even bigger mess of it in the future.

15:33

Liam Kerr (North East Scotland) (Con): There are things that keep me awake at night. Ensuring that Scotland has signed a climate change agreement with one of the 50 states of the USA; ensuring that Scotland spends millions on an overbudget baby box scheme that, according to research by Kantar, people neither want, respect or even use; spending days debating whether the Parliament should ask a question to which the answer is already known; spending 31 hours debating Brexit but only seven on education—those matters concern me.

James Dornan (Glasgow Cathcart) (SNP): Will the member take an intervention?

Liam Kerr: I will take one on that point but a question only, please.

James Dornan: If we are talking about things that keep Liam Kerr awake at night, what about the rape clause? How does he get on with that?

Liam Kerr: Let us try to keep the debate relevant, shall we? We have been written to. Peter Chapman gave James Dornan's colleague Gillian Martin a good reply to that question, so I suggest that James Dornan goes and asks her about it when there is more time.

What keeps me awake at night is the Scottish National Party's stewardship of the Scottish economy. While the UK economy grows at 0.7 per cent—it is the fastest-growing economy in the western world—and the UK job creation rate is 8.6 per cent, the Scottish economy has a job creation rate of 1.7 per cent and a lower employment rate than the UK average. Scotland also has lower gross-value-added growth per head than England's north-east, the north-west, Yorkshire and the Humber, the south-east, the south-west and Wales. Scotland's active economy contracted by 0.6 per cent over the past year, compared with growth of 3.6 per cent for the UK.

According to the Scottish Government's figures, the Scottish economy grew by 0 per cent over the past year, compared with growth of 1.9 per cent for the UK. We have also heard about the Federation of Small Businesses statistics, which show that the confidence of Scottish small businesses remains significantly below the UK average.

My insomnia is a function of two things. First, I confidently predict that, in the debate, the Government will totally and wilfully fail to acknowledge any of the problems or indeed its agency in them. It will blame the Tories, Brexit, Westminster and perhaps a lack of powers—or, in the case of Joan McAlpine, all of the above.

Secondly, there is—manifestly, staggeringly and absolutely—no plan to rescue the situation. The

Government has the power to do something and to do something about it now. We might not agree on where the blame or the responsibility lies, and we would not necessarily agree on the solutions, but surely the least that a Government should do is present the solutions and a road map to success that says, "Here we are. Here is the plan for how we will get out of it by using the following levers. In five years' time, here is where we will be."

Andy Wightman (Lothian) (Green) rose—

Liam Kerr: No, thank you.

Instead of that, we have a finance secretary who has set his proposed air departure tax rate at a particular level because it felt like the "right thing to do" and who announced with much fanfare a capping of business rates for hospitality businesses at 12.5 per cent but forgot to account for inflation, so the cap will be at 14.7 per cent.

We have the "Government Expenditure and Revenue Scotland" figures. They were trumpeted three years ago as the basis for the economic case for separation but, now that they are starting to show that Scotland is a net beneficiary from the rest of the UK, they are being derided as nonsense. We have a Government that is presiding over people's council tax, which is going up; business rates, which are going up; income tax, which is going up; and LBTT, which is going up.

Of course, all of that requires the complicity and support of the Greens, who have been revealed to be the SNP in all but name, but with added virtue signalling and less economic credibility. The leader of the Greens admitted in March 2016 that although he did not know how much extra revenue his party's preferred top rate of tax would raise, he would continue backing it, even if it did not generate a penny more.

There are solutions, which Murdo Fraser suggested and which others will no doubt articulate but, above all, we need stability and certainty. Whatever our desired outcome, we can surely all agree that certainty does not come from a bipolar second independence referendum, where the outcome is, by definition, one of two polar opposites, or from a prospective country in which the currency is not certain, the status of EU membership is not known and the existence of a hard trading border at Berwick—that would mean losing a single market that is worth to Scotland four times as much as the EU is worth—is a distinct probability.

Whatever our individual aspirations, it is incontrovertible that the threat of a second referendum is causing economic damage. Just this week, the serial entrepreneur Robert Kilgour reported that he regularly comes across financial

investors who no longer consider Scotland as a place to put their funds.

I have no doubt that the Parliament is unconcerned with my nocturnal wellbeing.

Members: We are concerned.

Liam Kerr: Thank you. However, members must be concerned that the Government is spending vast amounts of time and money on tinkering around the edges while the economy of Scotland labours. [*Interruption.*] The lack of any form of concrete long-term plan to deal with economic underperformance is concerning, and that must be addressed. I have set out the basis and the paradigm within which that plan might operate. The people of Scotland demand stability in our institutions, predictability in our policies and consistency in our decision making.

I ask the Cabinet Secretary for Economy, Jobs and Fair Work, please, to tell me in his summing up that the Scottish Government has a better idea and to set out a comprehensive and coherent plan for turning the economy around, without blaming everybody else. He should set aside the campaign for a second referendum, support the Conservative motion and let me get some sleep.

The Deputy Presiding Officer: On the matter of sleep, I think that your speech woke up a baby in the public gallery, Mr Kerr.

15:39

George Adam (Paisley) (SNP): Scotland has one of the strongest economies in the world, with advantages and resources that few nations can match, but anyone who listened to the Conservative Party would think otherwise. I do not doubt for a minute that there are issues that keep Liam Kerr up at night—perhaps it is guilt over the pain that he and his kind are inflicting on the people of Scotland. That is the reality of the situation.

I have always been a glass-half-full kind of guy; that is my nature, and I have always looked to the positives of life, regardless of the challenge. As my old Dad used to say, “Who said it was going to be easy, son?” The important things in life are seldom easy, and that is the challenge. It appears that that is lost on the Conservatives, as they wallow in their own negativity. We will not hear a Tory MSP talk of building a better tomorrow; they are happy to wallow in their own mucky, sordid vision of the future.

That type of negativity is not for me. In constituencies such as mine, the small business bonus scheme has made a difference, as it has done in regenerating the east end of Paisley. It is obvious that the Tories are not interested in regenerating towns such as Paisley, because it

was under the Tories that the problems happened in the first place. In Paisley's east end, there is 100 per cent occupancy of retail units. Many of the businesses there qualify for the small business bonus, which has saved businesses in Scotland more than £1.2 billion in rates alone.

This year, the Scottish Government expanded the scheme by removing the rates burden entirely for 100,000 business properties. Politics is about priorities, and the Scottish Government's priority has always been the people it serves. While the Tories in Westminster cut taxes for those on the higher rate, the Scottish Government is forgoing the tax cut of £400 for individuals, which equates to £7.60 per week, and making it contribute to Scotland's social contract, which includes free education, further free childcare, free school meals, no bedroom tax and free prescriptions.

The abolition of tuition fees saves more than 120,000 undergraduate students up to £27,000 in comparison with the cost of studying in England. The Scottish Government's increase in free childcare provision to 600 hours saves families £2,500 per child per year in total, and the forthcoming expansion to 1,140 hours, which is equivalent to 30 hours a week, will save families £4,500 per child per year. All children in primaries 1 to 3 are entitled to a free school meal, which saves families about £380 per child per year and ensures that stigma does not prevent children who need a decent meal from getting it.

There is no bedroom tax. The Scottish Government has ensured that no one in Scotland has to pay the Tories' hated bedroom tax, which ensures that 70,000 households, 80 per cent of which have a disabled family member, save more than £600 per year on average and can stay in their home.

We have free prescriptions. Scottish patients who need a prescription save £8.40 per item in comparison with England. The Tories want to charge patients every time they need a prescription, which would mean a Tory tax of an extra £100 a year for people with long-term conditions.

Of course, we all know that the Westminster Tory Government is more interested in making those who have long-term conditions suffer under its so-called welfare reforms. Members may or may not be aware that next week is multiple sclerosis awareness week. Although this year's theme is MS specialist nursing, the focus over the past few years has been the impact of welfare reform on those who are living with MS. I mention that for two reasons—first, because Stacey Adam would probably inflict bodily harm on me if I did not mention it, and secondly, because of the impact on our economy.

The MS Society Scotland published a report called "MS: Enough", which talks about the impact. The findings in the report are staggering. It found that people with MS have had to reduce spending on basic essentials and socialising as a result of disability benefit changes; that 30 per cent of those who have MS spent less on food because of the Conservative Westminster cuts; that 25 per cent had reduced their spending on gas and electricity; and that 47 per cent spent less on socialising with family and friends. All of that is on the back of Tory welfare cuts. That has obviously had an impact on our economy and, if we increase the scope to include all those who are living with other long-term conditions, we can see the impact that Tory economic devastation is causing.

The "MS: Enough" report also found that 80 per cent of people who are living with MS were forced to give up work within 15 years of diagnosis. Members will understand how all that impacts on the ability of people with long-term conditions to be active members of the economy. There are 11,000 people with MS in Scotland.

One of the biggest impacts on our economy, which has been created by sheer Tory recklessness, is from Brexit. A hard Brexit will impact negatively on business growth and lead to skills shortages, which will in turn reduce employment, investment and public spending across the country.

On 15 March, David Davis told the House of Commons Brexit committee that he had done no economic assessment. When asked about that, he said:

"I cannot quantify it for you ... yet. I may ... be able to do so in about a year's time".

That shows how much focus and direction the Westminster Government has in relation to our economy.

I stated earlier that I believe in facing our challenges head on and finding solutions to problems. The Scottish Government has the same attitude; it is working in a system under which it has had to mitigate the effects of decisions that are made elsewhere to protect our nation from the Tories. The Scottish Government will continue to do that over the next couple of months, as we continue to debate the true cost of potentially never-ending Tory rule at Westminster.

15:45

Pauline McNeill (Glasgow) (Lab): Whatever the positives of the employment figures in Scotland, overall it is clear that all is not as well as it should be in the Scottish economy. It is surprising that that has not attracted more debate, as we wait with concern for the next quarter's figures to find out whether Scotland is in

recession. If that is to be the case, it is already too late to prevent it, but we must see the evidence that the Scottish Government is using the available powers to change the trajectory of the Scottish economy. We must also see that the UK Government, which is also responsible for the Scottish economy, is ready to provide a Brexit solution that is appropriate for Scotland's needs, which are different, as they are in Wales and Northern Ireland.

The solutions that are being presented are a choice between a hard Brexit and being out of the single market, and independence from the UK. Sadly, the general election that has now been called will probably be dominated by those two options. I for one will be campaigning to expose the Tory record of failing ordinary people in their everyday lives, as the cost of living rises. Restricting child benefit to two children will only add to child poverty, which the Tories claimed they would solve and, crucially, it will not encourage the population growth that we need. As others have mentioned, low wages, insecurity in work and the increasing gap between rich and poor must be centre stage in the election if ordinary people's views are to be represented.

If Theresa May's real reason for calling a general election is, as she says, so that people can unite behind a Brexit plan to allow her to negotiate, she needs to provide an assurance that that includes a plan that meets the needs of Scotland, too. I have argued in the Parliament many times that that must include our having a say in immigration. That would provide Scotland with the appropriate population growth so that we have the appropriate skills to bolster our GDP growth, which is markedly lower than in the rest of the UK.

There is a division in the growth path and in job creation between Scotland and the rest of the UK, which increased around the time the oil price fell. There needs to be a serious analysis of why that is because, obviously, if we do not know that, we will not have the right solutions to tackle it. The global financial crisis of 2008 should never be forgotten, as it is the underlying reason for most of our country's problems, current and future. However, the two false choices that are presented by the SNP and the Tories compound the problems that the global financial crash created.

Whatever the result of the general election, the UK and Scottish Governments need to be focused on the economy and the creation of quality jobs with protection at work, and on attracting inward investment and new infrastructure to give businesses and consumers confidence in the long-term plans for our country.

Brexit and the manner of it have already caused huge problems for the UK as a whole. Even

though the UK economy has shown some resilience, as Tom Arthur said, we have not actually left the European Union yet, so we have not felt the full effects. None of those constitutional choices, if they come to pass, will deal with the fact that action is needed urgently here and now to change the direction that we are headed in.

Wage stagnation is one of the most serious issues across the United Kingdom. In July last year, wage growth was worse in the UK than it was anywhere in Europe, apart from Greece. UK wages have dropped by more than 10 per cent since the financial crash. Frances O'Grady, the general secretary of the TUC, said that that represents the steepest decline in real wages since at least the 1830s—yes, the 1830s, not the 1930s.

The story of Brexit was that immigration was presented as the cause of wage stagnation. It is worth noting that the respected economist Anton Muscatelli said in a recent lecture:

"In many respects, since 2007-8 real wages have been depressed in the UK. It's got nothing to do with immigration, it has been depressed because of the way national income has been shared between employment and profits."

In my eyes, that is another way of saying that unrestrained capitalism has caused this sharp gulf. If we just implement the living wage and do nothing about the long-term position of wages, we will never catch up.

Many economists believe that we do not know all the factors that have led to the grim performance of the Scottish economy. However, one key problem is the slow rate of population growth, which appears to be slower here than it is in the rest of the UK. I hope that all parties agree that we must be given the tools to tackle that.

I welcome the chance to debate the way forward. I have one question for cabinet secretary Keith Brown to answer when he sums up. How is the Scottish Government going to use the £200 million UK-wide apprenticeship levy? I have had representations from business groups that say that they are not clear how it will be used. I would be grateful for a response to that.

15:51

Ash Denham (Edinburgh Eastern) (SNP):

Last week, in a report that was based on the most comprehensive research to date on start-up environments, the firm Expert Market named Edinburgh the best city in the UK in which to start a new business. Edinburgh was named as the best place for new businesses because of things such as high-speed internet, a strong pool of university students and reasonable office rents.

Although that was welcome news, it was not altogether surprising. Edinburgh, like the whole of UK—sorry, the whole of Scotland—benefits from a Government that is investing £400 million to ensure the provision of superfast broadband internet to 100 per cent of properties by 2021. Additionally, £1 billion of yearly investment in Scotland's higher education institutions certainly helps Edinburgh's universities to produce a top-tier workforce for businesses.

The economy should rightfully be a prime concern for all of us in Parliament, as the policies that we create and support make the difference between our cities such as Edinburgh being at the top of the economic rankings and being at the bottom. However, I believe that everyone in the chamber also understands that economic policy, in its great importance, is ultimately about what kind of society it provides. It is about whether a decent quality of life is afforded to those with less money in their pockets, as it is to those with more. It is about whether training and education are readily available and accessible, so that all people, regardless of income, have a pathway to a successful career. It is about whether a climate exists for the creation of well-paying jobs, with tax policy that is fair rather than being a patronage system for the wealthiest. It is about whether the economy is creating equal opportunity for all or just for some.

Under the SNP Government, it is equal opportunity for all. As a result, in the past five years, more young people from the most deprived areas in Scotland are going to university. Median full-time pay has grown 21 per cent in the past 10 years, and is now the highest anywhere in the UK outside London and the south-east. As we have heard, unemployment has fallen to 4.5 per cent, which is lower than in the rest of the UK, and our youth unemployment is the second lowest in the EU. Productivity, which is a key measure of sustainable economic growth and an economy's long-term health, has grown four times faster here than it has in the UK.

More people getting an education and better pay, more people in work, and a more productive workforce are all things that are worth celebrating. However, if one lived outside Scotland and listened only to the Scottish Tories, one would think that this country is a land where no business could prosper and no person could lead a good quality of life. Members of this Parliament, more than anyone, should be champions of this country.

Liam Kerr: I hear what Ash Denham says, but does she accept that there are some problems in the Scottish economy? If so, can she point to any plan to address them?

Ash Denham: Clearly, there is always more to do in any economy, and that applies equally to the UK.

There is a rank hypocrisy in the Tories coming to the chamber today to discuss the economy. The Tories come week in, week out claiming that they want to improve Scotland's economy, yet when the Scottish Government puts forward an entirely feasible plan to keep Scotland in the single market, the Tories will not back it. That tells the Scottish public everything that they need to know about the Scottish Tories and the Scottish economy. The member should decide whether he speaks for London or will speak up for Scotland.

As usual, the Scottish Tories would rather paint a bleak and defeated picture to the rest of the world, instead of celebrating Scotland being among the best places in the world to live and do business. GDP is an important measure of how the economy is doing, which is why this Government is instituting policies to try to grow GDP faster: £500 million for investment guarantees and loans to help companies grow and export; embedding innovation and investment hubs across Europe to boost international exports, which are already up 41 per cent under the SNP; and saving properties £1.2 billion in rates through the small business bonus scheme. It is clear that the Government is fostering a country where business development and investment are prioritised.

Dean Lockhart *rose*—

Ash Denham: I am sorry.

What is less clear is why the Tories are keen to drag Scotland down a path that would be so destructive. How ironic is it that the Tories lead today's debate on Scotland's economy while supporting Theresa May's hard Brexit at every step of the way, which could cost this country up to 80,000 jobs. How ironic is it that their leader, Ruth Davidson, not only defends the inhumane Tory rape clause but claims that Holyrood should spend money intended for vital public services to mitigate a Westminster-created policy? What sort of economic stewardship is that? It is not the kind that has the best interest of Scotland at heart—that is for certain.

In a time when Scottish industries such as life sciences, financial services and tourism are flourishing on the global stage, the Tories point to a lack of confidence. My message to the Tories is that the greatest lack of confidence in this country is from the Scottish Conservatives. I remain confident in Scottish growth, opportunity and resilience, and I believe that the majority of people who live, work and do business in Scotland feel the same.

15:57

Rachael Hamilton (South Scotland) (Con): I draw members' attention to my entry in the register of interests and remind them that I am a business owner.

Today's debate sets out the SNP's dismal record of performance on Scotland's economy. Brace yourself for a ride on the ghost train along our high streets and past the empty shops. Yes, it is the time of year when the May fair visits our local towns and cities and we whoop and holler on the rollercoaster rides, but this is real life. The Scottish economy is flatlining and in this chamber we will be accused of talking Scotland down.

I say to the Scottish Government: look in the funhouse mirror, because it is 10 years of SNP government that has led almost every single major business organisation, research unit and institute, and even Scottish Government figures, to point out the doom-and-gloom statistics on Scotland's high streets and in rural towns and villages. Retail is Scotland's largest private sector employer, employing 250,000 people—13 per cent of the private sector workforce. However, the most recent data indicates that there were more than 9,000 fewer jobs in the industry between 2014 and 2015. We hear from businesses that they are struggling. They are juggling cash flow by robbing Peter to pay Paul, deferring payments and stacking up credit charges. Business owners are weighing up the cost of labour versus customer service. Investment plans have been parked and essential maintenance has been put on the back burner.

The Scottish National Party likes to blame the vagaries of Brexit. Murdo Fraser earlier quoted Professor Graeme Roy from the Fraser of Allander institute, who said that

"it's hard to argue that Scotland's ... weaker performance can be explained by the outcome of the EU referendum",

particularly when the rest of the UK is outperforming Scotland and has experienced the same Brexit.

Let us take a look at what has happened on our high streets in the south of Scotland: empty retail units and shops in Galashiels and Dumfries. Why? Because rents are too expensive and business rates are too high. David Lonsdale from the Scottish Retail Consortium says:

"With shop vacancies increasing and one in every ten retail premises now empty, there is a pressing need to reduce the cost of doing business ... We've yet to hear a convincing explanation as to why firms operating from medium and larger sized premises in Scotland are better placed to be stumping up more in business rates than firms in comparable premises elsewhere in the UK."

Will the Scottish Government listen to the Scottish Retail Consortium and follow its

recommendations? Has the Government read its report? Before I get an intervention about small business rate relief, I say: forget it and show me the evidence that small business rate relief is working. If it was, we would see a growth in retail and thriving high streets in the south of Scotland.

The divergence in tax rates has impacted on the Scottish economy and, because of that, Scotland is not an attractive location to set up business. A consequence of devolution is that the Scottish Government can make different policy decisions north of the border, and those differing approaches have had an impact. First, there is the impact of Scotland-specific taxation, such as the doubling of the large business supplement, which makes operation in Scotland more expensive and affects retail investment. One in 10 commercial premises in Scotland pays the large business supplement. Liz Cameron of Scottish Chambers of Commerce said that the decision to double the large business supplement puts many Scottish businesses at a competitive disadvantage to their counterparts in the rest of the UK at a time when the Scottish economy is underperforming that of the UK as a whole. She also said:

“This additional tax affects a wide range of businesses, including shops, offices, factories and hotels for whom an increase in their fixed costs is the last thing they need at the moment.”

That takes me from retail to hospitality, two sectors that feed off each other and attract visitors to Scotland. Six weeks ago, Derek Mackay announced a 12.5 per cent cap on rises for 8,500 pubs, restaurants, cafes, hotels and other hospitality firms. Over the Easter recess, I learned that, due to inflation, the cap will increase to 14.75 per cent. I also learned that the SNP Government has changed the legislation to state that firms must now wait at least 105 days before a decision is made on their rates bill. Previously, the limit was just 70 days, so the change means that those affected will have an additional 35 days of being out of pocket.

I think that it is great that the front three on the SNP benches are talking among themselves when I am talking about quite a serious business matter.

Paul Wheelhouse: I was listening to what Rachael Hamilton was saying while looking for research to point out to her. Given that she has referred to the hospitality industry, I presume that she will welcome the fact that the First Minister has managed during her trip to the United States to sign a deal between TripAdvisor and VisitScotland, which will be a massive boost for the tourism sector in Scotland. Maybe Rachael Hamilton will welcome that.

Rachael Hamilton: Unfortunately, I do not welcome that for the reason that TripAdvisor is an unregulated organisation. If Paul Wheelhouse

looked at the Hoteliers International profile on Facebook, he would realise that it does not welcome it, either.

The wait for firms to which I referred is just another indication that the anti-business SNP Government would rather hit firms in the pocket than help them boost growth, jobs and the economy. On top of that, the Scottish Government took over three weeks to send out guidance to councils on collecting the rates, which resulted in businesses having to pay the original amount that was set before the cap was announced. Some bills amounted to 50 to 300 per cent more than the businesses had previously paid, and they have to try to claim the money back. That just does not make business sense. Many businesses will see a dent in their cash flow and there has been an outcry from the industry, which feels that it has been misled by the finance secretary.

The Deputy Presiding Officer (Linda Fabiani): You must close.

Rachael Hamilton: The Scottish retail sector is going backwards under the SNP Government. Employment in the sector is down, investment is stalling, cash flow is tight, fixed costs are up and, to top it all, we have a finance secretary boasting about a business rates policy that is unravelling by the day. I support the motion in Murdo Fraser's name.

The Deputy Presiding Officer: Time is tight, so speeches of under six minutes would be appreciated.

16:04

Ivan McKee (Glasgow Provan) (SNP): First, I draw the Parliament's attention to my role as parliamentary liaison officer to the Cabinet Secretary for Economy, Jobs and Fair Work.

Here we are, trying to get on with the day job. We are creating employment, with some 16,000 new jobs delivered over the past three months and Scotland enjoying the lowest unemployment levels of anywhere in the UK and achieving the best inward-investment levels anywhere outside London. Scotland is the only part of the UK to be fixing the productivity puzzle rather than just talking about it, with growth in productivity in Scotland four times that of the rest of the UK. We are dealing with the impact of global energy markets to support our oil and gas sectors through the current cycle, with little help from a Westminster Government that is focused on the economy of London and the south-east. We are making Scotland the lowest-taxed part of the UK, with savings in council tax that benefit the vast majority of people in Scotland—more than offsetting any income tax benefit for the top 10 per cent that the Tories obsess about.

Here we are, doing what we were elected to do, but facing constant interruptions and distractions from a UK Government that is obsessed above all else with exiting the European Union. We have seen a Tory Prime Minister diverting UK Government resource down the blind alley of negotiating the first trade deal in history where the objective is to make both parties to the negotiation worse off than they were before it started, and then taking the bizarre decision to drag us into a general election. The voters of Scotland know that that is a gimmick and will respond accordingly on 8 June.

The Tory motion contains an assertion that the willingness of this Scottish Government to let the people of Scotland have their say on the future of this country is somehow creating economic uncertainty. That comes from the party that gave us Brexit, diverting the whole of the UK Government away from the day job to satisfy its decades-long obsession with Europe. The irony meter is off the scale.

Let us talk about uncertainty, with the FTSE 100 yesterday suffering the biggest single day drop since the Brexit vote, losing 170 points and wiping £45 billion from the value of UK companies, when the Prime Minister announced that she had no clue how to proceed with the Brexit negotiations and so is going to ask the country a different question instead. That is what uncertainty looks like.

Dean Lockhart: At the same time as the stock market had a wobble yesterday, the pound increased significantly. [*Interruption.*] The stock market reacts to the pound—members should know that. Can the member confirm what currency an independent Scotland would use?

Ivan McKee: Where did that one come from? As the member knows well, before we go into the referendum on independence, the Scottish Government will present full details of what an independent Scotland will look like, which is far more than was presented to the people before the Brexit vote. We will not just be painting a slogan on the side of a bus.

The hard reality is that hard Brexit is going to be a disaster. The Prime Minister knows that, and that she needs to buy time in the hope that the mess will be sorted by 2022. That is why we are being dragged back to vote only two years after the previous Westminster election and in spite of the much-vaunted Fixed-term Parliaments Act 2011, which turns out not to be worth the paper that it is written on.

Thankfully, somebody has done the work—using a robust methodology and real data—to examine what exactly it is that does cause economic uncertainty. The recent report from the

Fraser of Allander institute takes a long, hard look at volatility over recent years and identifies the political events that have driven that uncertainty. It makes interesting reading, because the conclusions that the Fraser of Allander institute comes to are clear. The biggest drivers of economic uncertainty in recent times were the Brexit vote and—wait for it—the UK general election, both of which generated significantly more uncertainty than the 2014 Scottish referendum.

Of course, that reinforces what we already know. In the run-up to September 2014, Scotland benefited from strong and increasing inward investment performance, moving up the UK league table to second place after London, and we saw GDP growth per capita in Scotland outstrip that of the rest of the UK—hardly a sign of a lack of confidence in Scotland's future or an indication of economic uncertainty.

If the Tories really are concerned about the impact of political decisions on the Scottish economy, they might want to have a wee word with their Prime Minister and let her know that we have a day job to do here and we cannot be doing with the constant indecision and political gimmickry from Westminster. They might want to tell her that now is not the time to shut down Westminster for a month because she cannot think of anything better to do.

Now let us talk about growing the economy. As we know, Scotland does not have full control over the levers to grow the economy. The key levers are all controlled at Westminster—corporation tax, tax allowances for business, capital gains tax, employers national insurance, employees national insurance and tax on dividends and savings—as is control over the very definition of income. We are trying to run this economy with one hand tied behind our back.

Poll after poll shows that the people of Scotland trust this Scottish Parliament far more than they trust Westminster to deliver for them and look after their interests. Their lack of confidence in the other place will only be deepened by the bizarre carry-on of the past 24 hours.

The truth is, that to deliver what is needed and achieve the levels of prosperity that are enjoyed by our Scandinavian and other European neighbours—and let us not forget that most of the top 10 richest countries in the world are the size of Scotland, and almost none of them enjoys the advantages that Scotland enjoys in terms of natural and human resources—Scotland needs full control over the levers of our economy.

That is why we will not just get on with the day job, unlike the Westminster Government, but continue to argue for more powers to come to

Scotland, so that this Scottish Parliament can continue to deliver for the people and economy of Scotland.

16:10

Jamie Greene (West Scotland) (Con): Here we are again in the Parliament discussing an issue that the Scottish Government has neglected to discuss. Perhaps the Scottish Government is too afraid or too ashamed to talk about the economy. On page 12 of the manifesto on which the Government stood last year, under the heading, “A Wealthier Scotland”, it says:

“Our focus is on growing Scotland’s economy and creating rewarding opportunities for all the people of our country.”

If that is the Government’s focus, it has a funny way of showing it.

It is depressing to be having this debate today and that after 10 years of SNP Government our economy has shrunk, while the UK economy grows. We are no longer talking about lower growth in Scotland; we are talking about negative growth. We are talking about stagnation. We are sideslipping into a recession in Scotland under the less-than-watchful eye of this Government.

Let me keep with the nautical theme in Mr Wheelhouse’s speech. The warnings came from the political Frederick Fleet: “Financial iceberg straight ahead.” So why did the SNP sail Scotland straight into it, bow first? Of course, the SNP will blame Westminster. It always does. The truth is that the problem lies much closer to home—it sits over there, on the SNP benches.

What does all this mean, on the ground, for businesses in Scotland? For months, I have been raising awareness of the private car hire industry. Small wedding and special event companies, including one in Saltcoats in my region, are struggling with the additional financial burden of regulation. One owner told me that hundreds of small firms could close down—real companies, real jobs, real people.

We need only look at the FSB’s recent survey on business confidence to understand the scale of the problem.

This is a Government that thinks that wealth creation and entrepreneurialism are dirty words. Scotland lags behind every other region in the UK on job creation rates. The UK rate is 8.6 per cent; in Scotland it is just 1.7 per cent. Those are Office for National Statistics figures.

Is it any wonder that the Scottish economy is retracting? How many firms can have confidence in a Government that, from April 2016, doubled the supplement on the rate for large businesses from 1.3 to 2.6 per cent? What kind of message does

that give to businesses? How can our agricultural industry flourish when farmers do not even know whether they are going to be paid on time? How can households have faith in a Government that says that someone who lives in a modest band E house should be taxed more? How can workers have confidence in a Government that says that they will be taxed more in Scotland than in the rest of the UK?

So much for focusing on creating a wealthy Scotland. The Government might pay lip service to that in its manifesto, but today’s debate is a damning indictment that shows what taking one’s eye off the ball looks like in the cold light of day.

The SNP’s refusal even to acknowledge that there is a problem has led us to where we are today. The Government amendment does not mention the last quarter’s contraction. SNP members are burying their heads in the sand. How many more warnings do they need? There has been warning after warning, from the FSB, the Fraser of Allander institute, the Scottish Chambers of Commerce, the Royal Institution of Chartered Surveyors and the Institute of Directors, on income tax, on independence, on LBTT and on productivity. Are all those people wrong?

In a spirit of positivity, I want to be helpful. Here are three simple things that the Scottish Government can do. First, it can take the threat of independence off the table. The First Minister could do that today, not because I am asking her to do so but because Scotland needs her to do so.

Secondly, the Government can stop taxing Scottish workers more than workers in the rest of the UK are taxed, so that we can attract the best talent to Scotland from elsewhere in the UK. Before the debate, I was at an event at which we discussed the skills gap that exists in many sectors in Scotland. How can we attract the best talent when we have a sign at the border that says, “Welcome to high-tax Scotland”?

Thirdly, the Government should create an environment that rewards hard work instead of penalising ambition.

These are not just numbers in a spreadsheet; these figures represent the livelihoods of people up and down this country who are paying the price of this SNP Government. The sooner this ship sets sail, the sooner Scotland can say bon voyage to the SNP’s mismanagement of its economy.

16:15

Gillian Martin (Aberdeenshire East) (SNP): We are not going to welcome many people to Scotland when it is painted as a ghost town and an economic basket case by the Tories, are we? We can always be sure that, when a report comes

out, the first thing that our Tory MSPs and their backroom staff do is scour it to see how badly Scotland comes out of it. The second thing that they do is check that the performance figure for the UK is better than the figure for Scotland before they make a fuss about it. It is a bizarre way for the elected representatives of a country to act. It is also a very strange way to look at our particular economics. SNP members look at issues around our economy and see our potential. We see where we can improve and how we can get to where we want to be, which is what Paul Wheelhouse outlined in his opening speech.

That said, when two Parliaments share responsibility for the whole package of economic and fiscal levers—those powers are still disproportionately divvied up between us—we need to look at how the policies of both Governments help or hinder Scotland's potential. I suggest that two divergent political philosophies sharing responsibility is just not working, and it looks as though they are going to be divergent for a long time to come.

The miserable Tory motion that has been put before us today asks us—or rather tells us—not to look over there at the UK Government, the economic vandalism of Brexit or the fiscal maze of partial powers that the UK Government has given Scotland, which is like asking Scotland to play poker with half the deck missing.

The Resolution Foundation recently released a report concerning the economic history of employment, income and inequality in the UK. The report projected an increase in income inequality, stating that

“projected real earnings growth will mainly benefit middle and higher-income households, while the proposed cut in the maximum benefits cap to £23,000 per year contained in the Full Employment and Welfare Benefits Bill would primarily hit lower-income households.”

Inequality is the single biggest problem for any economy. International Monetary Fund studies continually point to that fact. An unequal society significantly affects the economic growth success of the country—far more than any market jitters around citizens being asked to exercise their vote in a plebiscite, constitutional or otherwise. We are trying to end inequality in Scotland. It is morally the right thing to do, but it is also economically the right thing to do. However, the economic benefits of reducing inequality—the fiscal pay-off at the other end of the equation—do not all come to Scotland, as many of my colleagues have mentioned.

When citizens have more money, they spend it, particularly those at the lower end of the economic spectrum, who do not hoard their money or hide it in off-shore accounts. As a result, more VAT and corporation tax are collected. However, VAT,

national insurance, corporation tax and all the other taxes that Ivan McKee mentioned are still reserved to the UK Government. Those are not the only tax levers that the UK has that have been used to create inequality and damage our economy. Let me take the topical example of the Tory two-child policy on tax credits that is affecting families in work. Fifty thousand households will be affected by that, and £50 million will be taken out of the pockets of Scottish families by 2020 or 2021. The Institute for Fiscal Studies estimates that a three-child family will lose, on average, £2,500 a year, while a family with four children or more will lose £7,000.

Dean Lockhart: Will the member take an intervention?

Gillian Martin: No, I do not have the time.

Pauline McNeill rightly pointed to the long-term effects of such a policy on population growth.

In addition, how many disabled people have had their personal independence payments removed, affecting their participation in the economy as their adapted vehicles have been taken from them? I would like to see the figures on that.

Despite the drivers of inequality from the UK Tory Government stifling economic prosperity, we have good stories to tell about the economic activity of our people. The level of youth unemployment in Scotland is the lowest in the UK and among the lowest levels in Europe. Productivity in Scotland is growing four times as fast as productivity in the UK, as measured by output per hour worked. Perhaps that is because of our labour market strategies, our free access to higher education or our efforts to encourage businesses to pay the living wage. Scotland has the highest level of pay anywhere in the UK outside London and the south-east of England.

We should expect that productivity to increase once free childcare provision doubles. That will save families, on average, £4,500 a year, which means that working women will increase Scotland's income tax take. However—and yet again—all the benefits will go to the UK Treasury.

Here is an idea to grow Scotland's economy: give us all the economic powers. Then—and only then—will the Tories not be accused of hypocrisy when they lodge a miserable, one-sided, finger-pointing motion like the one that is before us.

16:20

Tom Arthur (Renfrewshire South) (SNP): It is a pleasure to have the opportunity to participate in the debate. I have enjoyed listening to contributions from all parties. Some speeches have been interesting, some have been

provocative and some have confirmed what I had suspected.

I want to pick up on a few of Murdo Fraser's points. Although I will set aside some of his comments, he identified a couple of matters that I will home in on. He mentioned city deals. I agree with him that city deals are a fantastic initiative. Both Renfrewshire and East Renfrewshire are benefiting substantially from the Glasgow City and Clyde Valley city deal. The Scottish Government has put £500 million into the deal. That is to be welcomed; that should be recognised.

The city deal is making a fundamental difference in East Renfrewshire. We have seen more than £40 million of investment. There is the new Crossmill business centre, a new road network from Barrhead and Newton Mearns to the M77 and a new railway station near Auchenbach. All that has been delivered by having the SNP in the administration in East Renfrewshire Council. My colleague Councillor Tony Buchanan, who is the convener for the Infrastructure and Sustainable Growth Committee, has been doing a fantastic job.

One of the most exciting developments is going to be the Dams to Darnley country park, where there will be a visitor centre and a wakeboard park. I do not know how many people are aware of what wakeboarding is. To the untrained eye, it is essentially standing on a surfboard and being pulled by a motorboat or a pulley at speeds of up to 25 to 30 mph. Wakeboarders demonstrate their capability by performing various tricks. Given that this is in East Renfrewshire and there are two MSPs for that area in this chamber, I challenge Jackson Carlaw today to meet me on the reservoir when the water park opens.

Jackson Carlaw: It is true that the SNP has two or three of the minority figures in what is otherwise a failing Labour administration in East Renfrewshire, but will the member also acknowledge that millions of pounds have been wasted by that administration, particularly over the Cowan park development, where the council pursued policies that led to more than £5 million being added to the cost of the Barrhead high school that he is talking about? Indeed, some estimate that added cost to be potentially as much as £25 million. East Renfrewshire will do very well to be shot of Mr Arthur's party on 4 May.

The Deputy Presiding Officer: That was hardly an appropriate intervention for this debate. If you wish to respond, Mr Arthur, you will get no extra time.

Tom Arthur: I simply acknowledge that the key figures in that administration are the SNP figures, who have been delivering for Barrhead and all East Renfrewshire—and will continue to do so after 4 May.

Murdo Fraser raised the serious issue of exports and internationalisation. I found his comments bizarre. This Government has invested in hubs in Dublin, London and Brussels. There is also new permanent trade representation in Berlin. I would have thought that any efforts made by the Scottish Government to increase the internationalisation of our economy would be welcomed.

A couple of weeks ago, when the First Minister visited the US, she announced fresh investment that will support and create jobs. What was the Tory response? They said that she should get on with the day job. Clearly, I had not realised that what the Tories meant by internationalisation was empire 2.0. I am very sorry to disappoint them, but this Parliament does not have the power to reconstitute the East India Company or to compel China to buy opium—or whatever other deluded Brexit-fuelled, nostalgic nonsense they want to foist upon us.

Jackie Baillie: Will the member give way?

Tom Arthur: I am sorry. If I was not pushed for time, I would.

Jackie Baillie: It is on a point of history.

Tom Arthur: Very briefly, then.

Jackie Baillie: It was the Scots who led the opium trade with China.

Tom Arthur: Yes. That is a valid point, and I appreciate the member's intervention. [*Interruption.*] No, I acknowledge the point, although it is not important now, like those on the Tory benches, but never mind.

We have seen productivity grow at four times the rate that it has grown in the rest of the UK. Productivity is important and I know that other members take an interest in it. The onset of automation, artificial intelligence and robotics will be an increasing challenge for us and productivity will be a driver and a key issue. It will also be a key metric—perhaps more so than it is at the moment.

We must give that issue far more consideration and take far greater cognisance of it in our debates about Scotland's economic performance. I appreciate that the growth in productivity is an inconvenient fact for the Conservatives, but it is one that should rightly be highlighted.

In the very small amount of time that I have left, I want to address the claim that Scotland is the highest-taxed part of the UK. That is categorically untrue. If we consider the situation in its totality, Scotland is not the highest-taxed part of the UK. I find it very disconcerting that the Conservatives present the argument that higher taxes undermine consumer and business confidence when they know that it is not the case that Scotland is the

highest-taxed part of the UK. Why do they continue to propagate that misinformation of tenuous veracity? They should be ashamed of that and take some responsibility for their action.

The Deputy Presiding Officer: We move to the closing speeches. I notice that a couple of members who participated in the debate are not in the chamber.

16:25

Mike Rumbles: It has been an interesting but somewhat predictable debate.

The Conservatives have concentrated on—*[Interruption.]* Thank you very much. The Conservatives have concentrated on criticising the SNP Government for lack of action on the economy—such criticism is deserved—while the SNP has concentrated on criticising the UK Conservative Government for everything. The cry from SNP members has been, “If only we had more powers, everything would be sweetness and light.” The only problem with that argument is that, to a large extent, SNP ministers refuse to use the tax-varying powers to make any real difference to the Scottish economy.

I want to comment on the speeches of three or four members, beginning with Joan McAlpine’s.

Members: Where is she?

Mike Rumbles: I wonder where Joan McAlpine is. Her speech seemed to be her playing one long blame game against the UK Government. I single her out because the extent to which she blamed the UK Government was quite remarkable. She criticised the fact that the UK Government had failed to use its tax-raising powers. I thought that that was ironic, given that it was John Swinney who, as Cabinet Secretary for Finance and Sustainable Growth, allowed our tax-varying powers—which were voted for in a referendum of the people—to lapse and kept it quiet from Parliament. The fact that he had done it was discovered only at a later date. So much for responsibility.

Liam Kerr made a very humorous and effective speech about what keeps him awake at night. I sympathise with him. He hit the nail on the head when he pointed out the complacency of Scottish Government ministers about their lack of a concrete plan to address the problems that the Scottish economy faces.

George Adam mentioned the SNP’s abolition of tuition fees, which I was pleased to vote through in the first session of the Scottish Parliament. It is interesting how people claim the credit for actions when they were not here to realise them. It was the Labour and Liberal Democrat Administration that did that.

As usual, Gillian Martin focused on the nasty things that the UK Government is doing—she did not say that, but that is how it came across—instead of focusing on what the Scottish Government could be doing. After all, is not this the Scottish Parliament, in which we should focus on what the Scottish Government can do? If Gillian Martin believes that we should raise taxes to help people who are less well off, which is an admirable thing to say—

Gillian Martin: Will the member take an intervention?

Mike Rumbles: I will come back to Gillian Martin when I have finished my point.

It is within the gift of the Scottish ministers to use their income tax powers to raise taxes to help those who are less well off, but they do not want to do that. I did not hear from Gillian Martin a word of criticism of the Scottish ministers for that. I would have more respect for her if she were to criticise them.

Gillian Martin: I am not too bothered about whether Mr Rumbles respects me, but I am bothered about being misquoted. I would like him to point to the part of my speech in which I said that we should raise taxes in order to help poorer people. I did not make that assertion.

Mike Rumbles: I apologise—I was trying to be helpful to Gillian Martin. That is the point that I thought she was making. I am happy to put the record straight; it is just that so often in her speeches she calls for more expenditure, so I thought that that is what she meant. To have more expenditure, one has to face the consequences. I would like to respect the member; I think it is important for members to respect each other, and I hope to be able to do so.

I really hope that in his summing up the minister will recognise that the Scottish economy is not in a good place. That is the first thing that he has to do: he did not do so in his response to the opening speech from the Conservatives. As I said in my opening speech—I hope that this is not a fact—we could be in recession right now, but there seems to be huge complacency from the Scottish Government front bench. In order to address a problem, one has to accept that the problem exists: so far we have not heard any such acceptance.

The Liberal Democrats believe that the Scottish Government has missed a huge opportunity in, for instance, the budget process, to invest in the transformational change that we believe we need in our education and skills training base. The Liberal Democrats have a clear vision for the economy of Scotland. I wish that the Scottish Government had one, too. We want to see the transformational investment in education and skills

that companies and organisations across the country need. It is also fundamentally important to us that we keep the country in the single market of the United Kingdom. We also want to keep Scotland in the single market of the European Union and avoid a hard Brexit.

I have no great expectations that it will happen, but I urge members to support our amendment.

16:31

Andy Wightman (Lothian) (Green): I welcome the debate, which has been initiated by Murdo Fraser and the Conservatives. I agree with Mr Fraser that we need to debate Scotland's economy seriously, but it is hard to take him and his party seriously when, at Westminster, the Conservative Party is pursuing a reckless hard Brexit and a hasty and disruptive general election in order to settle more of its internal problems.

It will come as no surprise to members to hear that we recognise neither the Conservative motion's gloom nor some of the—arguably—sunny optimism that can be found in the SNP's and others' amendments. Our party is part of an international movement that has developed green economics over decades and which recognises that endless growth is not possible on a finite planet. Labour's amendment, with its focus on economic growth, fails to take that into account.

Green economics also recognises that the climate crisis is leading to growing instability, unrest and economic decline, and we also recognise that in order to keep within the Paris climate targets, we need to keep in the ground the majority of the hydrocarbons that other parties in the chamber often tout as being part of Scotland's economic future. That is why we cannot support the SNP amendment and it is why, in 2015, we commissioned the "Jobs in Scotland's New Economy" report, which found that investing in the transferable skills of the offshore workers who currently work in the oil and gas sector could create more than 200,000 jobs in the renewable energy industry by 2035, against the 156,000 jobs that are currently provided by fossil fuel extraction.

None of those ideas should keep Liam Kerr awake at night—indeed, none of them probably does. I also have no doubt that he loses no sleep over the facts that, although he criticises the Scottish Government for its lack of a plan, his own party leader and Government at Westminster have no plan as the UK leaves the EU, and that many of his colleagues with whom he sits stood on a manifesto for the 2015 general election that promised the voters of the United Kingdom that the Conservatives would not only preserve the UK's place in the single market, but would strengthen and, indeed, expand that single

market. We refute much of the Conservative motion's gloom, so we will vote against it. We also refute the gloom of the Liberal Democrats' amendment and will vote against it, too.

As my colleague Patrick Harvie mentioned in his opening speech, much of the economic progress that the Tories are trumpeting is based on precarious employment, low wages and levels of in-work and out-of-work poverty that should shame any industrial society. In her speech, Joan McAlpine highlighted that private debt is a problem in the UK: indeed, it is. The latest figures for private debt show that households in the United Kingdom owe more than £1.5 trillion, which is forecast to rise to more than £2.3 trillion by 2022. Those levels of private borrowing and private debt are responsible for some of the better economic figures that are coming out of the UK, but that situation is fundamentally unsustainable.

Many of the arguments that have been cited by members in this afternoon's debate were based on economic data that are not fit for purpose. For example, gross domestic product is a very poor indicator of a sustainable economy because it fails to distinguish between useful economic activity and damaging economic activity. If Murdo Fraser wants to learn more a bit more about the failings of GDP, I recommend that he attend the lecture by Professor Lorenzo Fioramonti that is being hosted tonight in Parliament by Ash Denham.

I also recommend that he and others read the very good book, "Doughnut Economics: Seven Ways to Think Like a 21st Century Economist" by Kate Raworth, who is a senior visiting research associate at the University of Oxford and a senior associate at the University of Cambridge's institute for sustainability leadership. Although the book is called "Doughnut Economics", it is not about people's diets—and there is nothing in it about watermelons or lentils. Instead, it tells us about seven ways in which we can think like 21st century economists. For example, it highlights the growing recognition that what we measure is of little use if it does not meet the challenges that we face. Kate Raworth recalls classical economic arguments about land, labour and capital, which have been forgotten since the late 20th century in favour of arguments about labour and capital alone. However, it is the natural resources of the planet—water, land, soil and atmosphere—that sustain life on earth. If we are to have a serious debate on our economic future, we need to frame the debate with new economic thinking.

A number of members, including George Adam and Ash Denham, talked about non-domestic rates and the small business bonus scheme. Among the practical things that we can do in Parliament, tax is one. However, in our view, the small business bonus scheme is not a terribly

helpful scheme. The other day, I spoke to a small business owner in Musselburgh who is very happy that she is now paying no rates because of the increase in the threshold. However, the rent for the empty shop next door is being increased in recognition of the fact that the occupier will no longer need to pay rates, so that occupier will be no better off as a consequence. What is happening is that a tax that might help East Lothian Council, in that example, is being transferred straight to the pocket of a private landlord. We see that in Edinburgh, too, where short-term lets are growing and the properties' owners, who are part of the cause of the housing crisis, are paying no taxes to the City of Edinburgh Council.

The Scottish Green Party has done a lot since its establishment in 1990 to argue that we need a very different economic model. We can begin that with devolved powers, but we cannot fully realise the transformation without fundamental change in how the UK Economy is run, from its financialisation of the housing market and its isolationist approach to Europe to the rise in public and private debt. The Green amendment highlights the challenges that the Scottish economy faces. I commend it to members.

16:38

Richard Leonard (Central Scotland) (Lab):

Many of the people I speak to on the doorsteps of Central Scotland would simply not recognise the economic golden era that is painted in the Government's amendment to the motion. In truth, the real rate of unemployment is twice as great as official figures suggest, and we are living through a period of rising inflation and a falling—sometimes oscillating—pound. Scottish manufacturing output has, over the past two years, crashed by 10 per cent to a 9 per cent share of onshore GDP. As a result we have, according to the Scottish Government's own figures, trade deficits of £5.1 billion with the rest of the UK and £4.8 billion with the rest of the world. Other members have referred to the chronic wage stagnation, so that there are long-term pay cuts for the working poor year on year. That description applies to workers whom the Scottish Government itself employs, as well as to workers in the national health service and local government, and people who are in precarious employment in the private sector.

All of this pain for working people comes when shareholder dividend payments rose by 11.7 per cent in the final quarter of last year. As the Liberal Democrat amendment suggests, the Scottish economy is teetering

“on the brink of a recession”.

I take no pleasure in that—it is not something to relish—but it has to be faced up to. We have to face up to it because the contraction of the Scottish economy means painful consequences for jobs, and it means cuts not just in the standard of living but in the quality of life not only of adults in work, but of working-age adults who want work but cannot find it, and of the children who are being raised in those families.

That stems in part from the immediate crisis that we face as a result of the threat of Brexit and the uncertainty that it brings; from the threat of a second independence referendum in four years, when the people have already said no; and from a Tory Government that has reverted to its old armoury of attacking the trade unions and has, in so doing, rolled back as much as it can the social responsibility of the idle rich and heaped the financial burden on to the working poor. To George Adam and others, I say this: the Conservative Government is not anti-Scottish; it is anti-working class. Although we have not yet seen the Conservatives' manifesto, I guarantee that the start that they have made on undermining trade unions will be considered to be unfinished business, so they will be back for more. The Brexit mandate that they are seeking will be a mandate not to extend but to diminish workers' rights in this country. We see in the Tory motion—which we will not support—that the only economic programme of the Conservative Party is a tax cut. That is not a serious policy for jobs and growth; it is a recipe for continuing inequality and division. I hope that that philosophy will be rejected at the polls.

To the SNP—to Joan McAlpine, Ivan McKee and others—I say that the situation is not that the Scottish Government does not have all the powers that it wants; it is that it has not used all the powers that it has. That is the charge. The Government amendment says that

“most power over the economy is reserved to the UK Government”,

but what about the power to increase Government spending in Scotland and to raise or lower taxation? What about the power to build homes and create jobs? What about the power to forge an industrial policy and rebuild our manufacturing base?

James Dornan rose—

Richard Leonard: I ask the convener of the Education and Skills Committee this: what about the power over education and training? What about the power to create well-paid socially useful jobs looking after the very old and the very young?

The Government amendment speaks about investment in transport, but just over two weeks ago the Government slashed by almost 30 per cent the low-carbon vehicle subsidy element of the

bus service operator grant, taking it from 14.4p per live kilometre to 10.1p per live kilometre. The Government amendment speaks of a commitment to investment but, at the same time, it is not prepared to set up an investment bank structure that is worthy of the name. The Scottish Investment Bank has been downsized, but it should be grown and properly capitalised so that it can play a transformative role in changing our economy. If we are serious about tackling Scotland's productivity gap and investment gap and about the need for a renaissance in our manufacturing base, the Scottish Investment Bank should be properly capitalised.

In the view of Labour members, our task is clear: it is to lift the scourge of unemployment and reassert full employment as an item of public policy. Let us start the regeneration of our industrial base, let us give hope to our young people, let us turn the fear and anger of people of all ages into real hope, and let us use the powers of this Parliament to do that. That is what the Labour Party will be advocating in the weeks and months ahead.

16:43

The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown): I welcome the opportunity that summing up in this debate gives me to highlight the underlying strengths of the Scottish economy, not least because no member of the other parties will do so. I also want to note the economy's resilience over the past couple of years and the actions that we are taking to support growth in our economy and to protect Scotland from the impacts of a hard Brexit.

As Paul Wheelhouse set out at the start of the debate, the Scottish economy is fundamentally strong but, despite what Mike Rumbles has said, Paul Wheelhouse also mentioned that we face challenges.

I have mentioned previously the challenges that we face in terms of internationalisation—the need to get more of our companies involved in international activity, thereby increasing exports—and we have challenges in relation to productivity. Although it is true, as many people have said, that productivity in Scotland has grown by 9.4 per cent since 2007 compared with growth of 0.1 per cent in the UK as a whole, that should not be the bar for which we aim. Other countries, such as Germany and France, have higher productivity, and that is what we should aim for.

It is also true that Scottish employment is now 45,000 higher than it was in 2008. In a few minutes, I will come back to the point that Dean Lockhart raised about growth over a period of time, but we should remember that, since 2008,

we have had one of the longest and deepest recessions in the UK's history.

Despite the challenges, Scotland has substantial natural resources, one of the most highly educated workforces in Europe, a long-standing reputation for innovation and an internationally recognised brand. We are world leaders now in key industries of the future, such as life sciences, financial services and financial technology, as well as the creative industries and sustainable tourism.

Mike Rumbles: Does the minister believe that the Scottish economy is in recession or in danger of being in recession?

Keith Brown: The figures do not demonstrate that Scotland is in recession and I will not play a game of trying to talk Scotland into recession, as some people want to do. That is what the figures currently say.

On top of the figures on productivity and employment that I mentioned, it is worth mentioning, as I think Gillian Martin—no, it was Andy Wightman—said, that to judge from Murdo Fraser's contribution, the Conservatives are not treating the debate seriously. Members should look at the motion, or take the example of his stunning, acute economic insight—which is a bit like his unique understanding of the Laffer curve—into Gillian Martin's comments on the economic impact of financial transfer payments. Measures such as the rape clause will have an impact on that. Not to understand the economic impact of transfer payments shows the economic illiteracy of the Conservative party.

Dean Lockhart: Will the cabinet secretary give way?

Keith Brown: I will make a bit more progress just now and see how time goes.

Murdo Fraser showered Jackie Baillie with praise—she is his favourite Labour MSP. He was cut off, I think, just before he was able to deliver an invitation to go to a Conservative branch meeting, which Jackie Baillie is quite keen to do. He also mentioned tax but said nothing about why the Conservative party has flip-flopped back and forward on a cut to air passenger duty. It did not support it, it did support it, it was not sure and then it said that it should be done across the whole UK. As well as making U-turns on small things such as snap general elections, the Conservative party makes U-turns on things such as APD.

If we look at what is behind the comments of many of the Conservative contributors to the debate, we find that they are harking back to a 1980s economic model: Thatcherism—the rancid, toxic Tory legacy. The foundations of the recessions in the 1990s and 2008 were laid in the

1980s in—as Andy Wightman said—the build-up of personal borrowing and the lack of banking regulation. Members may remember it being characterised as the Alan B'Stard level of economic competence. I do not know how many Tory members see themselves as Alan B'Stards, but it is not an economic model that we intend to follow.

The Conservative party is not presenting us with a serious debate. There are serious issues and there have been some serious contributions but, by and large, they did not come from the Conservative party.

Rachael Hamilton adopted a new line for the Conservative party, which is to be against the TripAdvisor innovation to which the First Minister signed up in the States.

Rachael Hamilton: Will the minister take an intervention?

Keith Brown: It was accepted by, I think, Douglas Ross, who welcomed it at the time. [*Interruption.*] I am sorry, it was Ross Thomson—I always confuse the two. [*Laughter.*] When I see Douglas Ross's face, I think for a second that he might be going to send me off.

The TripAdvisor innovation was condemned by one Tory member but accepted by another—that is not exactly economic literacy. I think that Rachael Hamilton wants to say that I have misunderstood. I am happy to give way to her on that point.

Rachael Hamilton: I said that it is unregulated. If Keith Brown looked at the Hoteliers International Facebook page, he would realise that that organisation does not support it. A combination of VisitScotland and TripAdvisor is not good if it is unregulated.

Keith Brown: I said simply that Rachael Hamilton did not agree with it but other parts of her party did. Perhaps they should try to get their act together in that regard.

Despite the points that I have raised, there is an underlying strength and Scotland's economy has proved its resilience over a number of years. We had growth of 0.4 per cent in 2016, and I have mentioned that unemployment has fallen by 47,000 over the past year and that the unemployment rate is now below that of the UK. That is not the only indicator, and I am not trying to pretend that it is. However, it has been the subject of previous Tory press releases that have it as the defining characteristic, showing the competence or otherwise of the Scottish Government. If that is the case and the rate is lower than that of the UK, the Tories should draw a conclusion from that. They cannot have it both ways.

The Scottish Government will continue to implement its widely admired economic strategy, based around the twin pillars of boosting competitiveness and tackling inequality. Powerful points about inequality were made by a number of speakers, and that is why we have had an emphasis on inclusive economic growth and an emphasis and success on the living wage, with the second-highest sign-up rate across the whole UK.

Of course, the latest GDP data shows that there is no room for complacency, and there is no complacency in that regard. We have laid out time and again the measures that we intend to take. Those who call for ideas should make their ideas known.

We have had one or two—one from Gillian Martin, and there was one from Andy Wightman. I have a lot of sympathy with the points that Andy Wightman made about data collection, which is why the enterprise and skills review is considering that.

We must also recognise what the real challenges in the oil and gas sector are. Those who pretend that Brexit is not having an impact at some point will have to say to themselves that everybody else is saying that it is—everyone else knows what is going on. For the Scottish Tories to be the sole group of people in the UK who do not see the impact of Brexit gives them less credibility than they would otherwise have—and it was not great in the first place.

There is a great deal that we are succeeding at in the Scottish economy. I ask the Parliament to support the amendment in my name and to oppose the motion from the Conservative party. I am always happy to have a serious debate on the Scottish economy, but this is not that debate, and that is down to the Tory motion that is before us. Support the amendment in my name.

16:51

Dean Lockhart (Mid Scotland and Fife) (Con): We called today's debate because Scotland's economy is facing a crisis. As we have heard, the economy contracted by 0.2 per cent in the final quarter of last year, there was zero growth in the 12 months up to that period and all sectors of the active economy are in decline. All of that comes at the same time as the wider UK economy is the fastest-growing economy in Europe. Despite that, the SNP amendment refers to

“the strength of the Scottish economy”.

Is that really what “Stronger for Scotland” under the SNP means—economic decline, underperformance and stagnation?

This economic crisis is about more than just falling GDP. The decline is having a direct impact

on people across Scotland. As Murdo Fraser highlighted, workers in Scotland have had the lowest pay rise of workers in any part of the UK. Rachael Hamilton told us about struggling high streets and said that Scotland is losing shops faster than any other part of the UK. Jamie Greene pointed out that business and consumer confidence are down. Jackie Baillie highlighted falling retail sales.

In a desperate effort to salvage some good news, Keith Brown tells us that unemployment is down in Scotland and that productivity is up. That would be welcome if it were true. On closer scrutiny of the underlying reasons, we see that the fall in unemployment has been caused by higher levels of economic inactivity in Scotland. The main reason why there is an increase in productivity is that, last year, fewer hours were worked. That is not positive news.

Let me be clear: we are not talking down Scotland. Leading organisations share our deep concern about the economy. Scottish Chambers of Commerce warn of a “red alert” on the economy and are calling for an “urgent change” of Government policy. The Fraser of Allander institute, too, has voiced serious concerns over the economy.

One of the key questions that the Parliament needs to address is: how did we get to this position? Scotland has world-class universities, world-class cities and a world-class workforce, but we find ourselves suffering from long-term economic underperformance and we are facing a recession. The answer is simple. After 10 years in power, the SNP must take full responsibility for this mess and must stop blaming others. Contrary to what we have heard from Keith Brown, Brexit is not to blame for this economic decline. Fraser of Allander makes that clear, saying that

“it’s hard to argue that Scotland’s ... weaker performance can be explained by the outcome of the EU referendum.”

End of quotation; end of story. Brexit is not to blame.

Keith Brown: I wonder whether I could try something that I have tried in previous debates—to see whether it is possible for Dean Lockhart to acknowledge that there are two Governments involved in the Scottish economy. UK Government ministers can acknowledge that fact. Gillian Martin made this point, too: can this group of Conservatives acknowledge that the UK Government is an active participant in the Scottish economy and shares responsibility for what happens in it?

Dean Lockhart: The Scottish Government’s own chief economist confirmed to the Economy, Jobs and Fair Work Committee last year that

“all levers that impact on the underlying competitiveness of the economy”—[*Official Report, Economy, Jobs and Fair Work Committee*, 29 November 2016; c 14.]

now lie with the Scottish Government. Brexit is not to blame and neither is the oil price. The latest economic data show that all areas of the manufacturing sector in Scotland—and not just those tied to the North Sea supply chain—declined last year.

Let us make it clear: the economic decline that we are experiencing right now is not caused by Brexit, the oil price or Westminster; responsibility lies solely with the SNP. In the past year alone, we have seen the actions of a Government that simply does not understand how the economy works. We have had a budget that makes Scotland the highest-taxed part of the UK—

Tom Arthur: Will the member take an intervention?

Dean Lockhart: No, I will not. We have had a budget that cut enterprise funding by 40 per cent. I will take an intervention if the member would like to explain why cutting the enterprise budget by 40 per cent is going to be good for the economy. Can he explain that?

Tom Arthur: Scotland is not the highest-taxed part of the UK—the Fraser of Allander institute and others have demonstrated that categorically. Will the member withdraw his remarks?

Dean Lockhart: All that we need look at is the large business supplement. I could go on, but I do not have time.

In addition to a budget that is bad for the economy, we have seen punitive increases in business rates throughout Scotland. Murdo Fraser highlighted the crippling impact of the rates revaluation. Last week, a constituent told me that his rates are going from £30,000 a year to £95,000; the business owner has been advised to consider taking the roof off his business premises in order to avoid bankruptcy. That is just one further example of the damage that has been inflicted by the SNP Government.

Further, on the enterprise and skills review, we have seen a screeching U-turn by the cabinet secretary after his plans for a super-quango were stopped by this Parliament. We have had the £500 million growth scheme, but there is no new funding and no sign of activity eight months after it was launched. We have had the Chinese investment shambles, with the SNP being called a shambles by international investors. I could go on, but time is limited.

Scotland’s economy has suffered not only a decade of incompetence but a decade of neglect, as the SNP has prioritised its campaign for separation over economic growth. As the First

Minister told us last year, the question of independence

“transcends the issues of Brexit, of oil, of national wealth”

—a statement that shows that, for the SNP, nationalism is more important than national wealth, independence is more important than income, and separation is more important than Scotland’s success.

Those are not just empty words. When the SNP set up a growth commission last year, it was not the growth commission that Scotland’s economy so badly needs; it was a growth commission for independence, to make the task of selling independence more attractive—if that is possible.

Instead of the First Minister and other ministers gallivanting around the US and Europe, I suggest that the SNP focuses 100 per cent on turning around the economy. Imagine if all that energy were devoted to building new business in Scotland, driving innovation and expanding our export base—we would not now be in this mess.

The SNP has a clear choice to make: economic growth; or its continued obsession with independence. Our priority is economic growth. Together with leading organisations across Scotland, we are calling for an urgent change in Government policy. We are calling for the SNP to actively participate in the industrial strategy that the UK Government published to maximise opportunities across all sectors and industries in Scotland. We are calling for our cities and local areas to become Scotland’s engines of growth through the city deals, growth deals and local growth partnerships. To do that, we have published today our local government manifesto, which sets out a framework of measures that will drive local economies. We are calling on the SNP to create a competitive tax system in Scotland and for an enterprise and skills review that will expand our export base. Having 50 companies account for more than 50 per cent of our exports is not sustainable. And yes, we are calling on the SNP to stop its endless campaign for separation and for it to prioritise the economy.

The SNP has had 10 years to fix the economy. Instead, its track record is one of economic decline, a broken domestic agenda and a nation more divided than ever. In the weeks to come, voters will give their verdict on a lost decade of SNP Government. Voters will have the chance to send a clear message to the SNP that, after 10 years in government, it has not been stronger for Scotland; it has been a disaster for Scotland.

I support the motion in Murdo Fraser’s name.

Business Motions

17:00

The Presiding Officer (Ken Macintosh): The next item of business is consideration of three business motions, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau. They are motion S5M-05210, setting out a business programme, and motions S5M-05189 and S5M-05190, setting out the stage 1 timetable for two bills.

Motions moved,

That the Parliament agrees the following programme of business—

Tuesday 25 April 2017

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate: Child Tax Credit Cuts

followed by Stage 1 Debate: Air Departure Tax (Scotland) Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

6.20 pm Decision Time

followed by Members’ Business

Wednesday 26 April 2017

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Justice and the Law Officers;
Culture, Tourism and External Affairs

followed by Scottish Green Party Business

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members’ Business

Thursday 27 April 2017

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister’s Questions

followed by Members’ Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Ministerial Statement: Social Security Agency

followed by Stage 1 Debate: Limitation (Childhood Abuse) (Scotland) Bill

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 2 May 2017

2.00 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Environment, Climate Change and Land Reform Committee Debate: Deer Management in Scotland
followed by Rural Economy and Connectivity Committee Debate: Review of Priorities for Crofting Law Reform
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 3 May 2017

1.30 pm Parliamentary Bureau Motions
 1.30 pm First Minister's Questions
 2.15 pm General Questions
 2.35 pm Portfolio Questions
 Education and Skills
followed by Business Motions
followed by Parliamentary Bureau Motions
 3.15 pm Decision Time

That the Parliament agrees that consideration of the Domestic Abuse (Scotland) Bill at stage 1 be completed by 29 September 2017.

That the Parliament agrees that consideration of the Railway Policing (Scotland) Bill at stage 1 be extended to 12 May 2017.—[*Joe FitzPatrick*]

Motions agreed to.

Parliamentary Bureau Motions

17:01

The Presiding Officer (Ken Macintosh): The next item of business is consideration of two Parliamentary Bureau motions. I ask Joe FitzPatrick to move motions S5M-05191 and S5M-05192, on the establishment of private bill committees.

Motions moved,

That the Parliament shall establish a committee of the Parliament as follows:

Name of Committee: The Edinburgh Bakers' Widows' Fund Bill Committee.

Remit: To consider matters relating to the Edinburgh Bakers' Widows' Fund Bill.

Duration: Until the Bill is passed, falls or is withdrawn.

Number of members: 3.

Convenership: The Convener will be a member of the Scottish National Party.

Membership: Tom Arthur, Mary Fee, Alison Harris.

That the Parliament shall establish a committee of the Parliament as follows:

Name of Committee: The Pow of Inchaffray Drainage Commission (Scotland) Bill Committee.

Remit: To consider matters relating to the Pow of Inchaffray Drainage Commission (Scotland) Bill.

Duration: Until the Bill is passed, falls or is withdrawn.

Number of members: 3.

Convenership: The Convener will be a member of the Scottish National Party.

Membership: Tom Arthur, Mary Fee, Alison Harris.

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

Decision Time

17:01

The Presiding Officer (Ken Macintosh): There are up to seven questions to be put as a result of today's business. I remind members that if the amendment in the name of Keith Brown is agreed to, all the other amendments will fall.

The first question is, that amendment S5M-05172.3, in the name of Keith Brown, which seeks to amend motion S5M-05172, in the name of Murdo Fraser, on Scotland's economy, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (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)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Harper, Emma (South Scotland) (SNP)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse)

(SNP)

McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Corry, Maurice (West Scotland) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Greer, Ross (West Scotland) (Green)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Harvie, Patrick (Glasgow) (Green)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Elaine (Central Scotland) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)

Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)
 Wightman, Andy (Lothian) (Green)

The Presiding Officer: The result of the division is: For 62, Against 55, Abstentions 0.

Amendment agreed to.

The Presiding Officer: All the other amendments are therefore pre-empted, so the next question is, that motion S5M-05172, in the name of Murdo Fraser, on Scotland's economy, 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 (Motherwell and Wishaw) (SNP)
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Campbell, Aileen (Clydesdale) (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)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Evans, Mairi (Angus North and Mearns) (SNP)
 Ewing, Annabelle (Cowdenbeath) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Harper, Emma (South Scotland) (SNP)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Uddingston and Bellshill) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)
 Maguire, Ruth (Cunninghame South) (SNP)
 Martin, Gillian (Aberdeenshire East) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKee, Ivan (Glasgow Provan) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McMillan, Stuart (Greenock and Inverclyde) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)

Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ross, Gail (Caithness, Sutherland and Ross) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Balfour, Jeremy (Lothian) (Con)
 Beamish, Claudia (South Scotland) (Lab)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Carlaw, Jackson (Eastwood) (Con)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Corry, Maurice (West Scotland) (Con)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (Green)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Golden, Maurice (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Greene, Jamie (West Scotland) (Con)
 Greer, Ross (West Scotland) (Green)
 Hamilton, Rachael (South Scotland) (Con)
 Harris, Alison (Central Scotland) (Con)
 Harvie, Patrick (Glasgow) (Green)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Johnstone, Alison (Lothian) (Green)
 Kerr, Liam (North East Scotland) (Con)
 Lamont, Johann (Glasgow) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Lindhurst, Gordon (Lothian) (Con)
 Lockhart, Dean (Mid Scotland and Fife) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McNeill, Pauline (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Rennie, Willie (North East Fife) (LD)
 Ross, Douglas (Highlands and Islands) (Con)
 Rumbles, Mike (North East Scotland) (LD)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Sarwar, Anas (Glasgow) (Lab)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Elaine (Central Scotland) (Lab)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, David (Highlands and Islands) (Lab)
 Thomson, Ross (North East Scotland) (Con)
 Tomkins, Adam (Glasgow) (Con)
 Wells, Annie (Glasgow) (Con)
 Whittle, Brian (South Scotland) (Con)
 Wightman, Andy (Lothian) (Green)

The Presiding Officer: The result of the division is: For 62, Against 55, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament recognises the strength of the Scottish economy, with unemployment now lower than in the UK as a whole, productivity growing four times faster in Scotland than the UK, and the number of people in employment up by 45,000 since 2008, with the number of registered businesses having grown by 15% since 2007 to an all-time high; notes that most powers over the economy are reserved to the UK Government; acknowledges the resilience of the Scottish economy in the face of the slowdown in the oil and gas sector and welcomes the measures that the Scottish Government is taking, including the Energy Jobs Taskforce and the Decommissioning Challenge Fund; further acknowledges the wider measures that it is taking to grow the Scottish economy, including investment in transport and digital infrastructure and financial support for private sector business investment through the Scottish Growth Scheme, and believes that the main risk facing Scottish households and companies is the UK Government's plans to adopt a hard Brexit, against the wishes of the Scottish people, impacting negatively on business growth and leading to skills shortages, which will in turn reduce employment, investment and public spending across the country.

The Presiding Officer: The next question is, that motion S5M-05191, in the name of Joe FitzPatrick, on the establishment of a private bill committee, be agreed to.

Motion agreed to,

That the Parliament shall establish a committee of the Parliament as follows:

Name of Committee: The Edinburgh Bakers' Widows' Fund Bill Committee.

Remit: To consider matters relating to the Edinburgh Bakers' Widows' Fund Bill.

Duration: Until the Bill is passed, falls or is withdrawn.

Number of members: 3.

Convenership: The Convener will be a member of the Scottish National Party.

Membership: Tom Arthur, Mary Fee, Alison Harris.

The Presiding Officer: The final question is, that motion S5M-05192, in the name of Joe FitzPatrick, on the establishment of a private bill committee, be agreed to.

Motion agreed to,

That the Parliament shall establish a committee of the Parliament as follows:

Name of Committee: The Pow of Inchaffray Drainage Commission (Scotland) Bill Committee.

Remit: To consider matters relating to the Pow of Inchaffray Drainage Commission (Scotland) Bill.

Duration: Until the Bill is passed, falls or is withdrawn.

Number of members: 3.

Convenership: The Convener will be a member of the Scottish National Party.

Membership: Tom Arthur, Mary Fee, Alison Harris.

Time for Inclusive Education Campaign

The Deputy Presiding Officer (Christine Grahame): The next item of business is a members' business debate on motion S5M-03945, in the name of Monica Lennon, on the Time for Inclusive Education campaign. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes that recent research has found that 90% of LGBT people experience homophobia, biphobia or transphobia at school; recognises that, despite the repeal of Section 28, 17 years ago, many schools in the Central Scotland region and across the country still do not discuss LGBT issues; notes the calls by Time for Inclusive Education (TIE) for LGBT-inclusive education to be commonplace in all schools as a method of tackling prejudice-based behaviours; further notes the view that Scotland has to do more to ensure that LGBT young people are safe at school, and understands that TIE has outlined five strategic steps to achieve LGBT-inclusive education, including new legislation, teacher training specifically on LGBT issues, the recording of homophobic, biphobic and transphobic bullying incidents, inclusion of LGBT issues within relevant curricular areas and the monitoring of any steps taken with regards to LGBT inclusivity in schools.

17:05

Monica Lennon (Central Scotland) (Lab): A few years ago, I was having drinks in a bar with a couple of friends from work—it was a typical gossipy get-together. I noticed that one of my colleagues was starting to fidget and shuffle in her seat. After much squirming, she explained that she had something to tell us. It seemed to take for ever, then out it came: "I'm gay." All that I could do was throw out my arms and hug her. She had made us fear the worst, but she was not sick or dying; she was taking the terrifying but courageous step of telling her workmates something that she had hidden most of her life. She was asking us to see her and accept her as an openly lesbian woman. I could see that, in that moment of her life, her authentic life was only just beginning. I have not really thought about her for a while, because I moved jobs and people lose touch but, as I have been considering what to say tonight, I have been thinking about her and about that afternoon.

I am a straight woman. I have never had to declare that or struggle with my sexuality and I have never been accused of making a lifestyle choice because of that, so I have checked my privilege and I stand here as a friend, a mum and, yes, a politician. I have not experienced the fear, the isolation, the bullying, the taunting, the shame and the cuts and scars—mental and physical—that perhaps other members in the chamber,

people in the public gallery or those listening at home carry with them, simply because of their sexual orientation or gender identity.

I stand here, leading this debate in my name, because I have chosen not to be a bystander. I stand here because lesbian, gay, bisexual and transgender inclusive education remains an aspiration for my young constituents and is not a reality—not yet. How can I or any of us come to the Scottish Parliament and seek to represent them but not do something about that?

I am grateful to the many members who signed my motion and especially to those who are here tonight. Sixty-nine MSPs have signed the TIE pledge. They, too, have chosen not to be bystanders. We are not a Parliament of bystanders.

The TIE campaign has a clear ask, and the challenge to the Scottish Government is to successfully bring forward legislation in this parliamentary session. If it looks as if that will not happen, it will be down to other MSPs to make sure that it does.

TIE is my kind of campaign. Two years ago, the TIE campaign burst on to the scene, brimming with attitude, pushing boundaries and provoking politicians. I absolutely love it—I love its radical spirit, the hope and confidence that it inspires and its uncompromising fight for equality.

The TIE campaign is a story of survival. Co-founder Jordan Daly, who is now 22 years old, was once 12-year-old Jordan Daly: a scared young boy who was so worried about what the future would hold for him as a young gay man that he contemplated suicide and made a plan to end his life. Thankfully, Jordan did not see that plan through, but he kept his childhood fears to himself. It was not until he was 19, when he made an unlikely friend in straight tanker-driver Liam Stevenson, that he finally opened up about what had led him at the age of 12 to think no further for his future than his own funeral.

Jordan was the first gay person Liam had ever met, and getting to know Jordan made Liam reflect on his language and attitudes. What affected Liam most was thinking about his young daughter and not wanting her to grow up in a classroom, a school or a Scotland where lesbian, gay, bisexual and transgender people are made to feel less valuable. As a mum, I feel that way too.

Soon after my election to the Scottish Parliament, an introductory meeting was set up between me, Jordan and Liam. They kept me waiting—they were something like 45 minutes late. My timekeeping is not my best quality, but I wondered how on earth those guys were ever going to get MSPs on side if they could not even make the meeting. However, they arrived and the

half-hour slot that we had allocated extended to almost three hours.

I am also thinking tonight of a close friend who always stands up for me when I get criticised for being a feminist. At South Lanarkshire Council, there are 67 serving councillors, of whom I am still one. Among us, there is only one openly LGBT councillor—my good friend Ged Killen, who is gay. Ged is now 30, but he recalls dreading getting on the school bus every day. Others think of the playground, the canteen or even the classroom. Ged told me:

“LGBT issues were not spoken about in my school. If you knew you were gay, you spent your life thinking of ways to hide it.”

Last week during recess, I met a 13-year-old constituent from Hamilton after her mum contacted my office. That intelligent and kind teenager told me that, in her school, her LGBT friends are not respected by some of the teachers; she does not feel that LGBT pupils are treated fairly. She said that physical education is often a difficult environment for girls and also for LGBT pupils.

My daughter will turn 11 this year. Like Liam Stevenson, I want my child to accept others and to be accepted in return. This is not a question about the right resources—it is about doing the right thing. It is a matter not of if, but when.

I end by paying tribute to the TIE campaign and to its co-founders Jordan Daly and Liam Stevenson. I also thank Stonewall, the Equality Network and LGBT Youth Scotland for their tireless campaigning work on inclusive education and for their briefings for tonight's debate. Many inspiring campaigners are involved in driving the issue forward, and they stand on the shoulders of the LGBT rights activists who came before them and who fought for civil partnerships and marriage equality.

I will share something that Liam Stevenson said to me about the 19-year-old Jordan Daly. Jordan put himself out there and visited places that he never wanted in his mind to return to, but he did it to make things better for every LGBT young person in schools across Scotland.

I see the Cabinet Secretary for Education and Skills in the chamber and I ask him to think about all the LGBT children and young people who have to face school tomorrow, the next day and all the days after that. It is time for inclusive education. Please act quickly, cabinet secretary, and make it happen. *[Applause.]*

The Deputy Presiding Officer: I say gently to those in the public gallery that I understand your wish to applaud, but we do not permit it in the Parliament.

Ten members want to speak, so I am minded to accept a motion without notice to extend the debate by up to 30 minutes. I ask Monica Lennon to so move.

Motion moved,

That, under Rule 8.14.3, the debate be extended by up to 30 minutes.—*[Monica Lennon]*

Motion agreed to.

17:14

James Dornan (Glasgow Cathcart) (SNP): I thank Monica Lennon for her lovely speech on a very important issue.

Presiding Officer,

“We are all hugely influenced by our early experiences. I was fortunate in mine: I come from a conscientious, working-class, Irish Catholic family steeped in social awareness and was taught from an early age that perceived difference mattered not a jot and that we were all Jock Tamson's bairns.”—*[Official Report, 20 November 2013; c 24679-80.]*

That quote is from a speech that I made during the stage 1 debate on the Marriage and Civil Partnership (Scotland) Bill, which was some time ago. It is my great pleasure to take part in today's debate on an issue that affects members of the lesbian, gay, bisexual, transgender and intersex community across Scotland and which has had an impact on members of my family and my friends.

It is no secret that my office manager has a daughter who is transgender. I have asked for the family's permission to tell her story and they are glad that her story can maybe help others in the discussion about inclusive education.

I knew my office manager's daughter when she started to self-harm and I saw how dangerously close to the edge she came. I watched helplessly as her mum and family did absolutely everything that they could to support her and to work out why she was behaving in such an extreme way. Her family took her to child and adolescent mental health services and found CAMHS to be excellent. With gentle encouragement and expert support, she was able to come out as transgender.

She is very lucky, and I know that she attends a school that is extremely supportive and very understanding of the issues surrounding LGBTI-associating young people. However, having worked alongside my member of staff during that journey and having got to know her daughter on a personal level, I can see that the journey of my staff member's daughter through coming out could have been eased if there had been open and inclusive education throughout her schooling.

Members who were here in the previous parliamentary session will probably know that my brother Michael is gay. I spoke of that during the

debate on equal marriage rights that I mentioned. Here is another quote from that debate that I think is appropriate for this debate:

“I remember what it was like for people who were gay when I was growing up, although we did not really know who they were, because they were in the shadows. My brother Michael was 15 when he came out, but the situation was so bad in Glasgow and Scotland at the time that he never came out to us. He waited until he was 17, then he went down to London and started a new life. He met a guy and went over to Portugal with him. He had to do that because of the Scotland that we lived in at the time, yet people say that we should not be moving on.”—[*Official Report*, 20 November 2013; c 24680.]

It was 40 years ago that my brother had to make that move. Thankfully, as time has gone by, fewer and fewer people have wanted us to continue to live in that kind of past. However, I have no doubt that when he was growing up, my brother would have had a much easier adolescence if we had been educated while at school on the issues that we are debating.

Although there is still a way to go, things have improved vastly between that time and now. My grandkids do not even know whether some of their friends are LGBTI—it is not an issue. They know that some are gay and some are straight, but there are others who they do not know about in that regard, and it is never the subject that it would have been back in my day.

I have had the pleasure of meeting Jordan Daly and Liam Stevenson of TIE on several occasions. Their commitment to the cause of inclusive education and their fight for it to be brought into legislation is nothing short of inspiring. They are two young men—one is younger than the other, to be fair—who have made a huge difference in a short time.

At the most recent Scottish National Party conference, I watched as many young people stood up to tell extraordinarily personal tales of their lives as young LGBTI men or women. The conference then moved a motion to support the TIE pledge, which has been signed, as Monica Lennon said, by the majority of the members of this Parliament. The pledge gives the Scottish Government a clear mandate to implement inclusive education. I am hugely supportive of it but, as convener of the Education and Skills Committee, I will work to ensure that we implement it in a way that is compatible with the ethos of Scottish education.

While looking to close the attainment gap, the Scottish Government has committed to achieving a level playing field for every young person regardless of race, age, socioeconomic background, gender or sexual orientation. My committee will help to achieve that within the realms of inclusive education by working closely with TIE, the Equality Network, Stonewall, LGBT

Youth Scotland, teachers and, of course, young people and their families.

For the TIE campaign's goals to become a reality, we must work with all the organisations that I mentioned and others. I very much look forward to being part of the journey that will ensure that no LGBTI young person has to face the same trials as the beautiful young girl I mentioned and my brother, and the many more who have had to face such trials during their lives because of ignorance.

I finish with a quote that I used during a debate on the bill that I referred to earlier:

“The true civilisation is where every man gives to every other man every right he claims for himself.”

I suggest that that includes the right for every child to be fully educated on diversity and inclusion. On that note, I am delighted to support the motion.

17:19

Ross Thomson (North East Scotland) (Con):

I would genuinely like to thank Monica Lennon for bringing this very important debate to the chamber this evening.

Over the past few years, Jordan Daly and Liam Stevenson have worked tirelessly to establish and promote the TIE campaign's core message. It has been a privilege to witness their drive and vision at first hand and to see meaningful strides towards tackling homophobic, biphobic and transphobic attitudes in our schools. I am proud to have played my part in the campaign by signing the campaign pledge and committing to the group's strategy of LGBTI-inclusive education, including teacher training, curricular guidance and a requirement for all local authorities to record specific incidents of homophobic, biphobic and transphobic bullying in our schools.

Although we should, of course, recognise and celebrate the progress that we have made in tackling bullying, the fight for LGBTI inclusivity in our schools permits no room for complacency. Research that TIE published in August found that 90 per cent of LGBT people have experienced homophobia, biphobia or transphobia at school and 95 per cent of LGBT people believe that bullying has had a long-lasting negative effect on them. Let us just reflect on that for a moment. It is a statistic that should resonate deeply with all of us, and it should serve as a reminder that the lives of LGBT people can still be far from equal.

I will take this opportunity to talk about my experience of bullying at school. Before I came into the chamber, I checked with the chamber desk that it is okay to say what I am going to say.

The Deputy Presiding Officer: It is.

Ross Thomson: Thank you.

Name calling and bullying were common for me at both primary and secondary school. The labels of “fag”, “faggot”, “poof”, “gay boy”, “queer” and “fairy” were all too common, whether in the playground, in the classroom or, sometimes, on the school bus home. Interestingly enough, I was not even out at primary or secondary school—I was not openly gay—but I was targeted by homophobic bullying. I did not come out until I eventually got to university and it felt safer to do so. That kind of bullying has a profound impact on the individual’s life, self-confidence and feeling of self-worth. It hurts and it makes it more difficult for people to accept themselves.

Since I became a member of this place, I have talked to teachers across my region about this very issue and about language. It is interesting that some teachers say that they lack the confidence to address it, and that there is a nervousness about dealing with it in the classroom. I have even heard some say that they feel that it is difficult because sometimes boys can be boys. In the same way that we do not tolerate derogatory language on race, colour or creed, we should be taking a stand against the use of homophobic language in the classroom.

We must not allow the equality-enhancing efforts of the many to be eroded by the prejudice of the few. Instead, we must proactively and expediently stamp out discrimination wherever it rears its ugly head. Prejudice is an epidemic that remains entrenched in our society.

Although I support the Scottish Government’s commitment to form a working group on the TIE campaign’s pledges, I firmly believe that more must be done to eradicate prejudice at every stage, including at an early stage, and our schools are the natural place to do so. The provision of adequate training for teachers to deliver robust and informative LGBTI education should therefore be seen as paramount.

A majority of MSPs have signed the TIE pledge. There is a mandate for action, and now the ball is in the Scottish Government’s court to take expedient and meaningful action to deliver on the proposals that are outlined in the pledge. We need visible and effective leadership to promote equality and eliminate prejudice in the classroom. It is clear that the attainment gap cannot be fully closed until the issues facing LGBTI learners are rectified.

LGBTI inclusion in the curriculum should no longer be regarded merely as best practice. Rather, it must be regarded as an essential component of preparing our young people for life in a modern and inclusive Scotland.

17:23

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): I extend my thanks to Monica Lennon for bringing this debate to the chamber, and I thank the Parliament, because it has indeed been a cross-parliamentary movement that has supported the TIE campaign.

Sometimes, a campaign comes that symbolises the very essence of what the Scottish Parliament was designed to be—a unique and representative institution whose fabric is rooted in the values of tolerance, acceptance and openness. Those principles—the principles of our Parliament—are identically mirrored in the TIE campaign.

It is therefore only right that we are here this evening to celebrate the remarkable progress of the campaign and to talk about the great work that is still to be achieved if we are to make inclusive education and the eradication of homophobic, biphobic and transphobic bullying a reality for all the young people about whom we have heard so much.

At this point, it would be remiss of me not to take a few moments to reflect on the TIE campaign, as other members have done. It is a campaign that had humble beginnings, when two unlikely friends, Jordan Daly and Liam Stevenson, found their voice through the 2014 independence referendum and forged what I think is a lifelong and everlasting bond. The two men were not campaigners; they were merely passionate people with an undeniable cause.

It is a campaign that sparked a national debate—of which we are part—on how we should educate our young people. It is rooted in the defeat of prejudice and, without question, it has changed the lives of LGBTI young people throughout Scotland, some of whom we know. I say with no hyperbole that the TIE campaign has saved some young lives. I witnessed some of the campaign’s work when the Equalities and Human Rights Committee visited the Vale of Leven academy.

To those LGBTI young people who do not feel quite comfortable in their skin, who somehow believe that being gay, lesbian, bisexual or transgender makes them less normal, we have a clear message: it is okay; you are loved; you are welcome; you are normal; you are worthy; you have your place alongside us, your brothers and sisters here in Scotland, safe in the knowledge that we are striving to make this country a more tolerant and welcoming nation, by defeating the prejudices that make you feel abnormal.

We know that that will take some time. It will take more of what has been achieved already by the campaign—remarkable as it is, there is still much more to achieve. It will take the collective

strength of this Parliament, this Government and all the campaigning groups that are represented here. It will take the strength of the young people, including pupils I know at Larkhall academy, who have benefited from visits from the TIE campaign. We need to show people why inclusive education is so vital.

The time has come for TIE. The Scottish Parliament has made itself clear. We support the TIE campaign. We support teacher training, we support inclusive education and, above all, we unequivocally support those young people who have found their voice, thanks to the work of Jordan and Liam and many organisations. We will not shy away from the difficult decisions that we know will come. We will not be afraid to tackle those who preach ignorance and intolerance.

That is precisely why, at the Scottish National Party conference, with the support of my colleague Jenny Gilruth and the SNP youth movement, we reaffirmed our commitment to the TIE campaign and moved an amendment to call on the Scottish Government to move the campaign's work forward by setting up a working group. I hope that a working group will be set up to make the TIE campaign pledges a reality. That is exactly what we strive for: tangible actions that match the principles and righteous ambitions of the TIE campaign. I hope that the minister will be able to give us an update on policy in that regard.

The time for action has come. We have made that abundantly clear. This Parliament has made it abundantly clear. Jordan, Liam and the TIE campaign, LGBT Youth Scotland, Stonewall and the Scottish Youth Parliament have all made it abundantly clear. Now Scotland should make clear to them that we will be honoured to carry out that work for them. I look forward to working with them all to realise the campaign's ambitions.

17:28

Pauline McNeill (Glasgow) (Lab): I thank Monica Lennon for her powerful speech in opening the debate. It is a privilege to take part in a high-quality debate that means so much to so many people.

Credit goes to Jordan Daly and Liam Stevenson. I have not had the pleasure of meeting them, but I know that they are campaigners who have lobbied hard for the basic right to be who you are and for society to accept who you are from birth, throughout school, at work and wherever you are in life. People have the right to be safe at school while they are developing into an adult—let us face it, that is scary at the best of times, without having an added thing.

Every individual has the right to be safe and to feel safe, and it is sad that 90 per cent of LGBT

people experience homophobia, transphobia or biphobia and that 64 per cent have been directly bullied because of who they are. Indeed, 42 per cent have attempted suicide. I could go on, as there are many shocking statistics that illustrate how acute prejudice still is in our schools, how problematic bullying is and how far we still have to go.

As other members have said, it is great that 69 MSPs have signed the campaign pledge. By all accounts, that is a high number. Nevertheless, I think that we have a duty to ensure that the other 59 MSPs, who have not signed the pledge, give us a good reason why they have not. There are special rules for the Presiding Officers, but would it not be great if everyone else sent a message that the Parliament is unanimous in saying that we want inclusive education?

The campaign is simply asking for schools to be inclusive by talking about sexual orientation, so that young people grow to learn and understand that it is perfectly okay to be lesbian, gay, bisexual or transgender and that they will get the support that they need, whatever that is, to make any decisions that they need to make.

That is why it is important that there is counselling in schools. Those of us who come from such professions know that being able to talk to someone whose job it is to listen and who has some expertise in it makes a huge difference to the person. Talking the issue through with someone who knows what they are doing can make a real difference to them and their life looking forward. They need to know that a teacher in their school is not going to judge them for saying who they are and that society is not going to judge them.

I do not like using the word "tolerate" because it sounds like a failure in some ways, but members know what I am driving at. There is a lot of work to be done in educating people who are not in that situation to think, "Who cares?" and to let people be who they want to be.

There is nothing worse than bullying. Whether they are lesbian, gay or transgender, anyone who has experienced bullying knows that it is one of the most horrible things in life. Probably because I was the oldest child in my family, I was always in trouble at school for taking on bullies, but I do not know that I would have had the same confidence to take on a bully if I did not believe that my school, my friends and my parents fully supported my choices.

There are a lot of good ideas, and there is a lot of work to be done to ensure that we do the right thing on inclusive education. Let us work on the other 59 MSPs to ensure that this Parliament

unanimously says that it is time for inclusive education.

17:33

Jeremy Balfour (Lothian) (Con): I, too, thank Monica Lennon for securing the debate, and I commend other members for the speeches that they have made. I am happy to take part in the debate.

I will start with the basic point that bullying of any kind, whether in school or in the workplace, is absolutely wrong. Experiences such as my colleague Ross Thomson outlined this evening are totally unacceptable in any form and must be stopped. When I was at school, I was fortunate to experience only very limited bullying because of my disability, because it was, due to the intervention of teachers and my school, shut down very quickly. I also received support from many of my colleagues at school.

The Equalities and Human Rights Committee has been examining bullying in schools—not just in regard to sexuality, but in other areas as well—and some clear lessons have come out of the committee's work. They are lessons that not just the Scottish Government but Parliament and the education system need to learn. First, we need to ensure that teachers, headteachers and local authorities feel confident in recording statistics about who is bullied. We have heard worrying evidence from teachers who have been told not to record incidents because no one wants the school to look bad. That has to be the wrong way round. Surely, we need to know what is going on at the grass-roots level in order to determine what the policy should be. We need—this is more for local authorities, although the Scottish Government can push them in the right direction—to look at how statistics are recorded and encourage teachers to ensure that it is done properly.

The second area that we need to look at—this applies for all types of bullying—is the guidance that is given to teachers during teacher training. We have heard evidence that one lesson, or one afternoon, is given over to training on how a teacher should help a young person who is being bullied or who comes forward with an issue related to their gender, sexuality or other matter. A trainee teacher who is absent for that one afternoon will go to work in school with no such training. That is simply not right. We need to challenge our education institutions to ensure that teachers are properly equipped and have the confidence to deal with the issues.

That leads to a point that other members made about the confidence that teachers need. I am still to be persuaded—there is a debate to be had on the topic—of whether one or two teachers in a

school should get extra training. We have heard that pupils often have a good relationship with a particular teacher and that for them to be shifted to another might make them uncomfortable. We need to think through the issues and, perhaps, take more evidence so that we can determine the best way for people to talk about their sexuality, gender, race or other matters, if that is what they want to do. We also need to ensure that they know whom to go to, and that that person is properly equipped to have the discussion.

We need to ensure that what we learn from the TIE campaign is applied to all the defined protected characteristics. A number of weeks ago, I attended an event at which an Educational Institute of Scotland member said that, following an incident in their school they had put all the resources into race and all the other characteristics were forgotten about. Problems in the other areas have now reared their ugly heads. We must make sure that all the characteristics are covered so that irrespective of whether the pupil's problem is to do with their faith, disability, sexuality or gender they can be confident that the school will support them.

17:38

Ben Macpherson (Edinburgh Northern and Leith) (SNP): Presiding Officer, I have discussed with you why I need to leave the debate early and am grateful for your understanding. I apologise to members because I must, because of prior commitments, leave early. I want to speak in the debate because the issue is extremely important to me, so I am grateful for the opportunity to do so.

I sincerely thank Monica Lennon for securing this important debate. I congratulate Jordan Daly and Liam Stevenson on their success in leading the TIE campaign so strongly—to the point at which it is being debated in the Scottish Parliament. I pay tribute to the Equality Network and LGBT Youth Scotland, both of which are based in my constituency, and to Stonewall and other campaigners for their work and courage, which have made life easier and better for LGBTI+ individuals in my life, including friends and family and others across Scotland. I also pay tribute to them for creating heightened awareness about the human rights that are at the heart of the issues and circumstances that LGBTI individuals face daily, including the language that is used and the attitudes that people unfortunately still hold.

I was reminded of all that especially on Monday, when I had the privilege of hosting the TIE campaigners at an event in Leith, in my constituency. At the event, people of all ages, backgrounds, sexualities, gender identities and ethnicities had the opportunity to find out more about why the TIE campaign is so important. What

struck me was not only that work still needs to be done, but that action is already being taken on which we can build. I spoke to teachers at the event to find out more about what they are doing at their schools and how they are proactively encouraging greater inclusion in education. I found out that they have set up LGBTI groups in their schools, established their own LGBTI point of contact, set up a shared staff drive with an assortment of resources and posters for each subject, provided in-house after-school training, and arranged police officer visits to discuss what to do after experiencing or witnessing LGBTI bullying behaviour. Local authorities have their own initiatives and, internationally, UNICEF is piloting its “rights respecting schools” award programme, which many schools are adopting.

The proactive work that teachers and pupils are driving forward is commendable and inspiring. One high school in my constituency that is doing work in the matter is Leith academy. Along with LGBT Youth Scotland, I went to its LGBTI history month celebration, where I found out that older pupils in the school are doing great work in classrooms, but I wondered who will take up that work when those older pupils, or the relevant staff members, leave. That is why the TIE campaign is so important. It is about working towards a comprehensive and consistent system of inclusive education and LGBTI+ support in all our schools. We need to think about the unlucky pupils for whom there is no network of support on such matters.

The TIE campaign is leading with courage, and I am proud that Parliament is working with it on a cross-party basis. This is a human rights issue. An holistic approach to inclusive education is required. I commend the TIE campaign for leading us towards that collective goal for the benefit of all of Scottish society and younger and future generations.

Let us continue to take steps forward together, as a Parliament and as a society, with the Scottish Government, the TIE campaigners, other campaigners, educators and communities. Let us work together to take meaningful and effective steps forward to make the difference that is necessary to improve the circumstances of young LGBTI people who are growing up in our country.

17:42

Ross Greer (West Scotland) (Green): As colleagues have done, I thank Monica Lennon for securing the debate. I also thank Jordan Daly and Liam Stevenson for their campaigning, as well as Colin, Cara, the folks at the Scottish Trans Alliance and all the young people who have been driving the campaign forward so successfully.

It has been almost 17 years since section 28 was repealed in Scotland. An entire generation—my generation—has been through education in that time, yet we still do not have equality in our schools. The experiences of young LGBT people in Scotland today cannot be denied. I have heard first hand—as, I am sure, all members have—about the experiences that many have had. The situation is shocking and we are capable of changing it. Nine in 10 LGBT pupils have experienced homophobic, biphobic or transphobic language or bullying in their schools, and one in four has attempted suicide—some multiple times. Eight in 10 teachers do not feel that they are trained adequately on how to deal with that. We cannot simply do nothing and hope that the problem solves itself.

We have made great strides towards equality—most recently and most notably by legislating in the previous session for marriage equality—but we cannot pretend that we are there yet, and nor can we pretend that the atmosphere in our schools has followed the lead of the atmosphere in Parliament. It has not been enough to repeal section 28: far more must be done.

The Government has a mandate to act. As has been mentioned multiple times, a majority of MSPs across all parties have now signed the TIE campaign pledge. Given the recent vote at the SNP’s party conference, I ask the minister whether she can confirm when the working group on inclusive education will be set up, what its remit and its membership will be, and when it will report back. The TIE campaign, among others, has made it absolutely clear that the working group must lead to tangible action. It must not be delayed, it must not be drawn out unnecessarily and it must have a clear purpose and the freedom to come to the conclusions to which the evidence leads it.

Every young person deserves a sex and relationships education that is relevant to them, whoever they are, and all young people should learn about the variety and validity of all relationships. That is how we will tackle stigma and hatred and how we will show every young person that they are valued.

Some curriculum for excellence resources are LGBT-inclusive, but as we know, they are just not reaching most classrooms. LGBT relationships are too often reduced to a brief mention—if they are mentioned at all—in personal and social education, which unfortunately is an area of the curriculum that pupils too often dismiss or do not take seriously. I have been pushing for action on PSE through the Education and Skills Committee because, from the evidence that the committee has gathered, it is quite clear that PSE is not being delivered consistently across the country. It is a postcode lottery whether a pupil will learn about

consent, get an LGBT-inclusive sex and relationship education or learn about mental health, employment skills and a range of other issues. That is just not good enough.

Teacher training, both initially and throughout teachers' careers, will go a long way, as will an effective record of all incidents of homophobic, biphobic and transphobic bullying. However, we need action to ensure that every young person is guaranteed an inclusive education.

A number of members have mentioned the role of local councils. The council elections are coming up; it is one thing for those of us taking part in the debate to give our voice and support to the TIE campaign, and for a majority of MSPs to have signed the TIE campaign pledge, but we are not yet at the stage at which we can say that every party in Parliament is not putting forward candidates who will oppose the equality agenda. There will be people on the ballot paper in three weeks who will oppose the agenda in their local authorities. That is unacceptable, and it is something that every party in Parliament must take on.

We need to learn from the success stories out there and from the likes of Vale of Leven academy in my region, which is leading the way on LGBT inclusion not just in its curriculum, but in every aspect of school life. I look forward to seeing some concrete proposals from the working group that is being set up on how the aims will be achieved, because our LGBT young people cannot afford to wait any longer.

17:46

Jamie Greene (West Scotland) (Con): I first came across the TIE campaign shortly after arriving at the Parliament last May. Admittedly, I was rather cautious at first. As members might know, I am overwhelmingly in favour of many LGBT causes, but the guys in the TIE campaign took a very different approach that manifested itself in a steely determination that might make a politician naturally—if cautiously—listen to them. I had marched a few feet behind them at Glasgow's pride march, and I had no doubt about their good intentions, but I did not really know much about what they were trying to achieve.

I would say, therefore, that this has been a personal journey for me. In the world of lobbying, bandwagons are often too easy to jump on and off, and being seen to do the right thing is very different from wanting to do the right thing. However, I want to do the right thing, and after a very thoughtful assessment of the TIE campaign's aims, I am very pleased and proud to have put my name to its pledge.

We have so little time this evening to get into the nitty-gritty of what an inclusive education system might look like or mean, and there are very difficult questions to be answered. However, they ought to be answered. We must be honest with ourselves. For example, how do we take faith schools into account in this discussion? I went to a Catholic school, and neither sex nor relationships were very high on the agenda there. It is true, though, that times have changed; in fact, when I drove past my local high school—Kilwinning academy—the other day, I was pleased to see a rainbow flag flying outside it. I would never have dreamed of such a thing happening when I was young.

I hope that we can engage positively with schools of all faiths and none to ensure that we win this argument on the strength of its being the right—not a reluctant—outcome. Besides, one can be gay and still have faith. I was bullied at school for being gay, but I do not think that there is any point in sharing my story, given that it is almost identical to the experience that my colleague Ross Thomson described of what happened to him when he was young. In many ways, that is quite sad, and it is also sad that, 20-odd years later, this is still an issue.

To give the TIE campaigners credit, I have to say that they came to the table with ideas, but those ideas now require robust action. There are certainly issues to address. How do we ensure that teachers are adequately equipped and trained to deal with the subject matter? Who pays for the training and the materials? When will they find the time to do the training? What do we say to teachers who are reluctant to do it? Who will monitor progress? How do we measure bullying? Where in the curriculum will it comfortably sit?

I am under no illusions that there are difficult obstacles to overcome, but we must overcome them. We will continue the discussion at this evening's LGBTI cross-party group meeting and I offer an open invitation to any MSP or Government minister who is interested in the subject to join us if time permits. They would be most welcome this evening or at any time in the future.

I wish the TIE campaign every success in its quest and I implore the Scottish Government to take heed of the fact that more than 50 per cent of MSPs signed TIE's pledge, which cannot be ignored.

17:50

Rona Mackay (Strathkelvin and Bearsden) (SNP): I thank Monica Lennon for bringing this important debate to the chamber.

The First Minister has said that inclusion is the guiding principle for everything that we do and, as

we heard in the moving and passionate speeches from members around the chamber, the TIE campaign is doing an amazing job of following that principle in tackling the discrimination and bullying of LGBTI people in schools. I congratulate Jordan and Liam, whose commitment blew me away when we first met.

As well as extensive campaigning, TIE offers free assemblies, teacher training and seminars around Scotland to promote LGBTI inclusion in schools. I am absolutely delighted that the Scottish Government has agreed to work with TIE to promote inclusive education in schools, which will have a huge impact on future generations.

Sadly, our schools are still a focal point of LGBTI discrimination and bullying. Many LGBTI children in Scotland are terrified of going to school, where they are terrorised for simply being themselves. Children are harming themselves as a direct result of the abuse that they receive in school. When they should be planning their future, some are planning their deaths.

Stonewall Scotland's research has found that one in four of LGBTI children who are bullied in school have attempted suicide. No one should be subjected to that. In conjunction with TIE, we can now bring more inclusivity into education to discourage the ignorance and the bigoted views that are at the heart of the discrimination. It is the least that we can do for our children and it is overdue.

Discrimination and bullying does not just affect life in school. The experience of being emotionally and physically abused, and of children being forced to reject their identity to try to assimilate, has long-lasting effects. Ninety-five per cent of LGBTI people believe that their experiences in school had long-lasting negative effects on them.

Scotland is regarded as the best country in Europe for LGBTI equality. That is an incredible success and, by pledging to promote inclusivity, we will be the world leader. To monitor and ensure progression, TIE's pledge calls for information on the steps taken to increase LGBTI inclusivity to be collected at local authority level and I totally agree with Jeremy Balfour's words on that.

At a time when children should be building and developing their confidence, many are being broken down. We have a collective responsibility to ensure that that never happens to any child. The TIE campaign uses the hashtag #bethatvoice. Together we need to be one voice to change the completely unnecessary and immeasurably damaging discrimination in Scottish schools. That is why I am delighted that our Government has agreed to work with TIE and others to promote education in schools, and I look forward to that happening as soon as possible. We must end that

horrible discrimination and get it right for every child now—we cannot wait any longer.

17:53

The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville): I thank Monica Lennon for bringing the debate to the chamber today. She is absolutely right to say that we should not be a Parliament of bystanders. That is true for any issue, but particularly for equal rights. We have a proud record on such issues, but there is much more work to do and tonight's debate testifies to that.

I have listened carefully to the debate and I whole-heartedly agree that a fully inclusive approach to education for all is essential. Monica Lennon's point that we need to be mindful of those LGBTI children and young people who are just home from school or who are preparing to get on the school bus tomorrow is correct. They should be in our thoughts as we go through the debate and as we move forward to action.

I congratulate everyone who is involved in the Time for Inclusive Education campaign for successfully raising the profile and the priority of issues that are fundamental to our children's and young people's wellbeing.

Jordan and Liam have been congratulated many times during the debate. I know that their work will continue long after the debate has finished, but I hope that they take time to reflect on and take pleasure from the work that they have done and what they have achieved so far.

The principle that every child and young person has the right to grow up to be the person they are and want to be is absolutely crucial. They have the right to expect to be supported to do so, too, and to be treated fairly and equally by adults and their peers alike. I reiterate this Government's support for the aims of the campaign. I welcome the fact that TIE has achieved something that is rare and has been elusive in this Parliament since last May—namely, near-unanimous cross-party support on a key policy issue. That is something from which we can all learn.

Inclusive education is a key component of relationships, sexual health and parenthood education. RSHP education is an integral part of health and wellbeing within the curriculum in Scotland. The health and wellbeing of our children and young people is fundamental. That is why it is at the heart of our children's learning and at the centre of our curriculum. It is also a central focus of the Scottish attainment challenge and the national improvement framework for education. Along with literacy, it is one of the core areas that are the responsibility of all staff in a school.

The national policy guidance leaflet, “better relationships, better learning, better behaviour” contains priority actions that support local authorities and schools to further improve relationships and behaviour in their learning communities. That is central to the delivery of curriculum for excellence and the implementation of getting it right for every child.

The main area of importance for today’s debate is relationships, sexual health and parenthood education. As I have said, it is an integral part of the health and wellbeing aspects of our curriculum in Scotland. Children and young people should gain knowledge appropriate to their age and stage in education. RSHP is intended to enable children and young people to build positive relationships as they grow older. The learning experience should be delivered in an objective, balanced and sensitive manner within a framework of sound values and with an awareness of the law on sexual behaviour.

In 2014, the Scottish Government published guidance on the conduct of RSHP education in schools, which clearly states how important it is that RSHP education addresses diversity and reflects issues for lesbian, gay, bisexual, transgender and intersex young people or children. However, we recognise that we can and must do more, which is why we have given a commitment to work with the TIE campaign. That is why this Government announced just an hour ago the creation of a new LGBTI-inclusive education working group to help bring key educators together with TIE to identify where improvements can be made. The new working group will be chaired by the Association of Directors of Education in Scotland and will include membership from across the education and third sector spectrum, including of course TIE, LGBT Youth Scotland, Stonewall Scotland, the Scottish Catholic Education Service, the Educational Institute of Scotland and the Scottish Youth Parliament. I am confident that the group has the right expertise and understanding to explore in detail where we can improve the education experience for our LGBTI young people and move forward to action.

Ross Greer asked for further details on the group’s remit. It is not for me to go through that in detail as it will be discussed at the first meeting, which I understand should be in early May. The group will look to work together to identify how we can improve the education experience for LGBTI young people in Scotland. It is not useful for a Government minister to give a working group a particular timescale for its conduct. The group needs to be given the time and space to look at the issues that are important, but I do not see it being a long, drawn-out process; the young people we discussed earlier deserve better than that.

Given the way that the campaign has gone to date, I do not think that the work would be done in such a manner anyway.

Monica Lennon: I appreciate the announcement to which the minister drew attention. Given that many experts will take part in the group, is it the Government’s intention to implement any recommendations that are forthcoming at the end of its work?

Shirley-Anne Somerville: I will not prejudge the work of the working group before it has its first meeting, but we will consider closely and carefully everything that comes from it and keep a close eye on the work as it develops to ensure that we can take aspects of it forward; I am very aware that we require action, rather than just a working group.

Members will also be aware that the recently published mental health strategy includes an action for the Scottish Government to undertake a national review of personal and social education. Initial planning work on that review is under way and we will make sure that the two review areas work together closely.

Alongside that work, we should remember that the Scottish Government’s refreshed anti-bullying national guidance is at an advanced stage. The Equalities and Human Rights Committee is considering it as part of its work on bullying. We will carefully consider the committee’s advice on that and any suggestions on what more could be done before we publish the revised guidance.

In addition, we provided funding to LGBT Youth Scotland to work collaboratively with respectme, Scotland’s anti-bullying service, to develop an online resource and deliver practice seminars to address homophobic, biphobic and transphobic bullying in Scottish schools. The seminars recently delivered in Ayr and Edinburgh were well attended and delegates reported a significant increase in their knowledge and confidence about addressing prejudice-based bullying. Following the publication of the anti-bullying guidance later this year, we plan to update the document “Toolkit for Teachers: Dealing with Homophobia and Homophobic Bullying in Scottish Schools”.

That brings me on to a critical area in our quest to address bullying. The skill and dedication of our teaching workforce and their intensive knowledge of their school communities will ensure that those guidance documents are embedded in school policy throughout Scotland.

I am conscious of time and aware that my speech has focused on policy and procedure, as ministerial responses often have to do. However, the essence of the debate was highlighted most eloquently by other speakers. Monica Lennon’s discussions of her friend, James Dornan’s of his

brother and his office manager's family and Ross Thomson's and Jamie Greene's speeches summed up why the issue and action on it are so important.

Christina McKelvie rightly said that we need to stress that everyone is loved. That is what it boils down to. I welcome the cross-party support in the Parliament on the issue and want us to work together to deliver our shared commitment to an inclusive education. We all have a responsibility to support our children and young people to be confident and proud of who they are, to know that they are valued and loved and to know that they will be treated equally and fairly. We should settle for nothing less.

Meeting closed at 18:02.

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