



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Meeting of the Parliament

**Wednesday 21 February 2018**

**Session 5**



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Pàrlamaid na h-Alba

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# Scottish Parliament

Wednesday 21 February 2018

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

## Urgent Question

**The Presiding Officer (Ken Macintosh):** Good afternoon. I have selected an urgent question that will be taken as the first item of business today. As a result, decision time will be postponed until 5.15. I believe that all members have been notified of that by email.

### British Transport Police in Scotland and Police Scotland (Merger)

**Liam McArthur (Orkney Islands) (LD):** To ask the Scottish Government what its response is to reports that the merger of the British Transport Police in Scotland and Police Scotland is to be delayed.

**The Cabinet Secretary for Justice (Michael Matheson):** We are committed to delivering the benefits of a single command structure to provide integrated infrastructure policing in Scotland. A safe and secure transition to the full integration of the British Transport Police in Scotland into Police Scotland is our aim, and a clear focus on public safety is paramount.

The joint programme board that was set up to oversee the integration has been advised by Police Scotland and the British Transport Police Authority that operational aspects of the integration will not be ready for April 2019, as planned. Ministers have, therefore, agreed that a re-planning exercise should take place in the coming months to ensure that a clear and realistic delivery plan is in place for all aspects of the merger. As part of that process, we will take advantage of the opportunity to enhance communications with staff, officers and rail operators about the merger.

**Liam McArthur:** It is the case that Scottish National Party ministers forced through the merger of the British Transport Police in Scotland and Police Scotland despite serious concerns and overwhelming opposition from BTP officers and staff, and despite clear warnings from Her Majesty's inspectorate of constabulary in Scotland about the lack of a detailed business case on the benefits, disadvantages and costs involved. Deputy Chief Constable Livingstone has now warned that those unresolved issues mean that integration cannot be achieved on the Scottish Government's terms "without compromising public safety."

Given those concerns, will the cabinet secretary accept that the joint board has been handed a poisoned chalice and that this politically driven merger should not go ahead until a proper business case has been published, scrutinised and approved by the Parliament?

**Michael Matheson:** I will deal with a couple of factual issues. The idea that we forced through the proposal is somewhat bizarre, given that we are a minority Government and had to seek the support of other parties for it. In fact, I recall that the Liberal Democrats supported the proposal at stage 1 of the Railway Policing (Scotland) Bill but changed their position part-way through the process. It was hardly a case of our forcing a proposal through Parliament.

Liam McArthur referred to the HMICS report. That report related to matters back in February and March of 2017, prior to our producing for Parliament many of the details that it needed for its consideration of the Railway Policing (Scotland) Bill. Since then, a significant amount of work has been done.

It is important that Deputy Chief Constable Iain Livingstone's comments are not taken out of context. I will quote directly what he said, because the way in which Mr McArthur has sought to interpret his remarks is somewhat misleading. He stated:

"Over the last few months, we have been assessing the feasibility of delivering integration by April 2019. It has become clear to Police Scotland that there are unresolved issues which mean effective operational integration cannot be achieved by that date without compromising public safety. Independent consultants have endorsed our position on this."

The issue that DCC Livingstone highlighted was that the assessment that Police Scotland has made of its state of preparedness is such that it will not be able to deliver integration by April 2019. That is why, on Tuesday of this week, it put to the joint programme board the proposal that a re-planning exercise should be undertaken with a view to setting a new integration date. The joint programme board agreed to that proposal at the request of Police Scotland and the British Transport Police Authority.

**Liam McArthur:** The Government was repeatedly told that its deadline and its proposals were unrealistic. DCC Livingstone has now confirmed that, yet I am told that somehow I have taken his comments out of context.

The Scottish centre for crime and justice research has today published a report into the impact of integration on BTP officers and staff in Scotland. Its survey found that 83 per cent were unsupportive or very unsupportive of the merger, leading to 64 per cent having given serious

consideration to leaving policing because of the merger.

One respondent with more than 30 years' experience in the BTP said that the service was being "destroyed for political reasons". Another said:

"It is this political motivation which has angered officers most".

Yet another respondent said that the merger was "more transformation at an already turbulent time within [Police Scotland's] short history."

Given that damning indictment of the Scottish Government's plans, does the cabinet secretary really believe that it is sensible to proceed with a merger that commands the confidence of a mere 7 per cent of BTP officers and staff? Does he now regret refusing to consult on any other options that were put forward for delivering the Smith commission's recommendations?

**Michael Matheson:** Let me pick up on the issue of the date that was set for the integration. It was agreed with the other parties, not imposed by the Scottish Government. Liam McArthur is factually incorrect—yet again—on that matter.

I highlight to Mr McArthur the benefits that will come from the integration of the British Transport Police into Police Scotland. It will create a single command structure and open up aspects of railway policing to specialist resources in Police Scotland that the BTP in Scotland does not have. It will also ensure that we have an infrastructure arrangement for railway policing in Scotland that protects us from the United Kingdom Government's plans to abolish the BTP and integrate it with civil, nuclear and Ministry of Defence policing, creating national infrastructure policing. Those plans would leave us in an even more vulnerable position, potentially with Scotland alone having any form of railway policing.

The member often seems to ignore the fact that, when the Smith commission's recommendations were made and legislation was subsequently introduced to implement the powers that were to be devolved to the Scottish Parliament, that placed a requirement on the Scottish Government—indeed, on the Parliament—to be responsible for railway policing. We need to put a structure in place for that.

Liam McArthur referred to previous or alternative plans. The reality is that all the alternative plans would leave us in a confused situation in which there would be a lack of clarity about who exactly is responsible for railway policing in Scotland, as legislative responsibility would still be with the Secretary of State for Transport in London. The BTPA, which is appointed by the Secretary of State for Transport,

would still be responsible for railway policing but I have no doubt that, despite that, when anything went wrong, Mr McArthur and others would declare that Scottish ministers were responsible for an area of policing that was ultimately the responsibility of ministers in London.

Providing a clear line of accountability—which is what we will deliver by integrating the BTP into Police Scotland—and opening up aspects of railway policing to the specialist skills that we have in Police Scotland will support us in delivering first-class railway policing in Scotland under a single command structure and ensure that we can deploy specialist assets to support railway policing as and when it is necessary, beyond what we have at the moment when that is requested through special arrangements.

**The Presiding Officer:** Several members have pressed their buttons, requesting to speak. If we can have very short questions and short answers, we might get through some of them.

**John Mason (Glasgow Shettleston) (SNP):** Does the cabinet secretary accept that the public do not understand that we can have one police force for a railway platform and a separate police force for a road that is a few yards away? It is not joined up. Can the cabinet secretary reassure me and the public that he is committed to joining those forces together?

**Michael Matheson:** I have four train stations in my constituency and, when an incident occurs within the train station or thereabouts, it is for Police Scotland to respond. If some sort of specialist input from the BTP is required, the request for that input will be made in the same way as the local commander would make a special request if there was a missing person and air support was needed to search for someone. Police Scotland officers will deliver the day-to-day policing of railway stations and their environs.

We continue to be committed to the Parliament's legislative agreement to have an integrated single command structure for policing in Scotland with the BTP integrated into Police Scotland. The vast majority of the travelling public want effective policing, no matter whether they are on a road, on a railway or anywhere else, and that is exactly what we intend to deliver with the integrated structure.

**Liam Kerr (North East Scotland) (Con):** The Scottish National Party did not listen to the Scottish Conservatives when we said that this was unsafe, unnecessary and unwanted by virtually everyone connected with Scotland's railways. Now it has been forced into an embarrassing, humiliating U-turn, having told the chamber only four weeks ago that a delay would be "preposterous". The cabinet secretary's claim that

two years was a “luxury” has been totally discredited. Given that we now know that eight in 10 BTP officers and staff oppose the merger outright, will the SNP listen to them and consider calling the whole thing off?

**Michael Matheson:** Presiding Officer:

“We will create a national infrastructure police force, bringing together the Civil Nuclear Constabulary, the Ministry of Defence Police and the British Transport Police to improve the protection of critical infrastructure such as nuclear sites, railways and the strategic road network.”

Those words are from last year’s Scottish Conservative Party and UK Conservative Party manifestos. Mr Kerr’s hypocrisy in coming to the chamber and trying to kid on that he does not intend to abolish the British Transport Police does him no favours; yet again, the depth of his amateur politics is on show in the chamber. *[Interruption.]* When he says that I claimed that two years was a “luxury”, he is wrong yet again. It was Assistant Chief Constable Bernie Higgins who said that on behalf of Police Scotland. Yet again, that is an example of the amateur nature of Mr Kerr’s politics when it comes to these issues.

It is very clearly not within Mr Kerr’s ability to understand that we want to make sure that we deliver the most effective infrastructure for policing in Scotland. That will be done through a single command structure, as was set out just last year in his own party’s manifestos in Scotland and in the rest of the UK.

**The Presiding Officer:** These are robust exchanges—let us not make them personal.

**Daniel Johnson (Edinburgh Southern) (Lab):** Liam McArthur has already made reference to the research that was published today by the Scottish centre for crime and justice research, which had responses from two thirds of serving BTP officers. It states that there is

“a deep strain of scepticism, cynicism and opposition towards the integration”

of the BTP into Police Scotland. Will the cabinet secretary therefore use the pause that he has announced to listen to those voices of front-line officers and halt the merger? If not, what does he have to say to those officers about why he is ignoring their professional front-line opinions?

**Michael Matheson:** As I have said, we remain committed to the integration of the BTP into Police Scotland, as was agreed by this Parliament. The replanning exercise that is being done by the joint programme board gives us an opportunity to look at some issues that still need to be resolved.

As I said in my opening comments to Mr McArthur, that exercise will allow us to take advantage of this additional time to enhance our communication with staff, officers and the rail

operators on the benefits of integration and the merger. We will take the opportunity to do exactly that: we will address the issues that BTP members have in relation to the integration plans.

**John Finnie (Highlands and Islands) (Green):** I support the cabinet secretary’s pragmatic decision.

The cabinet secretary constantly refers to integration. The integration of information technology systems from the different police forces that now make up Police Scotland has been a challenge. Police Scotland leads on counter-terrorism in Scotland, and there is no suggestion that that will not continue or that plans are not in place to deal with things. However, are there any hitherto unknown factors that would impact on operational efficiency in the future that have led to the cabinet secretary’s decision?

**Michael Matheson:** Integration of IT is a key part of ensuring a smooth transition to the integration of the BTP into Police Scotland. That is one of the issues that Police Scotland is giving considerable consideration to.

The member is right that, when it comes to counter-terrorism, Police Scotland has the lead. I have made the point in the chamber before. When we went to critical security level, Police Scotland had the lead. The BTP has no armed officer capability in Scotland. It has limited capability around specialist assets; most of that capability is provided by Police Scotland, as was the case when we went to critical security level.

In a number of the operational issues that are being worked on by Police Scotland in partnership with the BTP, the aim is to make sure that all the various scenarios are worked through to ensure that the required operational arrangements are in place in Police Scotland to pick up matters as and when necessary.

That is one of the issues that Police Scotland has reflected on over the past couple of weeks. It will look at the progress that it has made to date, to identify where there continue to be operational sensitivities or risks and what it can do to mitigate them. The replanning exercise will allow it to reflect on the whole process and to put plans in place to ensure that appropriate measures are taken to deliver in relation to such issues once integration takes place.

**Rona Mackay (Strathkelvin and Bearsden) (SNP):** Does the cabinet secretary agree that the decision demonstrates that communication between the joint programme board, the Scottish Government and the UK Government is effective and working well?

**Michael Matheson:** There has been a suggestion that the measure has been some sort

of diktat that has been issued by the Scottish Government. That is clearly wrong, given the parliamentary support that was required for the legislation. Equally, the planning and integration arrangements are being made jointly and co-operatively. The Scottish Government, the UK Government, the BTPA, the BTP, Police Scotland and the Scottish Police Authority are all working collectively to ensure that there is a smooth transition towards the integration of railway policing in Scotland—and that will continue to be the case.

It makes complete sense, in my view, that the BTPA and Police Scotland raised issues of concern around the timeline following their own reflections on where they were in being prepared operationally, that they took them and escalated them to the joint programme board, that the board responded to them and agreed that there should be an extension or a period of reflection around replanning, and that having an extension to the integration timeline should be looked at. No doubt, had those concerns been ignored, members in this chamber would have said that it was outrageous that they were not taken into consideration and acted upon. The joint programme board is there to do exactly that: it is there to look at the risks, the planning and the progress that has been made and to continue to take action as and when necessary to ensure that there is a smooth, safe transition of railway policing into Police Scotland.

**Jamie Greene (West Scotland) (Con):** I raise an important point. If the report that is out today turns out to be true and two thirds of BTP officers leave the service as a result of the merger—which they have indicated they may do—does the cabinet secretary accept that that would be a huge loss of expertise and experience from the force? Will he publish a full analysis of the drawbacks of his proposed merger, as he has been asked to do by Her Majesty's inspectorate of constabulary in Scotland?

**Michael Matheson:** The member may not be aware that the HMICS report came before we had published the explanatory notes and policy memorandum that went with the legislation in which the measures are set out. Therefore, the report pre-dated the point at which the information was placed before the Scottish Parliament. The member may want to go away and have a look at that if he is keen to be informed about it in greater detail.

In relation to the survey results, I do not underestimate the concerns that members of the BTP will have around the significant change that will come about as a result of BTP's merger with Police Scotland. Some of same concerns came out when we moved to having a single force, when the eight legacy forces were concerned about the

impact that that would have on individuals. As I have already set out to members, we will take advantage of the opportunity that we now have with the replanning process that is being introduced to redouble our efforts and to enhance our communication with staff, officers and the rail operators. A significant amount of work has already been undertaken by their representative bodies, in partnership with the Scottish Government, to try to provide them with as much information as possible and as early as possible about future plans.

I have no doubt that the member will welcome the fact that the British Transport Police Federation and others have welcomed the approach that the Scottish Government is taking to the issue and the decision to allow the replanning exercise to go forward, as that will offer its members an opportunity to be reassured around these issues. The issues that the member seems to be concerned about are the very ones that the replanning process will allow us to refocus on and address. The BTP Federation has recognised that for its members.

**The Presiding Officer:** I am conscious that three more members wish to ask questions, but I am afraid that it is time to move on.

## Portfolio Question Time

### Rural Economy and Connectivity

14:19

#### Fishing

**1. Donald Cameron (Highlands and Islands) (Con):** To ask the Scottish Government what future it sees for Scotland's fishing sector. (S5O-01794)

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** Currently, the overall mood in Scotland's fishing sector is positive, as demonstrated by the new vessels that are on order and the value of landings during 2017 being at record highs. That is due in no small part to the efforts that have been made by the Scottish industry to improve sustainable fishing practices, including moves to more highly selective gears. That has contributed to a situation in which the state of fish stocks shows a healthy picture. The number of stocks set in line with maximum sustainable yield continues to increase: of the 13 stocks against which the Scottish Government measures its sustainability performance, nine have been set in line with MSY.

**Donald Cameron:** In light of the cabinet secretary's answer, does he agree with Ruth Davidson that Brexit will allow us to create a better fisheries policy by designing

"a world class management system that delivers the maximum possible sustainable yield for UK fishermen while also protecting the marine environment and encouraging species growth"?

**Fergus Ewing:** No, I certainly do not agree with Ruth Davidson, for a number of reasons. First, I have repeatedly asked Mr Gove and Mr Eustice to confirm that, post-Brexit, they will not seek to trade away access to Scotland's waters, and answer there has come none. Secondly, I have asked the UK Government to confirm what its plans are to allow EU nationals to continue to do the good and essential work that they do onshore and offshore in the fishing sector, and answer there has come none. Thirdly, I have asked the UK Government to confirm what plans, if any, it has to replace the £95 million that has been enjoyed in Scotland since 2014 under the European maritime and fisheries fund, which has been essential for the fishing sector, and answer there has come none. Maybe Mr Cameron could use what influence he has, if any, with the UK Government to try to get a few answers, and then Scotland will be in a better position to judge whether Miss Davidson is talking nonsense.

**Tavish Scott (Shetland Islands) (LD):** Instead of agreeing with Ruth Davidson, I encourage the cabinet secretary to agree with the Shetland Fishermen's Association, which has submitted a catching policy proposal to his office. When the cabinet secretary gets the chance to visit Shetland, maybe he will meet the association to discuss that, particularly the proposals on reducing discarding, which involve fishermen and scientists working together. There are innovative ideas in the proposals, so will he undertake to look into them and see whether such an approach could be introduced as soon as possible?

**Fergus Ewing:** That sounds like a preferable option. As the member knows, I hope to visit his constituency in the relatively near future, and I have undertaken to meet representatives of Shetland fishing, who as the member will know are a diverse group of people. I will meet various fishing interests when I am there. I recently met the Shetland representative on the regional inshore advisory group and was extremely impressed by the profound and practical grasp that she had of all these matters. We will most certainly take account of the experts in his constituency who really know what they are talking about.

#### Rural Economy (European Union Migrant Workforce)

**2. James Dornan (Glasgow Cathcart) (SNP):** To ask the Scottish Government what its position is on the importance to the rural economy of an EU migrant workforce. (S5O-01795)

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** It is crucial. The interim report of the National Council of Rural Advisers recommends a tailored approach to migration that supports entrepreneurship and innovation in Scotland's rural economy. We have submitted clear evidence to the Migration Advisory Committee and in "Scotland's Place in Europe" that the crucial role of migrants in rural Scotland is one of the key reasons why a one-size-fits-all approach to immigration is not appropriate for Scotland's needs.

**James Dornan:** It is clear that the cabinet secretary is as concerned and dismayed as I am by the reports that farmers in Scotland are having to leave quality produce to rot in fields because they do not have enough workers to harvest everything. NFU Scotland notes that, this year—before the United Kingdom has even left the EU—there has been a shortage of between 10 and 20 per cent in seasonal workers coming from the EU. Will the cabinet secretary set out why this is such an important matter for not only our rural economy and communities but Scotland as a whole?

**Fergus Ewing:** Mr Dornan is absolutely correct. To answer his question, our rural economy depends significantly on the 10,000 people from the EU countries who are estimated to work in the food and drink sector and the up to 22,000 seasonal migrant workers who are employed in the soft fruit and vegetable sectors. It is no hyperbole to state that food is starting to rot in fields. It is simply a fact that, increasingly, we hear from all sectors in the farming industry, particularly those in which seasonal migrant workers are important, concerns that there will simply not be enough of the people who used to come and who are welcome to come to Scotland to give of their labour and effort.

On my recent visit to the extremely successful Glenrath farm, it was interesting that Polish workers who had planned to stay in Scotland said that their view of a country that welcomed them with open arms is being soured by a sense that their families and kin will not be able to join them if they need to live with them. Their feeling that it is not just the people who are here who are not welcome, but their families too, under the Brexiteers' view of Britain, is extremely and profoundly alarming.

**Lewis Macdonald (North East Scotland (Lab):** The cabinet secretary will be aware that the great majority of workers in the fish processing sector in the north-east of Scotland are citizens of other European countries, and a majority of them would like to continue to work here. Has he engaged with the trade unions that represent those workers to hear their concerns and with the employers to hear their future plans for the sector? If not, will he undertake to do so?

**Fergus Ewing:** I can certainly confirm that I have engaged extensively with the onshore and offshore fishing sector and the processing sector. Those sectors are important in Mr Macdonald's regional constituency and I am due to visit the north-east shortly to meet various stakeholders.

Lewis Macdonald is absolutely right to say that people who have come from other EU countries—who work extremely hard in fish processing operations and as crew on fishing vessels offshore in large, medium and small boats—are crucial to the operation of the fishing sector and many other rural sectors. Without them, one wonders whether businesses will be able to operate as they do, if at all. The issue is extremely serious. We have made clear that Scotland welcomes people from those countries with open arms and the First Minister has extended that welcome since the day of the European referendum. We are now a short number of weeks before the proposed Brexit day and we are absolutely no further forward. There is no clarity whatsoever from the Conservative Party—there is complete silence about the issue,

which is demeaning from the point of view of Conservative members. It is about time that the UK Government brought forward proper plans on the matter.

### **Rural Economy (Large-scale Developments)**

3. **Graham Simpson (Central Scotland) (Con):** To ask the Scottish Government how it ensures that the rural economy is not adversely impacted on by large-scale developments. (S5O-01796)

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** The Scottish Government supports sustainable growth and investment in our rural areas. Planning policy is in place to manage the impacts of development on the rural economy, environment and communities.

**Graham Simpson:** Research that has been carried out by Mountaineering Scotland indicates that there is a drop in the number of jobs related to tourism—which is an important part of the rural economy—when turbines are built in our most scenic places. However, the reverse appears to be true in other areas. Does the cabinet secretary agree with Mountaineering Scotland that more detailed studies are needed to help to guide planners when they consider new wind farm projects? Will he endeavour to speak about the issue to Kevin Stewart, the Minister for Local Government and Housing?

**Fergus Ewing:** I would have thought that Graham Simpson would know that I am no longer responsible for energy policy or tourism policy. I used to be, which may be why he asked the question. The matter is not in my portfolio, but I may as well answer the question.

I assure Graham Simpson that tourism has been hugely successful in Scotland. All the evidence that I am aware of suggests that people continue to come to enjoy the scenery, and that their enjoyment is not hampered by wind farm developments. At the celebrations for Diageo's successful Glenkinchie distillery visitor centre, Danish students told me that they had come to Scotland specifically to see the wind farms. That is real-life information for Graham Simpson. I suggest that he spend less time here in the chamber and go out to find some facts of his own.

### **Forestry (Support)**

4. **Alison Harris (Central Scotland) (Con):** To ask the Scottish Government what support it provides to the forestry sector. (S5O-01797)

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** The Scottish Government provides significant support to the forestry sector, which is worth nearly £1 billion

annually to the Scottish economy and supports 25,000 full-time equivalent jobs.

In the current financial year, support has included more than £40 million for forestry grants, including £34 million for new woodland creation; £7.85 million to the strategic timber transport fund; and nearly £1 million for Scotland-specific research into timber development and tree health. In addition, our national forest estate generates more than £1 million per day gross value added to the Scottish economy.

**Alison Harris:** I am pleased to hear about everything that the Scottish Government is doing. However, I am concerned that the amount of planting of new trees has fallen since 2013. What discussions has the Scottish Government had with the Forestry Commission Scotland regarding the decline in new planting?

**Fergus Ewing:** The amount of planting is not falling; it is rising. The statistics—which I am happy to share with Alison Harris, if she wishes to seek out the information from me—demonstrate clearly that the amount of planting is rising substantially. I am completely bemused about where she has got her figures from. She has not consulted me about the matter, as far as I know, but she is welcome to do so if she has an interest in the topic. I will be happy to provide her with some facts.

**Graeme Dey (Angus South) (SNP):** Will the cabinet secretary set out how the track record on tree planting of this Scottish Government compares with that of the Tory Government in England and the Labour Government in Wales?

**Fergus Ewing:** Since 2016, 9,400 hectares of new woodland have been created in Scotland, compared with 1,900 hectares in England and 500 hectares in Wales, so Scotland has accounted for almost 80 per cent of new woodland creation in Great Britain during that period, with much more being planted currently, and approved to be planted, over the coming years.

Our ambition is to plant 10,000 hectares a year, and I expect that we will achieve that pretty soon. The United Kingdom Government's ambition is to achieve the planting of 11 million trees by the end of the decade, which translates into 4,500 hectares a year. The only word that I can come up with that accurately describes the limitation of England's ambitions in that respect is not particularly parliamentary: the word is "piddling".

**Colin Smyth (South Scotland) (Lab):** The cabinet secretary will be aware of the deep concerns of tenant farmers on the Buccleuch estate in Eskdale, that incentives for planting will potentially lead to loss of their tenancies because of plans for extra planting. What does the Scottish

Government intend to do to protect the interests of those tenant farmers?

**Fergus Ewing:** The funding that is available for assistance towards the cost of forestry—it is a contribution to costs, not the total cost—is a sensible way of encouraging forestry. I think that that is recognised by parties around the chamber. Forestry is a long-term business; there is in most cases, other than income from thinning, no substantial income for a minimum of 40 years, even for the species that reach maturation most rapidly.

On the matter that Colin Smyth has raised, the Scottish Government believes that an integrated approach to policy management in rural Scotland includes places for farming and forestry, and we go to considerable lengths to encourage the growth of forestry developments on farms. There are a number of projects about which I would be happy to share information with Mr Smyth, if he is interested. Farming and forestry can both be accommodated.

I cannot comment on the particular details of negotiations between individual parties on the Buccleuch estate because that would not be appropriate, but I would be happy to meet Mr Smyth if he has specific concerns that he wishes to discuss with me.

#### **Fisheries Negotiations (Brexit Transition Period)**

5. **Richard Lochhead (Moray) (SNP):** To ask the Scottish Government to what extent any transition period for Brexit is likely to affect Scotland's influence on future fisheries negotiations. (S5O-01798)

**The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing):** The Scottish Government has consistently made clear its support for a transition period to avoid damaging uncertainty for individuals and businesses after Brexit. Although the European Union has been clear that a steady-state transition could be agreed, the United Kingdom Government's selective definition of the parameters of such a transition has resulted in a vague and incoherent approach. We continue to make it clear that where Scottish interests—such as those on fisheries—are at stake, the UK Government must ensure that pragmatic arrangements are made that will allow Scotland to continue to participate in specific EU decisions, such as those on the annual fishing quotas, during that period.

**Richard Lochhead:** Many people might consider our departing the common fisheries policy to be one of the few silver linings of Brexit. The leave campaign and the Conservatives

promised that Scottish waters would be returned to Scottish control in March 2019.

Does the cabinet secretary agree that, if the transition period is agreed in such a way that decisions on the fate of Scotland's fishing communities continue to be taken in the EU when the UK is not officially a member of the EU, that would not only be a breach of faith with Scotland's fishing communities by the Conservative UK Government, but would be the worst of all worlds? That is because we would not be there to influence the decisions that affect the fate of fishing communities for the duration of that transition period. Does he agree with the Scottish White Fish Producers Association and the Shetland Fishermen's Association that such a position would be "extremely damaging" and "completely unacceptable"?

**Fergus Ewing:** Yes—I agree with those bodies. That is a distinct risk.

Our long-standing position has been that the common fisheries policy is cumbersome and unduly burdensome on the Scottish fishing industry. That is largely because we have very limited scope to influence or to shape the policy, but what if we have even less influence over that key policy and have no one at the negotiating table in December during the fisheries talks? Richard Lochhead knows more about that than anyone else in Parliament: he knows just how important it is to be at the discussions at that table, involved in deals, sorting things out and getting the best deal for Scottish fishermen. If there is no one there, how, for goodness' sake, can we expect anything other than a very disappointing, and possibly even an extremely bad, outcome to the negotiations? That shows the utter incoherence of the UK Government's position on the matter—if, indeed, it has a position: I may be giving it too much credit in suggesting that it does.

## Environment, Climate Change and Land Reform

### Aberdeen Green Belt Development (Environmental Impact)

**1. Mike Rumbles (North East Scotland) (LD):** To ask the Scottish Government what its position is on the potential environmental impact of developing on the green belt around Aberdeen. (S5O-01804)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** It is for the relevant planning authority to consider the impact of any proposals for development on the green belt around Aberdeen.

**Mike Rumbles:** I am sure that the cabinet secretary will be aware of the public concerns about the proposed Kingsford stadium's environmental impact on the green belt and about traffic congestion. Aberdeenshire Council objected to the development and Aberdeen City Council approved it. Will the cabinet secretary explain how two sets of planning officials recommended taking opposite positions on the protection of the green belt? Given that split decision, does she know whether the Scottish ministers will call in the planning application to allow the independent reporter to look at the case?

**Roseanna Cunningham:** The member must be well aware that his question is not one for this portfolio. I advise him that local authorities are responsible for the designation and the protection of green belts to help to direct developments to the right locations, which they do as part of a local development plan process.

It is not appropriate for me—or, indeed, any minister—to comment on the merits of any application. I am aware of the debate about the Aberdeen football stadium. The application, which was notified to the Scottish ministers on 2 February, is being assessed. I cannot in all conscience say anything more about it.

### Environmental Protection (Scottish Borders)

**2. Michelle Ballantyne (South Scotland) (Con):** To ask the Scottish Government how it supports environmental protection in the Scottish Borders. (S5O-01805)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** The Scottish Government is committed to protecting and improving Scotland's environment, which is achieved through the setting of policy frameworks and the funding of public bodies such as Scottish Natural Heritage and the Scottish Environment Protection Agency. That commitment applies to the Scottish Borders, as it does to elsewhere in the country.

**Michelle Ballantyne:** Statistics from Scottish Natural Heritage reveal that 23.7 per cent of protected nature sites in the Scottish Borders, including famous spots such as the Moorfoot hills and locations along the River Tweed, are classified as being in "unfavourable condition", with a further 10.6 per cent recovering from such a state. The figures remain far too high, particularly for a region of such natural beauty.

The Scottish Government says, in the context of its national indicator on improving the condition of protected nature sites:

"80.3% of ... protected nature sites"

are

“in favourable condition.”

That puts the Borders at below the national average. What steps will the Government take to remedy the position?

**Roseanna Cunningham:** I, and I hope the member, would look directly to Scottish Natural Heritage, as the body that is responsible for the protection of sites. SNH has a great responsibility in that regard and does exceptionally well. If the member wants to raise issues to do with particular sites in the Borders, I strongly advise her to raise them directly with SNH or via me, if she wishes to do so.

**Emma Harper (South Scotland) (SNP):** Does the cabinet secretary agree that one of the biggest threats to environmental protection throughout Scotland and the United Kingdom as a whole is Brexit and the UK Government's failure to meet the ambition of the Scottish Government and other European Union member states? [*Interruption.*]

**Roseanna Cunningham:** I can hear that it is a matter of great boredom to the Conservatives when anyone mentions Brexit. It might be of interest to members to know that I am going to Cardiff on Monday to discuss a number of Brexit-related issues that relate directly to my portfolio.

Emma Harper is absolutely correct to raise concerns about the impact of Brexit on the environment. Membership of the EU has driven significant progress in environmental protection throughout Scotland and the UK, as well as providing funding and collective initiatives that have enabled us to make a good impact—and to do better than the UK as a whole across a range of issues.

The European Union (Withdrawal) Bill threatens our ability to deliver Scotland's environment and climate ambitions. Devolution has allowed us to be more ambitious, and my view is that we should continue to be so. It is essential that no constraints are placed on Scotland's ability to mirror EU environmental protections and adopt higher environmental standards than the UK Government adopts. I do not want Scotland to be held back.

### **Central Scotland Green Belt Land (Environmental Protection)**

3. **Elaine Smith (Central Scotland) (Lab):** To ask the Scottish Government what importance it gives to the environmental protection of green belt land in the Central Scotland region. (S5O-01806)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** As I said in response to question 1, local authorities are responsible for designating and protecting green belts, to help to direct

development to the right locations. They do that as part of the local development plan process.

**Elaine Smith:** My question was deemed suitable for the cabinet secretary's portfolio, so I ask her whether she agrees that time spent in the natural environment helps to reduce levels of anxiety, stress and depression, and whether she thinks that developing on green belt land at Woodhall and Faskine, between Airdrie and Coatbridge—towns in which we have some of the most deprived areas in Scotland—would be contrary to the valuable contribution that green belt land makes to the mental and physical health of people in built-up ex-industrial areas. Will she support the campaigners who are trying to stop the development and instead have the land designated as a park and nature reserve?

**Roseanna Cunningham:** The member knows perfectly well that it is improper to ask a minister to intervene in any way in a planning application. I am absolutely of the view that time outside is incredibly important for people's health and wellbeing, which is why we do a great deal of work across Government to make that happen. I am happy to make that comment, but I cannot comment on individual planning applications.

**Ivan McKee (Glasgow Provan) (SNP):** Does the cabinet secretary share my view that the Scottish Government's support for the Central Scotland Green Network Trust is helping to deliver important environmental benefits across the central belt?

**Roseanna Cunningham:** That is one of the good investments that deliver on some of the issues to do with health and wellbeing that Elaine Smith raised.

I was environment minister when the central Scotland green network began to be put in place, and I very much agree with the approach, which delivers not only important environmental outcomes but the social and economic benefits that I know that many members want to see. The CSGN focuses on improving green spaces in the most deprived communities in the central belt and it benefits wildlife and people. That is why the central Scotland green network is a priority in the programme for government and national planning framework 3, and it is why we continue to provide financial support to the Central Scotland Green Network Trust.

**Graham Simpson (Central Scotland) (Con):** Does the cabinet secretary agree that the central Scotland green network should be beefed up, have more powers and be a statutory consultee on planning matters? I know that planning is not in her brief, but that would give the CSGN more of a say.

**Roseanna Cunningham:** If Graham Simpson wishes me to do so, I will have a conversation about that with my colleague the planning minister. I am not entirely certain whether the way that the CSGN is constituted would allow that to happen. Graham Simpson is absolutely right to comment that it is not a matter for me in any case.

#### **Mobile Marine Species (Protection)**

4. **Ash Denham (Edinburgh Eastern) (SNP):** To ask the Scottish Government what actions it is taking to protect mobile marine species. (S5O-01807)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** Scotland has a marine protected area network to be proud of. It covers approximately 20 per cent of our seas and comprises 168 sites. Current actions are progressing protected areas for marine bird species and the development of a dolphin and porpoise conservation strategy. In addition, Marine Scotland and Scottish Natural Heritage have begun preparation for public consultation on four marine protected area proposals, three of which are principally for marine mobile species.

**Ash Denham:** I am sure that the cabinet secretary will be aware that WWF believes that, by moving ahead, we will be creating the world's first protected areas for basking sharks, minke whales and Risso's dolphins. Will the cabinet secretary commit to ensuring that all those with an interest, including marine tourism operators, local communities, fishers and environmental organisations, will have the opportunity to input into the consultation on designation and management measures?

**Roseanna Cunningham:** I was not aware of the WWF belief, but if that is true, it is great news for Scotland and members can be absolutely sure that I will mention it frequently.

The extensive consultations that we undertake on those matters is, of course, one of the reasons why they take time. Sometimes people become impatient with the time that a consultation takes. However, all the work that goes into the kind of consultation that Ash Denham has asked about is incredibly important to improve the status of the marine environment. It is underpinned by good scientific evidence and invaluable stakeholder engagement. There will be a formal consultation on the four MPAs as well as other opportunities to engage with local interests in regional consultation events.

**Edward Mountain (Highlands and Islands) (Con):** Given the serious damage that has been caused to the reef in Loch Carron and the Firth of Lorn sea bed by illegal dredging, can the cabinet

secretary provide assurances that Marine Scotland has the resources that it needs to effectively safeguard all marine species in marine protected areas?

**Roseanna Cunningham:** Yes. Marine Scotland does an extremely good job in that regard and is involved very closely in the work. The work that is done in Scotland is of not just national but global significance.

#### **Wetlands (Ramsar Convention Protection)**

5. **Claudia Beamish (South Scotland) (Lab):** To ask the Scottish Government whether wetlands sites in Scotland that are covered by the Ramsar convention are given the same level of protection as those in the rest of the United Kingdom. (S5O-01808)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** I cannot speak for the rest of the United Kingdom, but, as stated in Scottish planning policy, protection for Ramsar sites in Scotland is achieved through such sites being either Natura 2000 sites or sites of special scientific interest. That means that they are protected by the relevant statutory regimes associated with those types of designation, which is entirely compatible with the requirements of the Ramsar convention on wetlands.

**Claudia Beamish:** For a development proposal that is likely to have a significant effect on a Ramsar site, how would the Scottish Government expect the impacts of the planning application be assessed by itself or by the local authority?

**Roseanna Cunningham:** We have had quite a few references to the planning process in this question time. The local authority, as the principal planning authority, will look for advice, and Scottish Natural Heritage and the Scottish Environment Protection Agency will be involved in any such consultation. In those circumstances, all that I can say is that, as far as I am aware, the planning process works remarkably well. In areas in which major national issues need to be dealt with, a particular planning application might end up being called in. However, I cannot talk about generalities; things will depend entirely on the specifics of an individual planning application.

#### **Peat-based Horticulture Products (Phasing Out)**

6. **Maurice Corry (West Scotland) (Con):** To ask the Scottish Government whether it will set a target date for phasing out the use of peat-based products in horticulture. (S5O-01809)

**The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham):** The use of peat in horticulture is a

global challenge. The horticulture industry has committed itself to work to support making retail supplies peat free by 2020 and for commercial horticulture to end peat use by 2030. I have asked the Scottish Natural Heritage-led national peatland group to consider how it can further support those efforts to end such use.

**Maurice Corry:** The cabinet secretary will note that in its 25-year plan, the Department for Environment, Food and Rural Affairs made a commitment to end peat use in horticultural products by 2030. Why has the cabinet secretary not committed to that aim in Scotland, given that Scotland's peatlands play a vital part in carbon sequestration, and when will she come up with a target?

**Roseanna Cunningham:** The 25-year environment plan commits to phasing out the use of peat by the following mechanisms: continuing to fund research jointly with industry to overcome the barriers to peat replacement in commercial horticulture—the findings of that research will be reported in 2020—and continuing to support the industry as it puts the growing media responsible sourcing scheme into practice.

The text in that plan is essentially a restatement of the position that DEFRA set out in 2013. At that time there was a pre-existing task force, about which DEFRA wrote to us in 2010, I believe. DEFRA advised us that it was planning to take forward work on an England-only basis. We asked to be involved in that work and we have been involved. The work was completed, and in response the above commitments were made.

We have continued to offer support for the phasing out of peat use, but we are limited in the hard actions that we can take. For example, product standards and taxation are reserved matters. If Maurice Corry is a convert to those matters being devolved in order that we can take those decisions, I welcome him to the cause.

**Gillian Martin (Aberdeenshire East) (SNP):** I remind Parliament that I am parliamentary liaison officer to the cabinet secretary. She might have just answered my question; I was going to ask her whether she believes that the Scottish Government has sufficient powers to do what Mr Corry is asking.

**Roseanna Cunningham:** As I indicated, to deliver a legislative approach to ending the use of peat, we would have to have powers that we currently do not have.

However, I support the United Kingdom Government's commitment to phasing out the use of peat, and I would be perfectly happy to work with the UK Government and others to end its use as quickly as possible, if there is an intention to take concrete action.

**The Presiding Officer:** That concludes portfolio questions.

## Point of Order

14:52

**Elaine Smith (Central Scotland) (Lab):** On a point of order, Presiding Officer. Can you confirm that questions that appear in the *Business Bulletin* have been deemed admissible for the portfolio in question?

I ask because I was quite keen to ask about tree preservation orders at Faskine and Woodhall, but I was told that trees are rural—which probably comes as a surprise to some of the trees in Coatbridge. [Laughter.] Therefore I had to couch my question to the minister in rather different terms. I wanted to ask the minister's opinion on environmental protection and on issues related to land being designated as park and nature reserve.

Can you confirm that when questions appear in the *Business Bulletin*, they have been deemed admissible?

**The Presiding Officer (Ken Macintosh):** I thank the member for her point of order. Yes, all questions that have been selected have been deemed admissible.

The member will also know that the chamber desk and the Government work together as closely as possible to make sure that the questions are allocated to the correct brief. Doing so is not always possible, but we always try. Answers, of course, are the responsibility of the minister.

## Budget (Scotland) (No 2) Bill: Stage 3

**The Presiding Officer (Ken Macintosh):** The next item of business is a debate on motion S5M-10518, in the name of Derek Mackay, on stage 3 of the Budget (Scotland) (No 2) Bill.

As members are aware, at this stage of the proceedings I am required to give a determination on whether any provision in the bill relates to a protected subject matter—in other words, whether it modifies the electoral system and franchise for Scottish parliamentary elections. In the case of this bill, it is my view that no provision of the budget relates to a protected subject matter and therefore the bill does not require a super-majority in order to be passed at stage 3.

We turn to the budget. I call the Cabinet Secretary for Finance and the Constitution, Derek Mackay, to speak to and move the motion in his name.

14:54

**The Cabinet Secretary for Finance and the Constitution (Derek Mackay):** That is a great relief to me, as I am sure it is to the rest of the chamber. I am delighted to lead this debate on the Budget (Scotland) (No 2) Bill for 2018-19.

First, I would like to confirm that I have responded formally to the Finance and Constitution Committee report on the budget. I thank the Finance and Constitution Committee and the subject committees for their constructive approach, particularly in light of the scrutiny period, and I look forward to continuing to work with Parliament to ensure that our future processes are fit for our new powers.

The bill is of huge importance to Scotland. The decisions that we make today will support our commitment to inclusive growth and provide support to our public services, to those that deliver those services, and to communities and individuals across Scotland. The bill that is before us today seeks Parliament's approval for more than £1.2 billion of additional expenditure to build a fairer, more prosperous country and to put the progressive values of this Government into action. It is a bill that reflects our status as a Parliament of minorities.

**James Kelly (Glasgow) (Lab):** Does the cabinet secretary think that it is progressive that, as a result of the budget, members of the Scottish Parliament will pay only an additional 29p a week in tax?

**Derek Mackay:** James Kelly is simply wrong. The budget proposes to raise taxation in a fair and

proportionate way that will deliver hundreds of millions of pounds more for Scotland's public services. During the next financial year, the tax decisions that we have taken over the past two years and the post-block grant adjustments that have been made amount to more than £400 million of additional resources for Scotland's public services. Surely the Labour Party, at this 11th hour, can welcome that investment in Scotland's public services.

I have had to reach out to find consensus on the bill in Parliament, and to compromise as well. That was necessary to reach agreement on a package of measures and support for our public services. We have worked hard to secure the passage of the bill in order to deliver on our commitments, which protect Scotland's much-valued social contract. I once again thank those who have engaged constructively in those discussions.

The most successful economies in Europe are built upon the firm foundation of strong public services and inclusive societies. Equally, those foundations require a strong economy to generate the necessary resources to fund them.

**Monica Lennon (Central Scotland) (Lab):** On the basis of requiring strong foundations, can the cabinet secretary explain why 28,000 jobs have been taken out of local government in the past few years under his Government?

**Derek Mackay:** The scaremongering of the Labour Party as it relates to local government continues. This budget proposes to give a real-terms increase to local government in the next financial year, and local authorities will also have the ability to raise the council tax. The difficulty for members of the Labour Party is that in voting—as I suspect they will—with the Tories tonight, they will vote against that extra money for local government and against the extra £1.2 billion for Scotland's public services. That is the reality of what the Labour Party will do this evening.

**Monica Lennon:** Will the minister give way on that point?

**Derek Mackay:** I would like to make more progress.

The Scottish Fiscal Commission has highlighted some economic challenges around Brexit uncertainty and the declining working-age population. However, it is important to recognise that Scotland's economic performance has remained resilient. It is encouraging that the latest Bank of Scotland Purchasing Managers' Index reported that business optimism in Scotland is at a three-year high, but we will not be complacent and we will build on those strong fundamentals through the measures in the bill to stimulate economic activity and improve productivity.

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

The cabinet secretary talks about the resilience of the Scottish economy. Does he agree with the Fraser of Allander institute's analysis that Scotland's economy is facing the longest period of weak economic growth for 60 years?

**Derek Mackay:** The Tories really cannot abdicate their responsibility for macroeconomic policy in Scotland.

In the budget, this Government will invest almost £2.4 billion in enterprise and skills through higher and further education and our enterprise agencies. There will be a 64 per cent increase in the economy, jobs and fair work portfolio. We will allocate £18 million for the new national manufacturing institute and £10 million for the new south of Scotland development agency. We will double to £122 million the funding allocated to the city region deals. This Government is investing in economic growth in the teeth of Tory cuts and Tory opposition.

On business rates, we will offer the most attractive package of non-domestic rates relief anywhere in the United Kingdom, amounting to more than £720 million. Of course, we will also provide the UK's first nursery relief to support our childcare policies.

Our growth accelerator will encourage businesses to invest in their premises to drive improvements in productivity. We have delivered on the business community's number 1 ask, which was to cap an annual uplift in business rates at the consumer prices index rather than the retail prices index.

Today's bill invests £1.2 billion in our transport system, turning the A9 into an electric highway and delivering new railway investments such as the electric trains between Edinburgh and Glasgow.

**Willie Rennie (North East Fife) (LD):** Before the minister gets too carried away about the state of the Scottish economy, will he comment on the rise in unemployment by 14,000 people, which was announced today? Is he complacent about that?

**Derek Mackay:** The figure is lower than it was last year—and all the more reason to support this budget to invest in the economy, skills, productivity, research and development and innovation.

I can confirm that Transport Scotland has now developed specific proposals on how the pre-pipeline fund for new rail projects will work and be governed. It will publish full details over the coming weeks.

As I confirmed at stage 1, between 2017-18 and 2018-19 the proportion of the Scottish

Government capital budget that is spent on low carbon has increased from 21 to 29 per cent. The proportion of our capital budget that is spent on low-carbon projects will continue to increase in future years.

To further support our transition to a low-carbon economy, the budget invests £146 million in energy efficiency and heat decarbonisation, including real-terms protection for the home energy efficiency programme. It also allocates £60 million for a low-carbon innovation fund and £20 million to support the transition to electric vehicles and to support more green buses, and it doubles investment in active and sustainable travel.

The budget today delivers £756 million of investment in affordable housing and £10 million in an ending homelessness together fund as part of our commitment to eradicate rough sleeping and transform the use of temporary accommodation.

Those investments will help to ensure that our future growth will be both inclusive and sustainable. Investment now in infrastructure and support for business needs to be complemented by investment in our people, services and communities.

Education is this Government's number 1 priority. That is backed by above-inflation investment in our universities, colleges and local government. There is £243 million to support the expansion of publicly funded early learning and childcare entitlement; £120 million is allocated directly to headteachers through the pupil equity fund; and a further £59 million provides targeted support to children and young people in the greatest need. We are also providing the first investment of a new £50 million tackling child poverty fund, which will help address the underlying social and economic causes of poverty.

Yesterday I laid the local government finance order, which includes the additional £170 million that was announced following the constructive discussions with the Scottish Green Party at stage 1. That delivers an above-inflation investment in local government for local revenue services and adds to the real-terms increase in capital support. That has been welcomed by the Convention of Scottish Local Authorities and I note that, so far, 11 councils have exercised the flexibility that they have to increase their council tax levels by up to 3 per cent. If the remaining councils follow suit, that will be worth around a further £77 million to support local services next year.

I also had the opportunity yesterday to see a prime example of support for our national health service when I went to Leith surgery. I saw at first hand how the additional funding provided by the budget delivers for our core public services.

The bill will see a £400 million increase in health resource funding and take our total front-line investment in the NHS to more than £13 billion in the coming year. We will invest £110 million in reform of primary care, which will support our general practitioners and health centres to meet the changing needs of our people. We will increase our direct investment in mental health services—child and adolescent mental health services in particular—by a further £17 million. That is the third annual increase in a row, which will help to deliver an additional 800 mental health workers over this session of Parliament.

**Jenny Marra (North East Scotland) (Lab):** If the cabinet secretary is committed to improving children's health, is he minded to drop from his budget the regressive sports tax—his cash grab that condemns communities to crumbling sports facilities for generations to come?

**Derek Mackay:** I will certainly not follow Labour's chaotic and damaging tax plans, which would result in less resource than it claims. On non-domestic rates, I have not followed the Barclay recommendations and have supported the Dundee regional performance centre for sport. Surely Jenny Marra welcomes that decision.

In supporting the NHS, the Government continues to support free personal care and the roll-out of Frank's law by April 2019.

The budget is about investing in a fairer Scotland. Yes, there is divergence from the UK. Our investments mean that students do not pay tuition fees, people who are ill do not pay prescription charges and our citizens are not vulnerable to the bedroom tax. I am proud to represent the only Government in the UK to lift the pay cap and offer a real pay rise to our public sector staff. We will also offer the most attractive system of business rates, invest in social rented housing—delivering at more than double the rate in England—and provide above-inflation investment in local government, the police and the NHS. That is the best deal anywhere in the UK and that is why a recent YouGov poll showed that the Scottish public support our proportionate approach.

When it comes to decision time, I invite members to support a budget that means that Scotland will be not only the fairest-taxed part of the UK but, for the majority of taxpayers, the lowest-taxed part of the UK. The budget reverses the real-terms cut that Westminster has imposed on our resource budget and delivers £1.2 billion of additional investment in public services and the economy. It protects our students, our elderly in need of care, our council services and our police services and it invests in the national health service. It delivers the best deal for taxpayers in the whole UK. It protects all that we hold dear

while investing in our nation's future and makes use of the Parliament's powers to put the Government's progressive values into action. I commend it to the chamber.

I move,

That the Parliament agrees that the Budget (Scotland) (No 2) Bill be passed.

15:08

**Murdo Fraser (Mid Scotland and Fife) (Con):** Another day, another budget debate. Sadly, the narrative from the Scottish National Party Government remains exactly what it was yesterday and for weeks before that. It is a pay-more, get-less budget. It has been prepared against a backdrop of the UK block grant to Scotland increasing from this year to the next, a fact that was confirmed by the Scottish Parliament information centre and the Fraser of Allander institute and accepted by the Cabinet Secretary for Finance and the Constitution himself.

As we heard yesterday, the budget breaks a promise that the SNP made in its manifesto in 2016 not to increase the basic rate of income tax. As a consequence of that broken promise, more than 1 million Scots will pay more tax than equivalent workers south of the border, which sends a message that Scotland is the highest-taxed part of the United Kingdom.

While taxes are going up, services are being cut. Across Scotland this week, local authorities are meeting to set their budgets. The warnings from the Convention of Scottish Local Authorities are clear: despite the additional money that has been found by the Scottish Government as a result of its deal with the Greens, councils still have to make savings. Whether it is reducing the number of teachers, cutting classroom assistants, scrapping school crossing patrollers or closing recycling centres and libraries, people's experience all across the country is that they are getting poorer-quality public services while, at the same time, they are being asked to pay more in taxation.

The budget delivers pay increases for public sector workers. Those employed by the Scottish Government and its agencies and those in the NHS will all benefit. However, there is nothing in the budget that will deliver higher salaries for local authority workers, who no doubt will have a similar expectation to those elsewhere in the public sector. Yet, if those sorts of settlements are to be made, they can be made only by local authorities cutting services elsewhere. Even if a local authority is maximising its council tax increase at 3 per cent, it will not raise enough money to pay the level of increases to staff that are being applied elsewhere in the public sector.

That point was made by Councillor Gail Macgregor, COSLA's resources spokeswoman. I know that the finance secretary knows Councillor Macgregor as he was pictured all over Twitter last night cavorting with her at a glitzy Scotland Excel event. On Tuesday—I am sure that she would have repeated this to him when they were together last night—she said:

"Because quite simply with no money in the settlement from Scottish Government for pay, any pay rises for council workers can only come from cuts to services or council tax rises."

I would be interested to hear from SNP speakers in this debate. *[Interruption.]* If Mr FitzPatrick would like to intervene on me, I am very happy to allow him to do so instead of just heckling from a sedentary position.

**The Minister for Parliamentary Business (Joe FitzPatrick):** The Tories' tax plans would take £500 million out of the budget, plus they want to find extra money for local government. What will they cut?

**Murdo Fraser:** The figure that Mr FitzPatrick needs to keep in his head is £16.5 billion. That is the cost to the Scottish economy of SNP failure. For the past 15 years, the SNP has failed to grow our economy at the same rate as that of the UK. If the SNP grew the economy, it would have more money to spend.

The cabinet secretary seems able to find money when he needs to. To do his deal with the Greens—to provide Patrick's pocket money—he found an extra £110 million from underspend and reserves. Of that, £40 million comes from reserves and £70 million comes from underspends. That is curious because, when the finance secretary came to the Finance and Constitution Committee on 15 January, I quizzed him about how much money was available in that area of the budget. The figure in the draft budget for "Budget Exchange/Reserve" was stated as £158 million. In response to me, the cabinet secretary said:

"In the past, finance secretaries may have been able to hold on to that money for financial management reasons, for example. I have used the money up front for the purposes of budget negotiations. The figure is what it is because there is very tight financial management, and that is the figure that officials think is most appropriate".— *[Official Report, Finance and Constitution Committee, 15 January 2018; c 32.]*

Yet, when the budget bill was presented to Parliament on 31 January—12 working days later—that figure of £158 million had gone up by £110 million. That is a 70 per cent increase in 12 working days. It is perfectly clear that the cabinet secretary had that squirrelled away to do a deal with the Greens, but he did not tell Parliament or its committees about it.

There is a serious point about our ability as a Parliament to conduct budget scrutiny. In the 12 working days between giving evidence to the Finance and Constitution Committee and presenting his budget bill, the finance secretary found an additional £110 million. It is not unreasonable to suggest that he knew perfectly well about that money when he came to the Finance and Constitution Committee. Had members of that committee, or indeed members of the subject committees that were conducting budget scrutiny, been made aware of those additional resources, much more meaningful discussions could have taken place about how the budget might have been improved. However, the finance secretary chose not to disclose that.

There is a serious point. We need a new approach in the future. The Parliament and its committees need to be much clearer about exactly how much money is in the budget, and as we look at implementing the recommendations of the budget review group, I hope that that question can be addressed.

I return to the key messages in the budget. What the budget does not do is address the woeful situation that we now have in the Scottish economy. Today, we learned that Scottish employment is now lower than the UK average and that economic inactivity and unemployment are higher than the UK average.

The Scottish Fiscal Commission has given us its prediction that the SNP-run economy in Scotland will fail to match UK growth in each of the next five years. In 2018, it will grow at half the rate of the economy of the UK as a whole, and it is projected to have the lowest growth of any major economy in the next three years—the lowest in the EU, the lowest in the G20 and the lowest among Organisation for Economic Co-operation and Development countries.

**John Mason (Glasgow Shettleston) (SNP):** Does Mr Fraser accept that the economy of London and the south-east is somewhat different from that of the rest of the UK and that, in fact, Scotland is very comparable with other English regions?

**Murdo Fraser:** That is not what the Fiscal Commission has been telling us or what its figures disclose. The productivity figures for Scotland suggest that Scotland is among the poorest-performing parts of the UK. Like too many SNP back benchers, Mr Mason wants to absolve the Scottish Government of any responsibility for the performance of the Scottish economy. The SNP needs to start taking responsibility for what is happening in Scotland.

We are talking about a budget that should have put growing the economy first. It should have been

a budget for growth. Instead, it is a budget for cuts in public services and higher taxes. As Sir Tom Hunter, one of Scotland's leading business figures, put it,

"The perception, if you are a talented person sitting in London, Manchester or Birmingham and Scotland wants to attract you, is that you may think Scotland is a high-tax economy."

We should be listening to Tom Hunter, to Liz Cameron of Scottish Chambers of Commerce and to the voices of organisations such as the Confederation of British Industry, the Federation of Small Businesses, Scottish Engineering and the Scottish Retail Consortium, all of which have warned about the damage that having higher income tax rates could do.

I am no fan of his politics or of his music, but even Morrissey got it right when he said of the First Minister,

"Those hands will be in anybody's pockets."

The SNP Government has chosen to ignore all those voices and has delivered a budget that is bad for Scotland. That is why we should vote against it at decision time tonight.

15:17

**James Kelly (Glasgow) (Lab):** The budget is one for chief executives in Morningside, not one for communities who are facing savage SNP cuts. It is a budget that fails the needs of Scotland's communities. Parents in Clackmannanshire will be dismayed by the fact that the budget will result in cuts in the number of teachers in their children's schools.

Parents of children who are living in poverty who are struggling to pay energy bills will not understand why MSPs' tax bills will barely increase. Pensioners who today have been unable to get an appointment with their general practitioner until next week will not understand why SNP MSPs cheer Derek Mackay's budget. It fails on so many levels that it should be voted down by Parliament tonight.

One of the key areas in which investment is required is support for public services. Even after the changes that were announced following the grubby deal between Derek Mackay and the Greens, there remains a £386 million black hole in local government funding. It is not just the numbers that are affecting councils; it is the decisions that they are having to take. Moray Council is having to reduce the number of library assistants and close library services. How does the reduction in the number of teaching and learning assistant posts in Clackmannanshire help to educate our children or to build skills in the economy?

South Lanarkshire Council is proposing increased charges for school meals and care services at a time when the cabinet secretary has announced a pay policy for which he is not providing adequate funding. At the start of the process, there was a £200 million shortfall in the amount of money required to fund the pay policy and, as we have gone through the process, no new money has been announced. The reality of that, particularly for local councils, is that they face a decision. If they really want to fund fair pay, they will need to cut services and, potentially, jobs, as we see in Clackmannanshire.

There is also the modern-day scandal of child poverty in Scotland, where 260,000 children are living in poverty. Recently, during questions on finance, there was a question relating to Ayrshire and it emerged that, in Irvine West alone, 35 per cent of children are living in poverty. That is totally unacceptable, yet the SNP has rejected Labour's proposals for an increase in child benefit to alleviate child poverty in wards such as Irvine West and throughout the country.

Yesterday, we saw again the drastic performance figures for accident and emergency departments as the NHS continues to struggle through the winter.

This budget has failed in many respects and is not fit for purpose, partly for the reason that came up in the debate on tax that we had yesterday afternoon. Ultimately, if we want a budget that addresses all the issues across public services, that funds fair pay and that tackles child poverty, we need a tax regime that raises adequate amounts of money.

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** Labour's budget plans were based on revenue being raised from various different sources, including a tourist tax and a land value tax. How much would either of those taxes raise next year?

**James Kelly:** They would raise £145 million in total, as we detailed in our tax plan.

The reality is that SNP members do not have the political will to make the changes that are required. Communities across the country are facing savage cuts, the closure of facilities and the prospect of job losses, yet the meagre tax plans introduced by Derek Mackay will raise only £83 million net. That shows the poverty of ambition among cabinet secretary Mackay and his colleagues.

Let us look at the facts. SNP MSPs will pay only 29p more tax a week, and chief executives on £150,000 a year will pay only £17 more a week. That is a complete failure to take on the grave issues that we face. Time and again, during an election campaign, the SNP postures and declares

that it supports a 50p top rate of income tax, but when it comes to delivering in Parliament and putting its money where its mouth is, it has voted eight times against a 50p top rate of income tax. It runs away from taking the decisions that are required to meet the challenges that Scotland's communities face.

We need bold and radical action to address the issues that we face in this country. If we really want to grow the economy, we will not do that by cutting public services, taking teachers and teaching posts out of schools and undermining college budgets.

**John Finnie (Highlands and Islands) (Green):** Will the member take an intervention?

**James Kelly:** No, thank you.

We need investment if we are to see kids graduate in science, technology, engineering and mathematics and contribute those skills to the economy. Without that, we will fail to do the joined-up thinking that is required.

The same is true in relation to child benefit, which is not just about trying to lift kids out of poverty. If there were fewer children in poverty, that would help to improve the education system and it would help in terms of the budgets for housing and the NHS. It would save money across the Scottish budgets.

We have had a number of debates on the budget, now, and it is like groundhog day. The Government's answer is to continue to be weak on tax powers. People will suffer. This budget is more interested in protecting the pockets of chief executives than in putting teachers in schools. This budget fails to address the scandal of child poverty and the cuts to public services. This budget lets Scotland down and should be rejected by the Parliament tonight.

15:25

**Patrick Harvie (Glasgow) (Green):** As, I think, Murdo Fraser said,

"Another day, another budget debate."

It is certainly another day and another opportunity for the Conservative Party to conveniently forget that, during the first minority Government session of Parliament, it voted through budget after budget after budget. Every year, in fact, the Conservative Party voted for the SNP's budget. It negotiated and tried to get policy changes. However, during those years, it never quite managed a policy change on anything like the scale of that which the Greens have achieved over the past two years. I have to admit that I am glad that the Conservative Party has decided to stop negotiating properly. We might well be seeing much worse budgets if the

Conservative Party was still negotiating and trying to get policy change out of the Scottish Government, as it used to.

Nevertheless, I remain disappointed that the progressive political parties across the chamber are not attempting to get change in the Scottish budget. It might well reduce my negotiating hand if other parties engaged constructively in that process, but I suspect that the outcome as a whole would be better. To those who made proposals at the very last minute—too late even for the Scottish Fiscal Commission to examine them—I say that the process needs to be better in the future.

As a result of the negotiating process that we engaged in with the Scottish Government, we have significant change—and not only in relation to the smaller-scale measures. There is the additional fund that the finance secretary mentioned that will enable communities to make their own proposals on rail improvements, which I am glad to see will happen sooner than expected. There is the extra money to accelerate the designation of marine protected areas to protect our marine environment. There is the long-term shift away from high-carbon investment to low-carbon investment, and there is an improvement in the public sector pay settlement. There is also the substantial reversal in the cuts to local government funding.

Is the situation for local government perfect? Of course not. Does this budget relieve local government of every pressure that it faces? Of course not. However, there is a real-terms increase in Scottish Government funding for local government, and that is an important step forward.

I see that Monica Lennon is looking to intervene.

**Monica Lennon:** Does Patrick Harvie agree with Mike Kirby of Unison Scotland, who says that the budget

“falls far short of maintaining vital levels of services”

for our local authorities?

**Patrick Harvie:** I agree that local government faces significant pressures. Some of them relate to rising costs and some relate to our expectation of a fair pay settlement. However, those pressures cannot be related to cuts to the core funding through the Scottish Government’s local government finance order, because we have ensured that that funding is going up, not down.

When it comes to the longer-term picture, we need to unite. Whatever we disagree on about this budget, we need to unite in saying that the Scottish budget process must not become an annual rear-guard action against local government cuts because the fundamental situation that local government remains in is one of utter dependence

on Scottish Government revenue. Local government in Scotland has such limited financial powers that, in many other European countries, what we call local government would not be recognised as such.

Local government ought to have a far greater ability to make its own decisions on local taxation and other fiscal issues. Those are issues on which there should be agreement across the political parties. I welcome some of Labour’s proposals on what it has called—although it is not—a land value tax. I would like to see a levy on vacant derelict land and a real land value tax, but we know that it would take time to legislate for those and to implement them. I want to see progress on that.

I also want to see progress on the recommendations that were agreed across the political parties by the commission on local tax reform, which the Scottish Government and COSLA created and which recommended, centrally, that the current system of council tax must end. All of us, with the exception of the Conservatives, entered into that review, and all of us who took part in the process entered into it in good faith, as did local government. The review’s recommendations cannot be allowed to gather dust on a shelf. Therefore, today, I have written an open letter to the First Minister, setting out a range of proposals that must be adopted if we are not to be in a situation, year after year, in which Scottish budget debates become debates about how much pressure to push down the chain to local government.

We should set a target for the percentage of local government finance that is raised locally. We should introduce a new fiscal framework between the Scottish Government and local government that is underpinned by the incorporation into domestic law of the European Charter of Local Self-Government. We should secure a commitment to multi-year—indicative, at least—funding settlements from the Scottish Government, baselining the additional funds that have been won this year so that they can be relied on in the future. We should commit to legislating during the current parliamentary session to replace council tax with a fairer system. Again, the consultation, legislation and implementation will take time, but the initial steps must be taken if we are to make progress.

The Scottish Government promised us a fundamental review and reform of non-domestic rates. Instead, the Barclay review was incredibly limited and narrow, so the wider question remains. As well as a vacant and derelict land levy, new fiscal powers need to be created in order that we can have local government that is truly worthy of the name and a system in which it is not entirely

dependent on centralised decisions being made by the Scottish Government.

If there is progress on that local tax reform agenda over the coming months and during the course of this year, the Greens will again be able to enter budget negotiations—but that, I am afraid, will be a precondition.

15:32

**Willie Rennie (North East Fife) (LD):** The budget is built on a broken promise. Nicola Sturgeon, who is in her seat on the front bench today, will remember that she stood beside me in debates during the 2016 election campaign and promised basic-rate taxpayers that their tax would not go up. What we see in the budget is that it has gone up. The SNP led people to believe that their tax would not go up, which is important in terms of the integrity of a Government and its belief in how it conducts itself on tax. If people are expected to pay more tax, they should be told that before an election campaign—just as the Liberal Democrats told them. We were very clear, open and up front about it. The SNP was not, which breaks trust with the voters. That is incredibly important.

**John Mason:** Will the member confirm that he believes in proportional representation and that one minority party should not be able to force through its manifesto?

**Willie Rennie:** That very argument has been made before, when we were in coalition, and Mr Mason dismissed it. Now he wants to resurrect it to patch up the SNP's pathetic campaign to justify this tax rise. It is important that people are honest, open and up front before election campaigns, but the SNP has not been. We believe that tax rises should be for a specific purpose—to make sure that we invest to make a change so that people see the outcome at the end of the process. That builds confidence in any tax rises, and progressives like me believe it to be important that we make that case.

Today, figures have been announced that show that unemployment in Scotland has gone up by 14,000. That should be a warning signal for the Scottish Government. To be fair, I will say that the UK figure has gone up as well, but the Scottish figure is above the UK average. We should have a budget today that reflects and meets that big challenge.

A second challenge that is coming down the track is Brexit, which I am sure the cabinet secretary will agree is a big threat. That is the one thing that the Scottish and UK Governments agree on. In all the models that have been put forward, the predictions show that there will be a hit to the Scottish and UK economies of between 2 per cent and 9 per cent as a result of Brexit. Based on

whatever model we choose, there is going to be a hit. We should have a budget that matches and meets the potential challenge that is coming. We should have a budget for the long term that is bold and meets those challenges but—yet again—this budget is a missed opportunity.

The SNP is often behind the curve on the big issues that come forward. On the pupil premium, it took five whole years before the Scottish Government admitted that that UK Government plan was working and was closing the attainment gap by five percentage points. We are therefore five years behind the curve, and a generation has missed out.

Thanks to the SNP, colleges were starved of funds for a good five years and 150,000 places were cut. The SNP has finally admitted that the policy was wrong and is opening the doors for part-time and mature students and women to take up opportunities, but it was behind the curve for a good five years.

On nursery education, I am sure that I bored everybody in Parliament when I went on—*[Interruption.]* Members agree. I went on and on about nursery education because it really matters, but it took years for the SNP to accept that there was a case for two-year-olds getting nursery education. Two-year-olds are now skipping through the doors of nursery schools, thanks to our advocacy. Yet again, the SNP was behind the curve.

The SNP's approach on mental health has been the worst of all. Thanks to the SNP, the mental health strategy was delayed for more than a year and the suicide prevention strategy was delayed. As a result, investment in mental health was delayed.

**Graeme Dey (Angus South) (SNP):** Will the member take an intervention on that point?

**Willie Rennie:** No.

That is another missed opportunity to get people who are suffering from mental health problems back into the job market by giving them the opportunities that everyone else in society enjoys. Again, the SNP is behind the curve.

**Graeme Dey:** Will Willie Rennie give way?

**Willie Rennie:** No—I will not, just now.

The Government should be bold and should meet the challenges of Brexit. It should not miss opportunities and be behind the curve.

One bright spot in the budget is because of the advocacy of my colleagues Liam McArthur and Tavish Scott on ferries. They saved the internal ferry services of the northern isles from collapse. If not for my colleagues, those lifeline services would be struggling.

**The Minister for Childcare and Early Years (Maree Todd):** Will the member take an intervention?

**Willie Rennie:** No.

The SNP Government would have overseen the collapse of those services. I commend the advocacy of my colleagues Liam McArthur and Tavish Scott.

The Government should be investing for transformational change on mental health, to take the budget up to £1.2 billion, which is where it should be in order to tackle the problems.

The budget should include investment of £500 million in education—in nurseries, schools and colleges—not just for the sake of education but for the sake of our economy. By investing in the skills and talents of our people, we can grow the economy for the future and in the face of the challenge of the Brexit that the Conservatives are pursuing, and we can meet today's challenge of there being 14,000 more people unemployed under this Government. Those are the things that we should be doing and the opportunities that the Government is missing.

15:39

**Bruce Crawford (Stirling) (SNP):** I am pleased to speak in the stage 3 debate on the Budget (Scotland) (No 2) Bill, because I sincerely believe that this is perhaps the most important budget-setting day since the advent of devolution almost 19 years ago.

I am very pleased that the SNP Government has submitted to Parliament a budget that sets the tone for the type of nation that we want to be, and which clearly outlines the values of the progressive politicians who back it. The budget has the potential to be transformative through the improvements that it can deliver for the citizens of Scotland. It is a budget that, at its heart and within the limited powers that are available to Parliament, will deliver a stronger economy and a fairer Scotland.

If one spending commitment signals how we can build that stronger economy and fairer country and begin to transform Scotland, it is the investment of £600 million to deliver superfast broadband to 100 per cent of properties. That is a commitment that says loud and clear to all of Scotland that no matter where people live, whether it is in one of our great cities or in the remotest parts of our fantastic land, no part of our country will be left behind.

It is a commitment that is matched nowhere else on these islands and which clearly sets the tone for the type of nation that we want to be—a nation that will give people the potential to succeed in the

coming digital age, no matter where they choose to make their home or to live and work.

As technology advances, so too must our country. Geography can no longer be a barrier to being connected to the digital world and all the advantages that that can bring, economically and socially.

In contrast, the UK Government is doing its level best to create new barriers to economic success through the madness of a possible hard Brexit and its inevitable impacts—in particular, on the availability of labour. In Scotland, therefore, we must continue to do all that we can to enable as many people as possible to enter the workforce of the future. That objective is not just about economic necessity; it is about building a more resilient, fairer and more equal society. Again, it is about setting out the type of nation and country that we want to be.

That is why funding of early learning and childcare, through capital and revenue spending of £243 million in the next financial year alone, is so necessary to support infrastructure and workforce capacity. That funding will help to drive transformational change in the availability of early learning and childcare by doubling funded provision from 600 to 1,140 hours by 2020.

It is not possible to overemphasise just how important high-quality early learning and childcare can be in ensuring that our children and their parents can achieve their full potential. Every child in Scotland deserves the best start in life, regardless of their background. The expansion of free early learning and childcare will help to do just that. As well as transforming the choices and chances of children, the policy will save families thousands of pounds in fees every year, and will further benefit the wider economy through the creation of thousands of new jobs.

Despite the backdrop of a UK Government cut of £211 million to our day-to-day spending, Murdo MacLeod—[*Laughter.*] I mean Murdo Fraser, but bring back Murdo MacLeod: he was much better at playing the ball than Murdo Fraser is. [*Laughter.*]

The budget commits increased funding of £400 million to Scotland's NHS. It will increase investment in mental health services by £17 million and deliver an additional 800 mental health workers.

From doubling of the active travel budget to an additional £15 million investment in research and development, and from real-terms increases in college and higher education budgets to an additional £170 million for local government, the budget delivers for all of Scotland.

Of course, to be in a position to support such a budget, we require revenue-raising proposals that are sensitive to the needs of individuals and organisations, and which are, crucially, capable of garnering support from across a wide spectrum of stakeholders and society. Like most members, I aspire to live in a prosperous, progressive and fair Scotland, which is why I am so very proud to support a Government whose tax proposals also set the tone for the type of nation that we want to be, and will protect people on the lowest incomes and make the system more progressive.

Members who oppose the Government's budget will need to look to themselves and ask why they cannot support plans that will undoubtedly make Scotland the fairest-taxed part of the UK, while protecting our country against the worst excesses of the Tory Government, investing in our national health services, protecting our services and growing our economy.

I am very sure of one thing today: the people who support the budget in our Parliament will be in tune with the values of the vast majority of the people of Scotland.

15:45

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

Time and again during the budget debate, we have heard the SNP's standard line on the economy, which is that the fundamentals of the Scottish economy are strong. However, when we look beyond the SNP spin, we see the reality. Recent data that was published by the Scottish Government highlights the unprecedented weakness that the Scottish economy faces. Scottish economic growth is the lowest in the developed world, the value of Scottish trade has declined by 5 per cent, business investment is down by 15 per cent and, just last week, productivity figures showed that productivity in Scotland is at its lowest level in a decade.

**The Cabinet Secretary for Economy, Jobs and Fair Work (Keith Brown):** Dean Lockhart will know about the relationship between capital allowances and business investment, which is a matter that is controlled by the UK Government. Unlike his colleague Murdo Fraser, does he think that the UK Government has any involvement in the economy in Scotland?

**Dean Lockhart:** For someone who is obsessed with the constitution, Keith Brown does not seem to understand that the UK Government is responsible for monetary policy and interest rates, which are at a record low. The Scottish Government is responsible for enterprise policy and economic growth, which is also at a record low. If the UK Government is responsible for weak economic growth in Scotland, why is the economy

of the rest of the UK growing three times faster than Scotland's economy?

The fundamentals of the economy are not strong. As the Fraser of Allander institute said, we are facing the longest period of weak growth in 60 years. With the Scottish Fiscal Commission forecasting further weak growth for the next four years, the budget should have been a programme for growth. It should have been about stimulating the economy, increasing productivity and reversing the decline in business investment. It should have been about closing the gap between Scotland and the rest of the UK, which will cost us £16.5 billion in lost gross domestic product between 2007 and 2021.

However, the budget does none of the above. Instead, the SNP has once again prioritised politics over the needs of the economy and joined forces with its Green Party branch office to deliver a budget that will damage the economy, depress productivity and discourage business investment. The budget will be damaging for the economy for the simple reason that increasing tax for a million workers will reduce disposable incomes in Scotland by a total of £220 million a year. That is £220 million a year that will go out of the economy, which will reduce consumption and spending. The Scottish Retail Consortium gave the following example:

"A 1p rise in tax equates to approximately 2 per cent of Scottish retail sales. If that money is going into government coffers, it's likely to lead to further reductions in sales."

The SRC continued:

"With a quarter of a million ... retail jobs, any further fall in sales has serious implications for the economy."

We agree that increasing tax in the budget will damage the economy.

**John Mason:** Does Dean Lockhart accept that when that money is recirculated, for example by the employment of more teachers and nurses who will spend the money, that will keep the economy going?

**Dean Lockhart:** Based on the SNP's mismanagement over the past 10 years, I have absolutely no confidence that even a fraction of that money will find its way to the front line of services. There have been countless overruns on information technology systems alone, which have amounted to hundreds of millions of pounds, so I do not share John Mason's view.

Last week, we saw that productivity in Scotland declined in each of the eight most recent quarters. As a result, Scotland is at the bottom of the second quartile of OECD countries, which is more than 21 per cent below the SNP's target to be in the top quartile. In contrast, numbers that were released today show that productivity for the UK

economy as a whole has increased in the past two quarters at the fastest rate in 10 years.

We need to address the challenge of productivity in Scotland. It is vital that we keep existing skilled workers and attract even more, but this budget will make attracting skilled workers more difficult. For more than a million skilled workers, it will mean a reduction in their net salary and a lower take-home wage than that of their colleagues elsewhere in the UK.

**Kate Forbes:** Will the member take an intervention?

**Dean Lockhart:** I need to make progress.

Scottish Chambers of Commerce has warned that this budget will make

“Scotland a less attractive part of the UK for skilled employees”

and

“for businesses to recruit”.

By increasing tax on skilled workers, this budget will only exacerbate the low growth, the low productivity and the low-income economy that the SNP has created over the past decade.

On business investment, the budget imposes further costs on the struggling business sector in Scotland. By virtue of the increase in the poundage rate and the large business supplement alone, business will have to pay an extra £150 million a year.

It should come as no surprise that we have seen a 15 per cent decline in business investment in the past year. Businesses in Scotland were promised £500 million of investment support under the Scottish growth scheme, which the First Minister described as

“a half-billion pound vote of confidence”

in the Scottish economy to support business. We now know that, 18 months later, only £25 million of assistance has been given to Scottish business—that is 5 per cent of the investment support promised by the First Minister to business in Scotland.

With economic policies such as that, it is no wonder that the Scottish economy faces the longest period of weak growth in 60 years.

This budget is not fit for purpose; it breaches a central SNP manifesto pledge and does not come close to addressing the fundamental challenges that the Scottish economy faces. After 10 years of SNP mismanagement, we are seeing the weakest growth for 60 years. The budget will only further damage the economy, so it is time for a change of economic policy in Scotland.

15:51

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** I remind the chamber that I am still the parliamentary liaison officer to the Cabinet Secretary for Finance and the Constitution.

There is strong consensus across Scottish society in favour of investing in our common good. Members on all sides of this chamber regularly make demands to invest more in our NHS, to build more housing and to strengthen broadband. Although there is definitely disagreement about how we fund those demands, there is agreement about the need to maintain or to increase funding in the building blocks of healthcare, education and connectivity.

Despite the challenging economic backdrop, this budget targets investment to meet the challenges of today and to seize the opportunities of tomorrow. It is a budget for the farmer in Staffin, the engineer in Drumnadrochit and the doctor in Dingwall.

People in the Highlands want reliable connectivity. This budget has a commitment to invest £600 million to support the R100 programme to deliver superfast broadband to 100 per cent of residential and businesses properties.

We want a well-resourced NHS Highland with more healthcare professionals. This budget not only increases spending on health by more than £400 million, but lifts the 1 per cent public sector pay cap and provides a pay rise for NHS staff—making Scotland the only place in the UK to do so.

People in the Highlands want more homes, and more affordable homes, to be built. In this budget, we are investing heavily in the provision of affordable housing by contributing £756 million towards the investment of £3 billion to build 50,000 affordable homes over this parliamentary session. The budget also specifically maintains funding for rural and islands housing funds.

We want improved roads and rail links. This budget has £1.2 billion of investment in key road and rail projects, including continuing the A9 dualling and upgrading the Highland main line between Perth and Inverness. It will also continue to progress design and development work on improvements to the A82 between Tarbet and Inverarnan.

We want well-resourced education for our children and accessible further and higher education for young people. This budget is committed not only to providing free education across Scotland, but to providing £120 million directly to headteachers to reduce the impact of poverty on a child’s educational attainment, and it invests nearly £2.4 billion in our colleges, universities and enterprise and skills bodies.

We want to see economic growth, too. With doubled funding for city region deals, support on business rates and a boost to businesses' research and development funding, the budget is trying to mitigate the deeply unsettling times that are fast approaching our economy as the UK Government reduces our access to the talent pool and makes it harder for businesses to trade across borders.

That is our budget. That is the budget that every member of the Scottish Parliament will vote on, one way or another, at decision time today. The list of investments that I have set out is not like Labour's unfunded, uncosted wish list and it has not been magicked up like the Tories' incoherent plan to ask for more spending while reducing investment in public services by more than £500 million.

There has been much talk about behavioural change and how people will respond to changes to tax. That is a fair question. I strongly suspect that the stronger public services and more inclusive society that our budget will build will have a behavioural impact, because they will attract people to live, work and do business in Scotland.

Last October, in the report, "Tackling Inequality", the International Monetary Fund made it clear that excessive inequality erodes social cohesion, leads to political polarisation and ultimately leads to lower economic growth.

This budget delivers three results. First, it makes our taxation fairer by cutting taxes for the 70 per cent of taxpayers who earn less than £33,000. Secondly, it raises additional revenue by asking those with the broadest shoulders to pay a little more. Thirdly, and critically, it targets funding to reduce inequality and grow our economy.

**Finlay Carson (Galloway and West Dumfries) (Con):** Will the member confirm that in this 2018-19 budget, the broadband budget has dropped?

**Kate Forbes:** The budget commits £600 million towards procurement of the R100 programme, which will deliver superfast broadband across Scotland. It does not commit to the shoddy 10 megabits per second that the UK Government is proposing.

There is no question that we face challenges today. By 2019-20, our discretionary budget allocation will have decreased by £2.6 billion since 2010-11, and the worst of the UK Government's cuts are exacerbating inequality in Scotland. We will face economic challenges in the future, too. There is widespread concern about recruiting workers when immigration controls are tighter and about accessing markets on a tariff-free basis.

It is in that context that this budget protects the NHS and public services and supports low

earners. It will unlock Scotland's economic potential.

**The Deputy Presiding Officer (Linda Fabiani):** I have a wee bit of time in hand, so I can allow some time for interventions.

15:58

**Colin Smyth (South Scotland) (Lab):** The inconvenient truth for every SNP and Green MSP is that the budget that they will rubber-stamp later today will mean that, in the days and weeks ahead, throughout Scotland, hundreds of councillors of all political persuasions and none will have to decide which services in their communities will be cut and which of their neighbours' jobs will be axed. The debate that is taking place in council chambers right now, right across Scotland, is not about which services to trim but about which services to scrap.

I listened carefully to Patrick Harvie's speech to find out why the Greens are so desperate to be the SNP's cheerleaders in these attacks on our councils, but all I heard was complete denial and an appalling attempt to blame other parties for his decision to sell out.

**Patrick Harvie:** Our approach to the budget has secured a reversal of £170 million of local cuts. How much change has the member's party's approach made to the Scottish budget this year or last?

**Colin Smyth:** Let me tell members about the reality of Patrick Harvie's negotiations. He stands up and says that, as a result of a local government settlement that is rising by just 1.5 per cent, there will be no cuts. It is an undeniable fact that, if burdens on councils are increased but they are not given extra funds to meet those demands, they will need to cut existing services. So far, Patrick Harvie has failed to acknowledge that.

Let me explain to Patrick Harvie what it means in simple terms. If I gave my four-year-old daughter £5 to spend on sweets last year and told her this year that I will give her £5 again, but she will have to spend £2.50 on lemonade, she would say to me that she would have to cut what she spends on sweets. If my four-year-old daughter can get that basic fact, why cannot Patrick Harvie?

The budget fails to provide extra funding for local government, but it adds additional burdens in relation to childcare, social care and pay. There is no additional funding to meet those extra burdens, so councils will have to cut existing spending on services. Frankly, it is dishonest of the SNP and the Greens to pretend otherwise.

The problem for councils is that it is not sweets that they are being forced to cut; they are

being forced to cut the school crossing patrols that keep our children safe. [*Interruption.*] I see that some SNP members seem to find that amusing. Councils are being forced to cut the carers who look after our loved ones as if they were their own and—I say this to the Green Party—the energy efficiency programmes to tackle the scandal of fuel poverty, which are not protected because they are funded by councils that face cuts. Learning support assistants are being axed from our classrooms because they are not part of the Government's arbitrary teacher number targets.

**Bruce Crawford:** Yesterday, Labour's finance spokesman conceded that emergency legislation would have to be brought in to introduce its tourism tax and its land tax. Has any emergency legislation been drafted by the Labour Party? Has it produced any costings for essential new information technology systems or for new recruits, identified what the collection agency would be, or produced any necessary guidance on procedures? In fact, has Labour done anything at all?

**Colin Smyth:** The reason why a tourism tax has not been introduced is that the Government does not have the political will to make the changes that would fund public services properly.

There has been a failure to face up to the fact that adding extra burdens without extra cash is an underhand way to increase central Government ring fencing of local government. We have had ring fencing before, but at least when previous Governments brought in new initiatives, they came at a time of growing budgets with extra resources over and above the core local government grant. What is so perverse about the ring fencing that is supported by the SNP and the Greens in the budget is that it does not come with any new money to fund it. The Government is simply raiding the local government settlement and stealing cash from other council services.

From commitments on teacher numbers to the Carers (Scotland) Act 2016 responsibilities, hundreds of millions of pounds is being sucked from existing services because the finance secretary does not have the guts to raise the additional tax that is needed to deliver his unfunded commitments. After five years of attacks and £1.5 billion of cuts to lifeline council services, the utter contempt with which the Government views local government continues.

I could never quite work out just why the SNP has such disdain for local government and councillors that it is determined to attack the very services that the most vulnerable rely on most. I can only put it down to the obsessively centralist and dictatorial way in which it wants to run Scotland, whereby more and more decisions are made in Holyrood—or rather Bute house—and

fewer and fewer are made in our councils. The Government sees local government not as a partner but as the enemy. When it comes to funding, there are no meaningful negotiations; there is just imposition. If local government dares to call for better funding, the finance secretary waves in its face the threat of removing funding further.

That is all being done by the SNP with the full support of the Greens. It is clear that keeping the yes coalition together is far more important to the Greens than keeping council services and jobs.

We know that it does not have to be like that. We know that all the cuts that the SNP and the Greens support—not just some of them—can be avoided. The Parliament now has the power to make different choices, to be genuinely progressive, to truly redistribute wealth, and to say to the people of Scotland that, if we want decent public services, we need to properly fund them.

The budget could have been an opportunity for progressive politics, for public services and for the fight against the scandal of poverty in Scotland. It could have been an opportunity to free 30,000 children who live in poverty out of the misery of austerity by increasing child benefit by just £5 a week, and a chance to stop all the cuts to our council services and invest £500 million more in our overstretched and underresourced NHS. The SNP and the Greens are good when it comes to the rhetoric of ending austerity, of progressive taxation, of wealth redistribution and of reducing poverty, but the budget shows that they are found wanting when it comes to putting that rhetoric into practice.

The modest tinkering on income tax by Derek Mackay raises a meagre £83 million more when the cuts to business rates are taken off. That is just £83 million more going into our public services, in a budget of £32 billion.

**The Deputy Presiding Officer:** You will have to come to a close, please, Mr Smyth.

**Colin Smyth:** Earlier Derek Mackay claimed that anybody who votes against this budget is somehow voting against all Government spending. The reality is that today we could have had a very different budget—

**The Deputy Presiding Officer:** You will have to come to a close, please, Mr Smyth.

**Colin Smyth:** —a budget that stopped austerity cuts and stopped the SNP in its tracks.

16:05

**Kenneth Gibson (Cunninghame North) (SNP):** Today I hope and believe that Parliament will approve spending plans to build a fairer, more

prosperous Scotland by investing in our public services, our workers and our economy. Today we take another step towards delivering the bold and progressive agenda that was set out in the programme for government.

MSP colleagues who will vote with the Government demonstrate their commitment to developing stronger public services and a more inclusive society. Unfortunately, the same cannot be said for the Tories, their Labour brothers-in-arms and Willie Rennie's gang of three.

First I turn to that divided grouplet: the Orkney and Shetland party, who are elected as active constituency members with traditional party support, and their erstwhile mainland colleagues, the tactical voters—the “vote for us not because you believe in us but to stop somebody else” party.

Legend has it that when Howard Carter prised open Tutankhamun's tomb back in 1922, he was mesmerised by treasures moulded in gold and carved in ivory—trumpets, weapons, clothing and all manner of wonders. An aged papyrus scroll caught his eye. Tentatively unfurling it, he carefully deciphered the ancient hieroglyphics. One simple phrase emerged: “a penny for education”. Through millennia of war, revolution, reformation, pestilence and plague, fire and flood, that shekel/denarius/groat-for-education policy has remained sacred to a small, much despised and marginalised sect that was known to the ancients as “Lib Dems”. Heretics say that it has been policy only since 1983 and much devalued by inflation since then.

Yet even though its architects have seen the policy ignored for decades and many of its early adherents have moved to that big ballot box in the sky, its current high priest, St Willie of Rennie, who is here in his ghostly if not actual presence, remains an avid devotee. Without making any effort to explain how, this wizened sage mystically claims that its implementation would release £500 million for education, although the precise mechanism of how much would be allocated to each part of the system remains known only to the truest of cult members. Certainly, that lazy thinking has not been explained to Parliament or the people of Scotland. If only this tiny group of latter-day magi spent as much time examining the budget as they do following the letter—if not the spirit—of the law in relation to election expenses in their target seats.

I must admit that I was a little bewildered by the Tory party-political broadcast that aired earlier this month. Apart from Annie Wells, there was little sign of the familiar Tory faces that we know and love here at Holyrood. Instead it was a showcase of Ruth's warm, couthy, more proletarian Tories. It is frankly insulting that the Tories believe that the

electorate do not need to hear about their policy ideas, tax proposals or, indeed, the failure of the 13 members of Parliament from Scotland to represent Scottish interests at Westminster. Do the Tories really believe that people will be convinced that they have changed simply because Annie Wells used to work at Marks & Spencer or because Bill Grant MP's late father was a miner?

I think that in the next broadcast we need to hear the authentic voice of Toryism in Scotland. We should hear Donald Cameron, 27th Lochiel, discussing the trials and tribulations of being a clan chief in 21st century Scotland or debating with Alexander Burnett who has the most aristocratic heritage and whether Harrow's polo team was better than Eton's. We could hear Sir Edward Mountain bemoaning the difficulties of finding a good butler these days, or Peter Chapman wistfully reminiscing about the four farms he jointly owned prior to becoming an MSP. In the next Tory broadcast, their voters need to be reassured that it is still the same old party of vested interests, landed wealth and privilege that it has always been.

If we must have Bill Grant, rather than polishing road signs, he could explain not only why he refuses to support the 4,750 WASPI women in his constituency and sign the women against state pension inequality pledge, but why he fell asleep on the green benches during Westminster's debate on the matter back in December.

In any case, I hope that retired firefighter Bill Grant will join me in welcoming this budget, which will protect police and fire services, and work to ensure that those services retain in full the savings that will be created from being able to reclaim VAT as well as ensure that the £140 million that has already been taken from those services by the UK Tory Government is returned.

**Ruth Davidson (Edinburgh Central) (Con):** Will the member take an intervention?

**Kenneth Gibson:** I yield to the leader of the Scottish Conservative and Unionist Party, who is the reason why Nicholas Soames has been wandering up and down Westminster declaring, “Ruth Davidson is not getting my Mid Sussex seat!”

**Ruth Davidson:** I would like to ask the member whether such a long diatribe against individual members of my party shows more the reason why he has never graced the front benches of his own party or more the reason why he has nothing to say about his own party's budget?

**Kenneth Gibson:** I am experiencing a wee bit of déjà vu, because that is not the first time that Ruth Davidson has used that line. She needs to think up some new ones. I am talking about the budget, but my point is about the false face that

her party is presenting to the people of Scotland, which I find most irksome.

Meanwhile, Labour has again been too preoccupied with in-fighting and political manoeuvring to make any meaningful contribution to the budget process. Perhaps Jackie Baillie will not take Murdo Fraser up on his Valentine offer to join the Conservative Party but, given the way in which Labour MSPs vote with the Tories against the SNP Government, one might be forgiven for getting the pair confused.

Jeremy Corbyn MP ventured up to north Britain last week to meet a select group of acolytes, while having a wee pop at the SNP and austerity. Perhaps someone should gently remind him that, in fact, Labour introduced austerity—

**John Scott (Ayr) (Con):** On a point of order, Presiding Officer. I wonder what relevance any of Mr Gibson's speech has to the budget debate. As Ruth Davidson has said, it has been a diatribe against named individuals, dealing them low blows, and it has absolutely nothing to do with the motion under consideration today.

**The Deputy Presiding Officer:** I am sure, Mr Scott, that Mr Gibson is about to enlighten us on that, but your point was not actually a point of order.

**Kenneth Gibson:** I thank my Ayrshire colleague for his observation. I am sorry that I have not mentioned him in any of my speeches this year, but perhaps I will do so in later debates.

Labour introduced austerity while still in government at Westminster and has consistently failed to oppose Tory welfare cuts since then. In fact, what was interesting about James Kelly's opening speech was that he did not criticise the Tory Government's cut to this Parliament's budget once. Other members can call it what they want—“cognitive dissonance” or “collective amnesia”—but I prefer “outright hypocrisy”.

Today Labour and the Tories will vote against investing in childcare. They will vote against improving our schools and hospitals. They will vote against protecting our public services and they will vote against a fairer society for all. It is important to bear in mind that 70 per cent of Scots will actually pay less tax in the coming year than they do now. That might be difficult for Opposition members to spin away when they explain to their constituents why they voted against today's budget, but it is a fact nonetheless. By diverging from the UK on tax, we can better protect public services that are free at the point of use, including free prescriptions, free personal care and indeed free higher education, which the children of many MSPs of other parties benefit from.

Our investment will help to reduce the attainment gap, double free childcare, and deliver 50,000 additional homes and £600 million in broadband. I urge members to support the budget today to deliver first, last and always for the people of Scotland.

**The Deputy Presiding Officer:** I must apologise to Mr Scott, because that was, in fact, a point of order. I think that Mr Scott will be pleased that relevance did come eventually.

16:13

**Miles Briggs (Lothian) (Con):** I think that that is debatable, Presiding Officer. If there is anything to be learned from what we have just heard, I think that it is that the member will not be in the SNP's next party-political broadcast with Nicola Sturgeon.

I want to focus my comments on what the budget means for our NHS in Scotland. The finance secretary and the SNP Government have been boasting about record health spending, but for some reason they never want to refer to the fact that a significant part of that extra health spending is directly linked to the Barnett consequential funding that the Scottish Government receives. Since the UK Conservative Government took the decision to protect health spending, that has amounted to some £2.154 billion extra that the Scottish Government has had since 2011 to spend on our health service.

**Ben Macpherson (Edinburgh Northern and Leith) (SNP):** Will the member take an intervention?

**Miles Briggs:** No, I have just started my speech. I may allow interventions later.

How is overall spending on our NHS across the UK nations performing? Official statistics show that, in recent years, because of the decisions that have been taken by SNP ministers, health spending in Scotland has been rising at roughly half the rate of spending on the NHS in England. Although health spending in England increased by around 10 per cent between 2012 and 2016, it has increased by only 5 per cent in Scotland. Perhaps Ben Macpherson would like to explain that to me.

**Ben Macpherson:** Miles Briggs is speaking positively, I think, in favour of spending on the NHS, so perhaps he can explain why he is likely to vote against £400 million extra spending for the NHS and why the Scottish Conservatives' tax proposals to take £501 million out of the Scottish revenue budget would cut 12,000 nurses from the Scottish NHS. Can Miles Briggs explain his rationale?

**The Deputy Presiding Officer (Christine Grahame):** Mr Briggs, do not stand up while

another member is still intervening—please wait until you are called.

**Miles Briggs:** I refer to what I have already said. Given the £2.154 billion that has come to Scotland from the UK Conservative Government, what SNP members are saying would not be put into our health service is a bit of a drop in the ocean, even for them. We have invested across the United Kingdom in our health service; we are proud of that record. The question is whether the SNP will take that forward.

If SNP members will not listen to me, it would be worth their listening to Professor Jim Gallagher, whose authoritative report, “Public Spending in Scotland: Relativities and Priorities”, which was published last September, concluded and emphasised:

“In 2006 Scotland had a health lead of 16% over England but by 2016 this lead had reduced to 7.5%.”

That was caused not by an overall squeeze on the Scottish budget but by the choices of SNP ministers who have given less of a priority to spending on the health service than to the budget as a whole.

How will that impact on our NHS? In this SNP-Green budget for the NHS next year there is a big cut to NHS capital spending of almost £67 million. That is despite the well-documented backlog of maintenance repairs across NHS Scotland’s estate, the cost of which is estimated to stand at more than £900 million, and the fact that the proportion of the significant and high-risk maintenance backlog has increased.

**Derek Mackay:** How would the NHS cope if I had to see through the £211 million reduction in resource next year from the UK Government and, on top of that, the further £556 million reduction for Scotland’s public services that I would need to find if I followed the Tory tax plans?

**Miles Briggs:** SNP members are completely forgetting what I have said already. More than £2 billion in additional money has come to our health service. How this Government decides to prioritise that is its decision.

I welcome the cabinet secretary’s comments on Frank’s law. I welcome the fact that the Scottish Government is finally working with stakeholders to prepare for the implementation of that change. I therefore would like to hear more when the cabinet secretary sums up about how much is being provided to prepare for the implementation. For more than 9,000 Scots across our country, Frank’s law is needed today—indeed, it was needed yesterday—so I hope that it will be delivered as soon as possible. As my party leader, Ruth Davidson, said, Derek Mackay and the SNP will

have our support in doing that as soon as possible.

We need to take action specifically because of that. We all know the demographic challenges that our country faces. In Edinburgh alone, the number of people aged over 85 is expected to double by 2032 to more than 19,000. The number who require intensive levels of support will increase by 60 per cent and the number of people living with dementia is projected to increase by 25 per cent over the next 10 years to more than 10,000.

The SNP budget does not offer any long-term thinking on how we address the ever-increasing demands on our social care system, which cannot cope with the current levels of demand. Overriding all that is the fact that probably the biggest threat to future investment in our NHS and social care system is the pitiful economic growth that we are seeing in Scotland.

SNP ministers seem to be in denial about the fact that the low growth rates are not increasing the tax take in Scotland. SNP ministers will be responsible for that in future budgets and the people of Scotland will judge them on that. Instead of boosting our Scottish economy and making Scotland a more attractive and competitive place to work, live and invest, this budget hikes taxes and sends out the wrong message that Scotland is a high-tax country. Indeed, SNP income tax rises, even without the council tax rise, which most Scots will experience, are the highest income tax rises on Scots for more than 40 years.

The Labour Party in this chamber and Jeremy Corbyn might be preaching the failed economics of the 1970s, but that is what is being delivered by the SNP Government in Holyrood today.

This budget will go down as another staging post in the journey of the Scottish public losing faith in this SNP Government, given its mismanagement of our public services and its seeming indifference to creating and growing a positive economy in Scotland.

In the coming years, increasing numbers will find that they are paying more and receiving less. This SNP Government has no new ideas for growing our economy; it is making Scottish taxpayers pay the price for its failure to stimulate and grow our Scottish economy, and our public services will bear the brunt of that slow growth in the future.

Presiding Officer—

**The Deputy Presiding Officer:** Yes. You must conclude.

**Miles Briggs:** I will, Presiding Officer. Scotland deserves better than this, and it is time for a Scottish Government that understands that

economic success is fundamental to sustainable public services.

16:20

**Ruth Maguire (Cunninghame South) (SNP):** This budget is bold and progressive, and it delivers for families and communities across Scotland. It is a clear example of the fact that where we have the powers here in Scotland, we are making different choices from those that are pursued by the callous Tory Government at Westminster. The Scottish Tories would happily follow that Government's lead, cutting tax for the highest earners and creating a £500 million black hole in our public finances.

Fortunately for the people of Scotland, although we cannot control what the Tories do at Westminster, we in power in Scotland can make, and are making, different choices. Scotland will be the fairest-taxed part of the UK with the best deal for taxpayers, allowing us to mitigate Tory cuts, invest in our NHS, protect our public services and grow the economy. Under the progressive tax reforms, 70 per cent of taxpayers will pay less than last year, while higher earners will face a modest increase. Those tax changes will allow the Scottish Government to increase health spending by £400 million to £13.6 billion, lift the public sector pay cap and provide a substantial package of investment in the economy and in tackling poverty and social inequalities.

That is good news for people across Scotland, and in particular my Cunninghame South constituency, one of the areas that is suffering most under Tory austerity.

**Monica Lennon:** Will the member give way?

**Ruth Maguire:** No.

The North Ayrshire Council area has amongst the highest rates of poverty in Scotland, alongside Glasgow and Dundee. In Irvine west, one third of children are living in poverty. The statistic should shock and shame us as policy makers, but the fact is that Irvine west is more than that statistic, demanding only admiration for the resilience of the communities who live and work there.

**Monica Lennon:** Will the member give way?

**Ruth Maguire:** No.

We all know that Tory-imposed austerity is one of the main reasons behind rising child poverty. Indeed, the introduction to Ayrshire and Arran NHS Board's 2017 report "The State of Child Health: Spotlight on Child Poverty and Welfare Reform" says:

"Child poverty is predicted to increase significantly in Scotland during the life time of the current UK Parliament, largely due to Welfare Reform."

The Scottish Tories' budget plans would exacerbate that dire situation by taking a further £500 million out of the public purse.

In stark contrast to the Tories' plans to slash tax for the highest earners while cutting support for the poorest, the SNP budget will mitigate austerity and tackle inequalities. Moreover, in stark contrast to Labour's rhetoric of doom and gloom, which criticises everything while offering few solutions for anything, we will take concrete action to improve people's lives.

**Monica Lennon:** Will the member give way on that point?

**The Deputy Presiding Officer:** Please sit down, Ms Lennon. It is apparent that the member is not giving way.

**Ruth Maguire:** Negative rhetoric alone does not help anyone, and it does a disservice to those folk living in our communities who are facing the greatest challenges.

What will help my constituents is the £100 million that this Government will spend on mitigating UK Government welfare cuts next year, including £50 million to mitigate the callous bedroom tax.

What will help my constituents is a tackling child poverty fund worth £50 million over the period of the child poverty delivery plan.

What will help my constituents is £1.5 million of investment in a family financial health check guarantee to help families with children get all the money that they are entitled to and access the best deals on financial products, services and energy bills.

What will help my constituents is a £1.5 million fair food fund, which will see the Scottish Government working with national and local partners to ensure that everyone can access healthy, nutritious food in dignified ways; the expansion of free early years childcare; the new best start grant providing financial support to low-income families; and the baby box, which gives practical support to new parents and ensures that every baby in Scotland has the essentials.

I could go on, but the point is clear. Within the limited confines of its political and economic powers, this SNP Scottish Government is getting on with the job of taking concrete steps to significantly improve the lives of people in Scotland.

As well as its bold central Government initiatives, this Government has ensured that local government will receive an above-inflation increase in resource funding. For North Ayrshire, that means a budget boost of an extra £4 million to spend on local services to improve the lives of my

constituents in Cunninghame South. It means more money to spend on things such as employability hubs, school clothing grants and free school meal provision during the holidays as well as during term time.

It also means more money to pursue projects such as the poverty challenge fund, which focuses specifically on preventative measures to support those most likely to experience poverty. It means more money to establish community food programmes, which explore how more sustainable models of local and dignified food provision can be developed. More funding will develop North Ayrshire's fair for all strategy, which seeks to reduce inequalities.

Increased health spending will allow NHS Ayrshire and Arran to continue to build on excellent initiatives such as the integrated working that takes place between midwives and income-maximisation specialists within NHS Ayrshire and Arran, which increases the income of pregnant women and their families.

Voting against the Scottish budget is a vote against the investment in childcare, our schools, our hospitals and our other vital public services, which gives them the funds that they need to deliver better services for all of Scotland. Voting for this budget is a vote for a different path and a better future for the people of Scotland than the one that is being imposed on them by the Tories at Westminster. I know which side I am on.

16:25

**Jenny Marra (North East Scotland) (Lab):** Let me start where Ruth Maguire finished. I am sure that she will agree that, far too often in this chamber, we talk about the symptoms of poverty rather than the causes. The cabinet secretary will not be surprised that I want to spend my time today talking about the sports tax that he has put on local communities right across the country. I link that to Ruth Maguire's comments because I spoke to a sports expert yesterday who told me that the sports tax that Derek Mackay is putting on our communities makes the delivery of the prevention agenda in the Christie commission's recommendations very difficult.

The Barclay review's proposal to end rates relief for local authorities' arm's-length organisations is of real concern. Those organisations run a huge range of sports, leisure and cultural services, and they qualify for rates relief. The cabinet secretary knows that arm's-length external organisations were initially set up for tax purposes, so that councils would have a bit more cash to provide much-needed sports and leisure facilities. However, Derek Mackay's budget will give us a

sports tax that will make it far more difficult for councils to build new sports halls and libraries.

It is astonishing that part of the rationale behind the Barclay review's proposals was that ALEOs have an unfair competitive advantage over private leisure providers. The Barclay review says that ALEOs

"create unfair competition between the public and private sectors ... On the grounds of fairness, we believe there should be a 'level playing field' and council ALEOs should no longer be able to abuse the system."

Frankly, that admission is surprising. Does Derek Mackay accept the argument that there is unfair competition? If he does, he is accepting right-wing ideology in his public policy for local authorities.

**Derek Mackay:** Let me say, for absolute clarity, that I am not implementing the Barclay review's recommendation on ALEOs, as the chamber knows fine well. As a committee convener and a Labour MSP who supports the Labour budget, can Jenny Marra explain why she has written to me, demanding to know how I will address the deficit in the non-domestic rates pool, when I have sustained that deficit in the NDR pool? She cannot have it both ways.

**Jenny Marra:** Mr Mackay knows Labour's tax proposals very well. We would not have to make that cut. He knows perfectly well what he is doing with the sports tax—he is top-slicing the grant that local authorities get. He says that there is unfair competition between private providers and ALEOs, but I can guarantee that there have been no planning applications from private gym providers in inner-city Dundee. As he well knows, the money is not there to make such facilities work.

Labour's philosophy is that the Government should step in to provide public amenities not just in the communities that most need them but across the board, so that equal and high-quality sporting and cultural opportunities are provided.

**Patrick Harvie:** Will the member give way?

**Jenny Marra:** No. I will take Patrick Harvie's intervention in a minute, but I want to make some progress.

The SNP would have us believe that it shares that philosophy. That has happened many times in the chamber, but we need only to look at what the SNP is doing to see the reality.

I will spell out the effects of Mr Mackay's sports tax, in case anyone is in any doubt. Late last week, Mr Mackay found a fix for the regional performance centre in Dundee. He had to. His decision to take tax relief away from ALEOs would have more than doubled the operating costs of the planned centre. Indeed, his £800,000 tax grab on the centre left a question mark over its viability.

Even if it had remained viable, those costs would have been passed on to the people who used the centre. The fact that he fixed that problem in Dundee is very welcome, but his policy still stands for the rest of the country and for other projects in Dundee.

Who knows what will happen to the new tennis centre in Inverclyde or to the new community centre and library in Menzieshill, in Dundee? The councils concerned will have to find thousands of pounds of extra money to fund those facilities, as the cabinet secretary knows. [*Interruption.*] I would be happy to take an intervention from Mr FitzPatrick.

In passing their budgets this week, councils are having to pare their services back to the bone. Where will they find the cash for such new facilities? I doubt that they will be able to.

**Patrick Harvie:** Will the member give way?

**The Deputy Presiding Officer:** The member is in her final minute, so both the question and the answer must be brief.

**Patrick Harvie:** The Labour Party has welcomed the fact that the Barclay recommendation in question will not be fully implemented, but does it acknowledge that there remains an issue with accountability and that we should be creating incentives to bring services back into democratically accountable control rather than allowing more and more assets to be transferred to ALEOs?

**Jenny Marra:** I believe that there is an issue with accountability, but Mr Mackay's proposal means that councils will have to find more money to build sports halls and libraries. It is completely unacceptable.

The councils in the poorest areas in Scotland created ALEOs because they needed the relief to build community facilities. That need has not gone away—it remains and is greater than ever—and I really hope that Mr Mackay will look again at his regressive tax.

16:32

**Tom Arthur (Renfrewshire South) (SNP):** I am delighted to have the opportunity to speak in the final debate before the Parliament votes on the Scottish Government's budget, which will benefit all those who live in the Renfrewshire South constituency that I am honoured to represent.

When I vote for the budget, I will be voting for more than £1.8 million of pupil equity funds to go directly to schools across Renfrewshire South. Carlbar primary school will receive £121,000 and St Mark's primary school will receive £109,000. Both of those schools are in my home town of

Barrhead. Johnstone high school, which is in the town where my constituency office is based, will receive £104,000, Woodlands primary school will receive £141,000 and the Riverbrae special school will receive £190,000. Those schools are in Linwood, a town that was cast on the scrap heap by a previous Tory Government but that is now 10 years into a regeneration process that was begun by an SNP-led Renfrewshire Council under my colleague Derek Mackay.

Schools the length and breadth of my constituency and across Scotland have benefited from and will continue to benefit from attainment funds. I have had the privilege of meeting staff and pupils from across my constituency and have seen at first hand the benefits that PEF money brings through a range of interventions such as specialised staff and additional activities that enrich and enhance the learning environment.

I also put on record my support for the Government's continued investment in the NHS. The budget includes an additional £400 million for the NHS, which takes total health spending to some £13.1 billion. As the son of a nurse and an NHS estates officer, both of whom are retired, I am delighted by the Government's commitment to lifting the public sector pay cap.

One further point that I wish to make on health spending is about how the money is spent and the fundamental importance of how spending decisions are made in health. One of the SNP Government's finest achievements was the delivery of the publicly owned Queen Elizabeth university hospital. In particular, I highlight the £40 million of investment that has been put into the institute of neurological sciences on the Queen Elizabeth campus over recent years. I have direct knowledge of the fact that it is a worldwide centre of excellence that practises cutting-edge medicine.

In May of last year, my brother collapsed at his home in Barrhead. He was rushed by ambulance to the Royal Alexandra hospital, where he received exemplary treatment from the accident and emergency care team and the on-call consultant, who suspected a brain haemorrhage. My brother was then quickly transferred by ambulance to the institute of neurological sciences at the Queen Elizabeth campus, where a subarachnoid haemorrhage was diagnosed. Within a matter of hours, he was in surgery.

Having lost a close friend to a subarachnoid haemorrhage a few years ago, I and my family feared the worst. However, three weeks later my brother was back in college and passing exams with flying colours. His remarkable recovery was made possible by the incredible NHS staff who treated him. Those staff, in turn, benefited from a Government that invests money in our health

service and, crucially, listens to the advice of clinicians on how that money should be invested.

Before concluding, I reiterate my backing for this budget's support for our creative sector, particularly given the reductions in funding from the national lottery. I also commend the decisions to increase the economy portfolio budget significantly and to continue the support for small business, which demonstrate that this Government is determined to support economic growth.

All of that has been achieved against the negative actions of the UK Government, which is cutting the Scottish Government's resource budget by some £500 million over the next two years. That, as everyone but the Tories seems to understand, is the budget that pays for the day-to-day running of our public services, which includes paying the salaries of public sector employees such as nurses, firefighters and police officers.

That £500 million budget reduction should also be understood in the broader context of almost a decade of austerity implemented by the UK Government. It is a challenge not only to the Scottish Government but to all of us in this place, which is, after all, a Parliament of minorities. I commend the Greens for their pragmatism and for rising to the challenge. It is disappointing but unsurprising that Labour chose not to engage constructively in the process.

As for the Tories, they have failed to produce a fiscally and politically coherent proposition. Of course, Tories reflexively wish to slash taxes for high earners and shrink the state. I fundamentally disagree with that approach, but it does at least represent a school of thought that can be subjected to scrutiny and debate. However, the current Tory proposition, which calls simultaneously for tax cuts and increased public spending, warrants not debate but ridicule.

In the end, politics comes down to values and choices, and nowhere is that more apparent than in the setting of a budget. The Tories will not admit what they would cut, and Labour does not have a set of proposals that would meet the rigorous standards of the Scottish Fiscal Commission. In contrast, the budget that has been introduced by Derek Mackay shows that the Government puts progressive values into action, is committed to protecting and strengthening public services, supports business and economic growth and is committed to ensuring that every child has the opportunity to succeed. It is a budget that works for my constituents in Renfrewshire South and for all of Scotland, and I look forward to supporting it this evening.

16:37

**Liz Smith (Mid Scotland and Fife) (Con):** This stage 3 budget debate should, perhaps, be put in the context of the divergence between comments that have been made by the finance secretary and those that have been made by economic commentators. Since the stage 1 vote on 31 January there have been wildly different interpretations of what is happening on the ground.

In summing up yesterday's rate resolution debate, the finance secretary trumpeted the underlying strength of the Scottish economy. Specifically, he mentioned improving productivity levels, rising output, gross value added, improving median weekly earnings and foreign direct investment. However, if we look in more detail at Mr Mackay's budget—as many economic commentators have done—there is another part of the story, relating to the overall direction of travel. It is set against the most recent analysis that has been undertaken by the OECD, which clearly exposed the extent of the economic issues that are facing Scotland as a result of the projected poor rates of economic growth. Despite all the spin that Mr Mackay can muster, the overall tax burden from the budget will rise, which is why commentators have a rather different perspective from Mr Mackay's.

The other context for the debate is how well we spend our money. It is not just about tax revenues and how much we collect from hard-pressed taxpayers; it is a debate about the general wellbeing of business and industry as they plan their investment, jobs and trading operations. It is not just about our taxpayers and the demand side of the economy. It is also about the supply side, so let us take a look at each in turn.

On the demand side, the Scottish Retail Consortium has made it plain that the overall increases in tax on working people will make it much harder to persuade the public to spend more of their money in shops and local businesses. Many of us—perhaps all of us—represent constituencies with small towns whose high streets are already struggling, with empty premises, threatened closures and shops that are struggling to make ends meet. Many of those towns also include businesses that have a rateable value of over £51,000 and which in Scotland face the large business supplement of 2.6 per cent, whereas the supplement is 1.3 per cent for their counterparts in England. Those businesses need all the help that they can get from the public, but they are having a hard time of it because of the SNP's tax plans.

**Derek Mackay:** Will Liz Smith explain, in that case, why tonight she will oppose the support

package of about £720 million for non-domestic rates relief?

**Liz Smith:** I will do that because we have been very clear that the budget does not do nearly enough to ensure that business is competitive, and it will not properly invest in the things that we need in Scotland to ensure that we can sustain economic growth.

What is it, exactly, that business leaders have been saying in their warnings? They make the point that the SNP's commitment to a higher-tax Scotland makes it much harder to attract the necessary talent and investment at a time when Scotland's economy is already growing at a lower rate than that of the rest of the UK. The OECD and Scottish Fiscal Commission analyses do not make for good reading; the latter makes it very clear that it is expected that between 2018 and 2022 the Scottish economy will grow by not more than 1 per cent.

For business leaders, the introduction of the new tax band at 21 per cent on incomes between £24,000 and £43,430 is unwelcome because it means that despite all the rhetoric from Mr Mackay, the burden of tax in Scotland will be greater than it is in the rest of the UK. That widening of the tax gap is a serious issue to them—quite rightly. Perception matters, as well as reality.

We know from the Barclay review about the end to rates relief for ALEOs proposal. We also know that the cabinet secretary was going to go ahead with that proposal until he felt the full force of public reaction and realised that it was not going to be acceptable. Jenny Marra, who is not in the chamber just now, made a very good point about what future there is for some of the new ALEOs. If, at any stage, we put in jeopardy any of those new projects, we need to have a serious look at the implications in relation to that investment and building for our future—especially for young people, in this year of young people, which is very important.

While I am on the Barclay review, I repeat my plea to the cabinet secretary to think carefully about the implications for nursery provision of his tax plans—in particular, in the light of what we read last week in an Accounts Commission report and heard yesterday from the fair funding for our kids campaign, which is talking a lot about accessibility of nursery places. It is not just about provision of more places; it is also about whether they can be accessed. The Scottish Government seems to think that it is sensible to pursue plans that will allow private profit-making nurseries to enjoy 100 per cent rates relief but will not allow that for nurseries that are charities and not for profit, and which help local authorities to deliver greater flexibility in nursery places. That does not

make any sense. I think that it does not make any sense to members, and it certainly does not make any sense to parents.

The long and the short of it is that the SNP will be unable to sustain the budget because the budget does not have the necessary economic growth behind it. That is a message that the SNP has been told time and again—not just by the Conservatives, but by businesses.

It is no use the finance secretary saying that Brexit is to blame for all this. It is not, because Brexit is happening to the rest of the UK, too. The debate is about the SNP's stewardship of the economy. Just about every economic forecaster is telling Mr Mackay that he is making huge errors of judgment and—worse still—that he is harming Scotland's ability to be the most competitive and most successful part of the UK. That is exactly why the Scottish Conservatives will not support the budget.

16:44

**Ivan McKee (Glasgow Provan) (SNP):** As the series of debates on this year's Scottish budget draws to a close—after what seems like an eternity—it is perhaps time to take stock of where we are.

We have heard much today, in yesterday's deliberations on the rates resolution, and in earlier budget debates about the details of the Government's spend and tax proposals—how much extra is being spent on the various portfolios, how much is being raised, and where from. We have heard alternative proposals being advanced, and we have heard different economic theories and varying perspectives on the impacts of tax and spend. It has to be said that some are more grounded in reality than others.

The Laffer curve, in all its manifestations, has had a good airing and is about to be put safely back in its box for a period of rest and recuperation in preparation for next year's budget cycle. We have seen "tax income elasticities" and "differential marginal propensity to consume" emerge on the scene as new contenders for the economic jargon of choice award.

Interest groups and respected independent bodies have been quoted endlessly. The full alphabet soup of trade bodies, third sector organisations and think tanks has been deployed to support arguments by all sides. The Fraser of Allander institute, in particular, it must be said, has seen its stock rise yet again, having been quoted against itself—from opposite sides of the chamber at the same time—on more than one occasion. The intense heat that has been generated by the debate has even managed to generate enough

free energy to split the most compact political entity of them all: the Scottish Liberal Democrats.

Perhaps it is time to reflect on the wider politics of all that. What is the perspective of people outside the bubble—the payers of tax and consumers of services? What do the woman and man in the street take away from our deliberations over recent weeks? Taxpayers at different levels of income may or may not notice a shift in their take-home pay. In most cases it will go up; in some cases, it will go down. People will understand that the income tax system in Scotland is now different from that down south. They will also understand better that other taxes are different. The gap between council tax levels north and south of the border continues to widen, in their favour.

**Miles Briggs:** I thank Ivan McKee for taking my intervention. When he next sees the man and woman in the street in his constituency, will he tell them that he broke his pledge not to increase tax?

**Ivan McKee:** I will tell them that the vast majority of people in my constituency will have a tax reduction as a consequence of the budget.

The tax changes in the budget have been carefully tailored to minimise the chances of anyone altering their tax affairs or moving house in order to save an extra penny in the pound—especially when the higher council tax on a new house down south would wipe out any income tax gain. Future analysis by the Scottish Fiscal Commission will attempt to quantify the value of tax that is lost due to behaviour change, but I expect that it will be minimal.

Public sector workers will see different approaches to how the pay cap is handled by the different Governments across the UK. The narrative that says that business investors will be driven away by a penny in the pound rise has been overplayed. From experience, I know that the factors that determine business investment decisions are wide and varied, but that levels of personal income tax come low down on that list, and are far behind infrastructure, skills availability, business taxes and Government support.

The debate has, perhaps, also caused taxpayers to reflect on what they get for their money. Services that are free north of the border but cost money down south have been highlighted once more, and the quality of those public services has been contrasted with that of provision across the rest of the UK.

The people who use our health services, and those who work in them, increasingly hear of the problems that are besetting services in England and Wales, and understand that services in Scotland are different. The concept of “You get what you pay for”—or, in more technical terms,

“negative price elasticity of demand”—is possibly the most common refrain in the public debate over past days. People feel instinctively comfortable with that concept, and most are willing to pay more to get more. Of course, the challenge for our public services is to ensure that that trust is not mistreated and that perceived value is delivered for the extra spend, that we continue to shift the focus to preventative spend and that we focus increasingly on outcomes and not just inputs, in line with the principles of the Christie commission.

I suggest that we will, when the dust settles, see a stronger Scottish Parliament—a Parliament that is taking, as the Scottish Council for Development and Industry put it,

“a progressive, mature and significant”

approach to deploying its new tax powers. I expect that the people of Scotland will see that, and will understand that a major step has been taken in the direction of making Parliament yet more relevant to their daily lives. The perception that Parliament now matters more—not just in service-delivery portfolios but in relation to take-home pay—has been reinforced. The understanding that Scotland is different—that we are able to take a distinctively Scottish approach to how we fund our public services, and how we raise the money to pay for them—has also been reinforced.

In conclusion, I say that although last year’s budget was historic, with new powers being available for the first time, this year’s budget is even more significant, because it shows Parliament starting to use those powers. Even more important is that it is yet another significant step on the road to creating a Parliament that has all the powers that are needed to run all aspects of our country and our economy.

**The Deputy Presiding Officer:** We move to the closing speeches.

16:50

**Monica Lennon (Central Scotland) (Lab):** The cabinet secretary opened by saying that the budget is putting “progressive values ... into action”. If only that were true. Despite all the back-slapping during the debate, the budget fails to protect the most vulnerable people in our society. It does not raise enough revenue and it fails every one of Scottish Labour’s five budget tests: it will not halt austerity, it will not stop the growth of poverty, it will not redistribute power or wealth and it will not grow our economy in the interests of the many, rather than the few.

Scottish Labour’s alternative plan passes every one of those tests. I am sorry that Patrick Harvie feels that he did not have enough time to consider it, because he would have seen that it would raise

almost £1 billion of extra stimulus for the Scottish economy. Bruce Crawford asked members to consider the type of nation that we want to be: Labour has a prospectus that would save lifeline local services, fund a pay rise for public sector workers, put money in the pockets of working families by topping up child benefit by £5 per week, and deliver extra spending for the national health service.

Our costed alternative is proof of what a difference Parliament could make if only the SNP had the political will to make the choices for real progressive change, rather than continuing to tinker around at the edges. Ruth Maguire made important points about the scandalous levels of child poverty: it is a pity that she did not take an intervention that would have allowed her to agree with the trade unions and charities in her constituency and across Scotland that the top-up to child benefit that we propose would lift 30,000 children out of poverty immediately.

Our alternative tax plans would raise more than £540 million more than the proposals in the budget, while ensuring that the richest would pay their fair share and that 70 per cent of taxpayers would not pay a penny more. Our plans, just like the SNP's, would ensure that people who earn up to £33,000 would not pay a penny more in tax than they do now. The difference is that, unlike the SNP, we would ask the very richest people in our society to pay their fair share. By dropping the threshold for the 45p rate to £60,000 and introducing a new 50p rate for those who earn more than £100,000, our proposals would raise vital money for public services.

**Miles Briggs:** It is now widely accepted that Labour's proposal for a 50p tax rate would actually lose money. Will Monica Lennon confirm that she and her party support a policy that would lose money from Scottish taxes?

**Monica Lennon:** I do not accept that; there is no evidence for it. There is a perception that is shared by the SNP front bench and Tory back benches. Put simply, the issue is about progressive taxation. We are not embarrassed to ask people who can afford to pay a bit more to do so—which the SNP used to believe in. We had manifesto promise after manifesto promise from the SNP that there would be a 50p rate of tax, but the Government is now sheepish when it comes to explaining why it has binned that promise. Our 50p tax rate would mean that a person on 150 grand would pay £142 more per week in income tax. The SNP is asking them to pay just £17 more.

The bottom line is that the SNP's tax plans are timid and will not solve austerity. Central to our additional stimulus package is the extra funding for local government, which has been unfairly squeezed in year after year of budget negotiations

since 2011. COSLA has stated that local authorities need £545 million to protect lifeline services. That is what our funding package is all about. Cuts to local councils mean cuts to vital local services, which has an impact on people's everyday lives. Colin Smyth spoke about the dilemma facing local councils that are under the control of various political parties, and Jenny Marra raised the importance of preventative spending. I know that a lot of members agree with that, but look the other way when the issue is raised.

The Scottish Government has claimed time and again that councils are getting a fair deal, but the cabinet secretary has failed to take responsibility and explain why nine out of 10 austerity job losses have been in local councils. That is not scaremongering: it is a fact that 28,000 local government posts have been cut in the past seven years. That is a disgrace.

**Derek Mackay:** Will the member take an intervention?

**The Deputy Presiding Officer:** It will have to be brief.

**Derek Mackay:** Why will Monica Lennon oppose the real-terms increase that will go to local government as a consequence of the budget?

**Monica Lennon:** I thought that the cabinet secretary was going to correct his earlier misleading of Parliament when he said that 28,000 cuts to local jobs was "scaremongering". Labour is about putting money into public services—not taking it out.

Presiding Officer, I have taken a couple of interventions and am not sure how much time I have left.

Derek Mackay does not easily take our word for it. I wonder whether he has paid attention to the recent Unison and Jimmy Reid Foundation report on local government. It states:

"If local government continues to face the same level of grant reduction, there are extremely difficult choices ahead."

Derek Mackay is shaking his head, but that is what the report says. It continues:

"As it stands the level and speed of cuts is not sustainable in the long term. Whilst the demand for services will continue to grow the fall in budget is placing increasing pressure on local government and its staff. Those hit hardest by the cuts are the poorest groups in local communities, who are, and will continue to be, unable to cope with service reduction or the complete withdrawal of ... services. Local authorities are facing the risk where they will be unable to meet their statutory duties and unable to deliver critical services to their poorest and most vulnerable citizens."

We simply cannot afford to go on like this, so we can and must make different choices. We have the

powers to do so, but despite the rhetoric, when the opportunity to use those powers is in front of it, the Government is running scared. It has declined to introduce a 50p rate for the highest earners, despite promising that in election after election, and it has refused to use the powers that it argued for to top up benefits including child benefit, which would lift 30,000 children out of poverty.

Our plans show that there are costed alternatives that can be used and which would make a real difference to working class families across the country. The budget does not raise enough revenue to stop austerity or to fund our public services. That is why our plan to provide a near £1 billion stimulus package for the economy would deliver, by contrast, the real change that is needed. Our plans would produce a budget that works in the interests of the many, not the interests of the privileged few.

16:57

**Adam Tomkins (Glasgow) (Con):** Pay more, get less; that is the message of today's budget. It is a budget that puts up taxes, despite the fact that the Scottish Government's block grant will go up this year. It is a budget that increases our rates of income tax, despite the SNP promising more than 50 times in the past two years not to do that. It is a budget that will do nothing for consumers and that will damage Scottish business—damage that could take years to repair, according to the Scottish Chambers of Commerce.

Perhaps most seriously of all, this is a budget that does nothing to address the fundamental problem with the Scottish economy: growth that is chronically low, relative to growth in the rest of the UK. That is the legacy of the SNP's decade-long mismanagement of the Scottish economy. Time after time this afternoon, we have heard SNP speeches that have failed even to mention economic growth, which shows just how unfit to govern the SNP has become. Growth is not an economic buzzword or a piece of jargon that we can choose to take or leave as we like. Growth is central; it goes to the core of how we fund our public services—the world-class public services that we all rightly demand. Grow the economy and we increase economic activity; increase economic activity and we grow the tax revenues that accrue to the Government; boost tax revenues and there is more public money to invest in front-line services. It is not complicated, but it seems to be beyond this cabinet secretary.

This budget does not do any of that. It does the opposite. It takes money out of the hands and pockets of families, workers and consumers. It makes doing business more expensive in Scotland by making Scotland the highest-taxed part of the United Kingdom, and a place where everyone

earning more than £26,000 a year will pay more tax. By doing that, the cabinet secretary is inhibiting growth, not enabling it. He is saying to hardworking families, "Don't strive for your family—put your feet up," because, if someone aspires to succeed, he will tax their aspiration and, when he is done with that, he will tax their success.

He is saying to Scottish businesses, "Don't invest here". If business confidence is low, he will keep it low. If their taxes are too high, that is too bad. Here are the facts: under the SNP, Scotland has the highest business rates in Europe; business confidence is 20 points lower than it is elsewhere in the UK, which is a near record low; Scotland's rate of business growth is slower than the rate anywhere else in the United Kingdom; and business investment in Scotland is down. Pay more, get less—that is Nicola Sturgeon's dismal economic legacy.

I want to say something about the budget process, which was mentioned in a couple of the opening speeches this afternoon, including those of Patrick Harvie and Murdo Fraser. There cannot be effective parliamentary scrutiny of the Government's budget proposals unless those proposals are presented in as open and transparent a manner as possible, but, yet again, that did not happen this year. Between the publication of the draft budget, which was presented to Parliament in December, and stage 1 of the Budget (Scotland) (No 2) Bill, which took place a fortnight ago, Derek Mackay found an additional £160 million of public spending, which is this year's price for the Green Party's support. The annual dance between Mr Mackay and Mr Harvie, in which the cabinet secretary routinely manages to find a nine-figure sum that he somehow failed to account for in his draft budget, is one of the most unedifying spectacles in the parliamentary calendar.

**The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney):** What is the difference between the process that Mr Mackay has gone through with the Greens in finding money to afford the final stage of a budget and the process that I went through with the Conservatives in the past to do exactly the same?

**Adam Tomkins:** The difference is that when the Conservatives were working with the SNP, we got results. When the Greens are working with the SNP, all that happens is that taxes are pushed up even higher, which suppresses the growth that we need for the Scottish economy.

The process that I have just described is not conducive to good—[*Interruption.*]

**The Deputy Presiding Officer:** Just a minute, Mr Tomkins. Members should settle down now. I want to hear what everybody says.

**Adam Tomkins:** The process that I have just described is not conducive to good government, is not in the public interest, bypasses effective parliamentary scrutiny and does nothing to diminish the SNP's growing reputation for preferring secrecy to open government, and murky back-room deals to transparent policy making. This Parliament deserves better than that and, as we move next year to a new process of budget scrutiny, I hope that Government and Parliament will learn the lessons from, and not repeat the mistakes of, the B-grade and substandard process that we have had to endure again this year.

The third theme that has emerged from this afternoon's debate is that this budget is one of betrayal. It is a clear and unambiguous breach of trust. Why? In 2016, two thirds of Scots voted for parties that promised not to raise taxes in this parliamentary session. Nicola Sturgeon, the First Minister, said:

"it is not right to increase income tax for those who are on the basic rate."—[*Official Report*, 3 May 2017; c 9.]

She also said:

"I have been very clear that the Government will not increase income tax."—[*Official Report*, 2 February 2017; c 10.]

John Swinney said the same, as did Derek Mackay. In the past two years, the SNP promised 53 times to not raise the basic rate—53 broken promises.

Today, the news is grim not only for those who were once fooled by the credibility of the SNP's false election promises, but for Scottish workers. Today's figures show that the Scottish employment rate is down and that it is lower than that of the UK as a whole.

Today, the news is also grim for the unemployed—unemployment is up in Scotland and the rate here is higher than it is in the UK as a whole. That is the SNP's lousy record, and its budget today will do nothing to turn it around.

Pay more, get less—that is the message from this budget, and Parliament should vote it down.

17:05

**Derek Mackay:** This is, of course, a significant debate, but for politicians in the chamber the highlight must have been watching Mr Swinney burst Adam Tomkins's bubble when he showed the latter's rhetoric to be empty and his numbers to be a fiscal fantasy of the Conservatives.

When asked who I would choose—

**Neil Findlay (Lothian) (Lab):** Will the minister take an intervention?

**Derek Mackay:** No, thank you. I am not going to lower the level of debate to Neil Findlay's level. Sorry, but I have too much to get through; I have too many important things to say. When asked who would be more—

**The Deputy Presiding Officer:** Cabinet secretary, I caution against making personal remarks.

**Derek Mackay:** Then I will talk about political parties that I would rather align myself with, Presiding Officer.

When it comes to budget deals, I am closer to the Scottish Green Party than I am to the Democratic Unionist Party, so I have no problem in finding a consensus around progressive and positive politics. At one point, the Labour Party may have considered itself to be a progressive party, but now it is reduced simply to being an anti-SNP party in this chamber.

I return to the consensus on some elements of the programme for government, including things such as abolishing care charges for more people, expanding access to free sanitary products, targeting resources to post-industrial Scotland, introducing a graduate entrepreneurial challenge, investing in oil and gas decommissioning, electrifying road transport, expanding our trade envoy network, supporting breastfeeding funding, creating more air quality zones and low-emission zones and establishing a national investment bank.

This budget will fund those PFG commitments—and much more. Those areas have not been widely debated this afternoon, but they are the kind of measures that Opposition members across the chamber have been asking this Government to take. Investment in those areas—in addition to all the other investment—is part of the £1.2 billion of additional resources in the Scottish Government's budget, which will be opposed by the Labour Party and the Conservative Party this evening. They are happy to spend resources, but neither has a clue about how to fairly and competently raise the necessary resources to make those investments.

**Patrick Harvie:** Is it not reasonable that, over the coming months and years—and before we get to this process next year—we strike a balance between how local councils not only spend but raise the money that they need? Should we not be setting a clear expectation that councils have the ability to raise a significant proportion of the revenues that they will need for future years to provide their local services?

**Derek Mackay:** As I have said before, I am always open to discussion, but the reality is that

this budget will give a real-terms increase to the resources of local government before they even consider using their power to raise council tax.

I will comment briefly on the economic model of the United Kingdom as a whole. It is clear—the evidence tells us this—that the UK Government's economic model is centred on London and the south-east of England. It is no surprise that other parts of the UK, including Scotland, are at a disadvantaged position because of that model. A UK Government cannot walk away from its responsibilities in macroeconomic policy; neither can the Tories abdicate their responsibility to have proper fiscal policies, because we cannot raise less and spend more.

When challenged on how to make savings, the Conservatives can point only to measures such as stopping the baby box scheme. That is their answer to how they would find half a billion pounds to fund tax cuts for the richest businesses, people and home owners in society.

It is no good for Murdo Fraser to say that, if only he was in charge, he would have a Scottish Fiscal Commission report that says he would have £16 billion more to invest in Scotland's economy; it is no good for Murdo Fraser simply to cry wolf when I find extra resources for the Scottish budget. I have set out a clear and transparent process. If only the other Opposition parties could engage constructively in that process.

On listening to business, many business organisations have welcomed much of the budget. The Federation of Small Businesses welcomed the small business bonus—of course—and went on to say:

"Further, the introduction of a new business accelerator relief is a clever move that deserves plaudits."

The Chartered Institute of Public Finance and Accountancy, which takes a considered opinion of public funding, said:

"it is welcome news that Scottish public services will receive more funding. As, without extra resources, the financial resilience of many services would inevitably be put into question."

Liz Cameron, from the Scottish Chambers of Commerce, said of the budget:

"We welcome much of the substance of Mr Mackay's announcement ... In particular we appreciate his willingness to listen to the voice of business".

I could quote many more organisations that have welcomed the investments in this Government's budget. Even the Scottish Retail Consortium, which is much quoted by the Tory party, said:

"the decision on income tax to protect workers on low and modest earnings is exactly right."

The Scottish Council for Development and Industry said:

"This is a progressive, mature and significant use of Scotland's income tax powers."

There is much support for the budget, including from the public, who back our tax plans by two to one.

James Kelly has presented an alternative that is, frankly, neither competent nor coherent. The effect of his tax proposals would be cut in half, given the behavioural impacts. Other elements of his budget would require legislation. The Labour Party was asked when it would present its alternative budget, and it transpires that the detail will come after stage 3. That is a preposterous position from the Labour Party, and it shows that Labour has no credibility whatever.

Working with the Green Party, we have produced a budget that is able to find consensus on investing in our public services and lifting the public sector pay cap in Scotland.

Of course, when James Kelly did the arithmetic on the income tax plans, he said that an MSP's tax would increase by only 26p. I advise members not to seek advice from James Kelly on their tax returns, because he was wrong to the tune of 1,300 per cent. That is how inaccurate he was, just on the proposition on MSPs' income tax. Why would we trust the Labour Party on the overall budget?

This is a very serious budget, which uses Scotland's devolved powers responsibly and fairly. It protects the students of Scotland from tuition fees. It expands childcare, which is good for children and good for the economy. It protects universal support around poverty and inequality, delivering free school meals for children in primary 1 to primary 3. It ensures that the ill do not have to pay prescription charges and it supports the continuation of free eye examinations. The NHS—a precious service—is the largest beneficiary of the budget, and the budget protects the entitlements that give us the best deal anywhere in the UK.

The budget will help to build 50,000 new affordable homes. It will help to expand digital, with investment of more than £600 million. There will be new interventions on homelessness and child poverty. There will be real-terms increases for the NHS, higher education, further education, and police and fire transformation. I know that those commitments command the support of the Scottish people.

Bruce Crawford was right when he said that the budget puts in place resources that speak to the vision of what we want this country to be. The budget delivers on the commitments that the First

Minister made in the programme for government. It prevents the negatives that come from Westminster austerity and turns real-terms reduction in resource into growth. It will create a more equal society, tackling inequality and growing our economy.

As we approach the completion of stage 3 and the legal stages of the Scottish budget—of course, we still have the non-domestic rates element and the local government finance order to deal with, so it is not quite over yet—we have an opportunity to deliver divergence and make Scotland, for the majority, the lowest-taxed part of the UK and, crucially, the fairest-taxed part of the UK.

Brexit is a huge challenge to the UK's economy and to Scotland's economy. Businesses have said to me that it is a much greater concern than even the perceptions around tax as propagated by the Tories. Therefore, we are delivering stimulus, sustainability and a stronger society, respecting the powers that we have and using them wisely with an evidence base to restructure tax in order to build a better and fairer country.

I ask members to consider all of that and the £40 billion that is allocated in the spending plans in the budget.

I might not be a Morrissey fan, but the old band is back together: better together is back together. I am more of a Proclaimers kind of a guy, which is why I visited Leith yesterday. There was indeed sunshine on Leith at the GP surgery there. The NHS is the biggest beneficiary of the budget.

I commend the budget to the people of Scotland because I know that it commands the support of the Scottish people. I hope that it will command the support of members this evening.

## Business Motions

17:16

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of four business motions: motion S5M-10579, on a revised business programme for tomorrow; motion S5M-10562, which sets out a business programme; motion S5M-10563, on a stage 1 timetable; and motion S5M-10564, on a stage 2 timetable.

*Motions moved,*

That the Parliament agrees to the following revision to the programme of business for Thursday 22 February—

after

2.30 pm Parliamentary Bureau Motions

insert

*followed by* Ministerial Statement: Prestwick Airport

That the Parliament agrees—

(a) the following programme of business—

Tuesday 27 February 2018

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Scottish Government Debate: Developing a Scottish Healthy Weight Strategy

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 28 February 2018

2.00 pm Parliamentary Bureau Motions

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

*followed by* Scottish Conservative and Unionist Party Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 1 March 2018

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

*followed by* Members' Business

2.00 pm Parliamentary Bureau Motions

2.00 pm Ministerial Statement: Scotland's Plan to Tackle Climate Change and Reduce Emissions

*followed by* Stage 3 Proceedings: Forestry and Land Management (Scotland) Bill

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 6 March 2018

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 7 March 2018

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions  
Education and Skills

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 8 March 2018

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

*followed by* Members' Business

2.15 pm Parliamentary Bureau Motions

2.15 pm Scottish Parliamentary Corporate Body Questions

*followed by* Scottish Government Business

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

and (b) that, in relation to First Minister's Questions on 1 March 2018, in rule 13.6.2, insert at end "and may provide an opportunity for Party Leaders or their representatives to question the First Minister".

That the Parliament agrees that consideration of the Scottish Crown Estate Bill at stage 1 be completed by 29 June 2018.

That the Parliament agrees that consideration of the Islands (Scotland) Bill at stage 2 be completed by 30 March 2018.—[*Joe FitzPatrick*]

*Motions agreed to.*

## Parliamentary Bureau Motions

17:16

**The Presiding Officer (Ken Macintosh):** The next item of business is consideration of three Parliamentary Bureau motions. I ask Joe FitzPatrick, on behalf of the bureau, to move motion S5M-10565, on the designation of a lead committee, and motions S5M-10566 and S5M-10567, on approval of Scottish statutory instruments.

*Motions moved,*

That the Parliament agrees that the Delegated Powers and Law Reform Committee be designated as the lead committee in consideration of the Prescription (Scotland) Bill at stage 1.

That the Parliament agrees that the Representation of the People (Scotland) (Amendment) Regulations 2018 [draft] be approved.

That the Parliament agrees that the Human Trafficking and Exploitation (Scotland) Act 2015 (Support for Victims) Regulations 2018 [draft] be approved.—[*Joe FitzPatrick*]

## Decision Time

17:17

**The Presiding Officer (Ken Macintosh):** The first question this evening is, that motion S5M-10518, in the name of Derek Mackay, on the Budget (Scotland) (No 2) Bill, be agreed to. As this is a stage 3 vote, we will move straight to a division.

### For

Adam, George (Paisley) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr 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)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fabiani, Linda (East Kilbride) (SNP)  
 Finnie, John (Highlands and Islands) (Green)  
 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)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnstone, Alison (Lothian) (Green)  
 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)  
 McArthur, Liam (Orkney Islands) (LD)  
 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)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Russell, Michael (Argyll and Bute) (SNP)  
 Scott, Tavish (Shetland Islands) (LD)  
 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)  
 White, Sandra (Glasgow Kelvin) (SNP)  
 Wightman, Andy (Lothian) (Green)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Balfour, Jeremy (Lothian) (Con)  
 Ballantyne, Michelle (South Scotland) (Con)  
 Beamish, Claudia (South Scotland) (Lab)  
 Bibby, Neil (West 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)  
 Davidson, Ruth (Edinburgh Central) (Con)  
 Dugdale, Kezia (Lothian) (Lab)  
 Fee, Mary (West Scotland) (Lab)  
 Findlay, Neil (Lothian) (Lab)  
 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)  
 Griffin, Mark (Central Scotland) (Lab)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Harris, Alison (Central Scotland) (Con)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kelly, James (Glasgow) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Lamont, Johann (Glasgow) (Lab)  
 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)  
 Marra, Jenny (North East Scotland) (Lab)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mitchell, Margaret (Central Scotland) (Con)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Rennie, Willie (North East Fife) (LD)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Rumbles, Mike (North East Scotland) (LD)  
 Sarwar, Anas (Glasgow) (Lab)  
 Scott, John (Ayr) (Con)  
 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)  
 Tomkins, Adam (Glasgow) (Con)  
 Wells, Annie (Glasgow) (Con)  
 Whittle, Brian (South Scotland) (Con)

**The Presiding Officer:** The result of the division is: For 70, Against 56, Abstentions 0.

*Motion agreed to,*

That the Parliament agrees that the Budget (Scotland) (No 2) Bill be passed.

**The Presiding Officer:** The Budget (Scotland) (No 2) Bill is passed. [*Applause.*]

I propose to put a single question on motions S5M-10565 to S5M-10567.

As no member objects, the question is, that motions S5M-10565 to S5M-10567, in the name of Joe FitzPatrick, be agreed to.

*Motions agreed to,*

That the Parliament agrees that the Delegated Powers and Law Reform Committee be designated as the lead committee in consideration of the Prescription (Scotland) Bill at stage 1.

That the Parliament agrees that the Representation of the People (Scotland) (Amendment) Regulations 2018 [draft] be approved.

That the Parliament agrees that the Human Trafficking and Exploitation (Scotland) Act 2015 (Support for Victims) Regulations 2018 [draft] be approved.

## St John's Hospital Children's Ward

**The Deputy Presiding Officer (Linda Fabiani):** The final item of business is a members' business debate on motion S5M-10290, in the name of Neil Findlay, on St John's children's ward still being closed to out-of-hours in-patients. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament notes that the children's ward at St John's Hospital, Livingston, was closed to out-of-hours inpatients on 7 July 2017 for the third time in five years; understands that the latest report from the Royal College of Paediatrics and Child Health has concluded that the area's population should be served by a 24/7 inpatient service; believes that this reaffirms the college's previous report on this matter; understands that the closure is due to an ongoing failure to recruit the appropriate staff, believes that, in its report, the college found the staff to be exhausted because of the continued pressure to maintain services with too few colleagues, and notes the view that NHS Lothian and the Scottish Government should set out a clear and realistic timetable for the establishment of a staffing model, which will both support the ward and its staff and end the closure for good.

17:20

**Neil Findlay (Lothian) (Lab):** I say a big thanks to those members who signed the motion and enabled the debate to take place. There is an error in the motion: it says "out-of-hours inpatients" but it should say "all inpatients"; I apologise to the chamber for that.

I wish that there was no need for this debate. I wish that parents with desperately sick children from communities in the west of West Lothian, such as Blackridge, Whitburn, Armadale, Fauldhouse, Stoneyburn, Breich and Addiewell and beyond, did not have to endure long and sometimes life-threatening journeys to Edinburgh for treatment.

I wish that parents from Bathgate, the Calders and Livingston were not forced to drive past their local hospital, just a few minutes away, and travel on the chaotic Edinburgh bypass just to get treatment for their little ones, but they have no choice.

I wish that a decade-long promise by the Scottish National Party Government to keep healthcare local was more than a slogan on the long-since discarded election leaflets of the two cabinet secretaries who represent West Lothian—that it was a real promise that had been delivered for the residents of those constituencies.

Presiding Officer, six years ago the *West Lothian Courier* reported on a staffing crisis at St John's hospital children's ward. At that time it was

about the withdrawal of paediatric trainees from the ward, and despite my representations to NHS Lothian and the dean who was responsible for the trainees, we have seen no progress in that regard.

The reality is that in the six years since those problems were first highlighted, things have got a whole lot worse instead of better. Three times we have seen the ward closed and reduced from a 24/7 in-patient service to an assessment centre. One of those times was because doctors who were a married couple took their holidays together. Why is it considered acceptable that a vital service is allowed to buckle because two members of staff—albeit quite naturally, and I do not condemn them for it at all—choose to take leave at the same time?

On each occasion on which there has been a closure, NHS Lothian has told me that it was doing all that it could to sort it out; it was scouring the globe for staff and it was just not possible to find any. The First Minister told me that it was just a temporary situation.

NHS Lothian also advised that, despite consultants being employed by NHS Lothian as a whole, it was unable to make them travel to Livingston or to work flexibly over different sites to provide a 24/7 service. Instead, children and families are expected to travel up to 33 miles when they need emergency treatment.

The latest closure is the longest and most worrying: almost 230 days ago the ward was closed to in-patients. From then until January, almost 500 children were sent to other hospitals and 414 of those were admitted to a ward. More than 3,000 children were sent home from the emergency department after midnight, and on 47 occasions taxis were paid to take them home, costing a total of almost £2,000.

The children who were sent to Edinburgh from St Johns did not have a grazed knee or a sprained ankle. They were children with very serious conditions, such as Mathew, who suffers from a serious respiratory problem; Frankie, who has a rare condition that causes him serious seizures that require very regular and urgent hospitalisation; and Kayden, who suffers from severe breathing difficulties and only last week had to be hospitalised at Wishaw general hospital. They are children for whom every minute in an ambulance and every second stuck in traffic or on the bypass puts their lives at risk.

Presiding Officer, over the last two years, NHS Lothian has twice brought in the Royal College of Paediatrics and Child Health to independently examine the need for the ward. On both occasions it has confirmed that St John's needs a 24/7 children's service. That is hardly a revelation, given that it sits in one of the youngest and

fastest-growing communities in Scotland. Despite that confirmation, we find the situation getting worse instead of better.

I say to the cabinet secretary that the public have had enough. A few weeks ago, on a bitterly cold day, I was joined by families and children outside St John's. Those parents contacted me because they wanted to demonstrate and vent their frustration at the situation, and I want to thank the mums, dads, grandparents, carers and children who came that day, as well as the thousands who have signed petitions, postcards and surveys calling for an end to this ridiculous situation. I will read out three quotations, which I can assure members are randomly selected, from some of the latest correspondence that I have had.

"The Scottish Government are fully accountable for this. They should be recruiting the necessary personnel to fill these posts."

"There is no excuse for a hospital on your doorstep and not being able to use it for my three-year-old child."

"I think this is an outrage. The ward should be open all the time."

There are hundreds more.

If senior officers at NHS Lothian and ministers and civil servants in the Scottish Government do not have the ability or the initiative to resolve those problems after six years, maybe, just maybe, they should make way for people who can. Parents do not want to be fobbed off any longer. We need action to make that vital service sustainable—no more shrugs of the shoulders, no more platitudes, and no more absence of any sense of urgency—because children's lives are at stake.

It is not a weakness to admit your failings, and we should all show humility and honesty at times, so I genuinely appeal to the cabinet secretary to seek help to resolve the issue from wherever it can be found, whether from other nations of the United Kingdom or from some of our international neighbours. I ask the Government to admit its failings, apologise for the mess and seek help to resolve this unacceptable situation now.

17:26

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I am grateful for the opportunity to add my voice to those calling for the return of a 24/7 service at the paediatric in-patient ward at St John's hospital as soon as it is possible. I declare an interest, as my daughter-in-law recently gave birth to my first grandchild at St John's, and I am thankful to the staff and the paediatricians for the care that my daughter-in-law and grandson received.

The report by the Royal College of Paediatrics and Child Health into the situation at St John's hospital concluded—not once, but twice—that West Lothian, with the same population as Dundee and with a growing young population, merits and needs its own children's ward. That recommendation was accepted by the Scottish Government and by NHS Lothian, and the updated report of September 2017 highlights the fact that

"The Health Board has tried extremely hard to make this arrangement succeed with four rounds of active consultant recruitment".

However, there are two issues impacting on the success of the recruitment drive. First, there is a lack of paediatric consultants across the UK. The Royal College of Paediatrics and Child Health highlighted in 2017 that nearly a third of the UK's 195 NHS trusts and health boards have temporarily closed paediatric wards due to shortages in child health professionals, the vast majority of vacancies being for consultants. Secondly, in relation to St John's hospital, the royal college's updated report states:

"It has a longstanding reputation as a unit that is under threat of closure ... This is a significant blight on recruitment."

That is despite the Scottish Government and NHS Lothian accepting the recommendation that a 24/7 service should be delivered. It would be helpful if the cabinet secretary could highlight in her closing remarks what steps the Government is taking to ensure that NHS Lothian follows through on its commitment to respond to and implement the royal college's recommendations.

West Lothian children have always had to travel to Edinburgh for particular types of care and treatment. That is well understood and accepted by the wider West Lothian community, but having the children's ward at St John's hospital prevents some children from having to be admitted to a hospital miles away from home. It also enables children who have had to receive serious and intensive treatment at the sick kids hospital or at Yorkhill to return to their local hospital for rehabilitation.

Lengthy hospital stays miles away from home have a well-documented impact on the wellbeing of children and a heavy financial and emotional cost to families. Therefore, treating children closer to home whenever possible is not just the right thing to do but the smart thing to do, and it is in everyone's interests. That important point was made by the constituency MSP, Angela Constance, and others in the evidence that they submitted to the royal college when it was deliberating on paediatric services across the Lothians.

I will end by highlighting remarks that were made by the West Lothian constituency MSPs, Angela Constance and Fiona Hyslop. They said that St John's hospital is a first-class hospital with a children's ward that is held in high esteem by the local community. It is imperative that politicians do everything to support the recruitment of paediatricians and advanced nurse practitioners by being positive about the future and what the hospital offers. In our endeavours to protect and enhance local services, we must not create a negative message or what the royal college refers to as "blight." That would be counterproductive and would do a disservice to the children and people of West Lothian.

I place on record my thanks and those of my colleagues to the doctors, nurses and wider support staff at the children's ward at St John's hospital, who do a tremendous job day in, day out in difficult circumstances. We stand by them in their quest to continue to deliver for the children of West Lothian.

**The Deputy Presiding Officer:** I ask members to desist from shouting from a sedentary position at the back of the chamber.

17:31

**Miles Briggs (Lothian) (Con):** I congratulate my Lothian colleague Neil Findlay on securing today's debate. I am pleased that Parliament is debating an issue of such importance to many families across West Lothian.

It is difficult to overstate the level of concern, frustration and anger felt by West Lothian residents at the continuing closure of the kids ward at St John's hospital. When the latest closure announcement—the third in as many years—was made, last June, NHS Lothian and the Scottish Government indicated that a full service would be reinstated as soon as possible after the summer. The clear impression was given that we would see a 24/7 service resume last autumn, but, many months later, we appear to be nowhere nearer a reopening, and local people are understandably disappointed and annoyed.

Neil Findlay set out very effectively the impact that the closure has had on hundreds of families across West Lothian who have had to see their children admitted to Edinburgh sick kids hospital instead of St John's, with all the extra travelling time, expense and stresses that that brings to parents who are already worried and anxious about the health of their child.

The closure has also piled extra pressure on the sick kids hospital and on overstretched ambulance services. On that point, a recent freedom of information request indicated that the number of patient journeys by ambulance from St John's to

the sick kids hospital increased fourfold when the ward was closed to in-patients compared to the number when it was fully open.

It is not only parents and families who are angry but the hard-working ambulance staff and the brilliant paediatric nurses, doctors and consultants at both the sick kids hospital and St John's, some of whom I met on a recent visit. They have been let down by an abject failure over many years—despite warning after warning—by both NHS Lothian and the Scottish Government to put in place the robust, credible and long-term workforce plans that we must see at St John's to allow the kids ward to operate sustainably on a full-time basis.

The inability to recruit sufficient consultants and tier 2s to cover the ward on a 24/7 basis is the fundamental short-term crisis that we need to resolve. I look forward to the minister updating the Parliament on what progress, if any, has been made on that and on what innovative approaches can be taken to develop and recruit the staff that we need at St John's.

It is clear from the debate and from the past six years that the current approaches are not working and are not good enough. We need to see a longer-term approach that raises the profile and, more important, the prestige of the paediatric services at St John's. That is why I have called on the Scottish deanery to launch a review of where paediatric training takes place in the south-east Scotland region, with a view to ensuring that trainee medics can choose to undertake part of their training at St John's. When I visited them, the specialists there told me that that could help to make the unit a 24/7 unit once again.

I hope that the deanery can show flexibility and look at all possible options and systems to allow that to take place, with St John's children's unit possibly being deemed a satellite of the sick kids hospital for training purposes. I believe that that would raise the status of children's services at St John's and provide more medics to assist the consultants team. It would also mean that medical students would have the experience of a hospital kids ward and that they could consider St John's—which could present fantastic opportunities for an early career—and not just larger, more specialist hospitals such as the sick kids hospital when they were looking for full-time positions.

I will write to the deanery on that issue, and I would welcome the support of the cabinet secretary and other members for that initiative.

I welcome today's debate. It is incredibly important to air these views and raise these issues in our Parliament. I am happy to give my full support to the motion and to my constituents across West Lothian, who want the sick kids ward

restored on a 24/7 basis. As we have heard, the area's population is growing and it clearly requires the level of paediatric service that is enjoyed in other parts of Scotland.

Above all, I hope that ministers will now take the decisive actions that are required to reopen the ward on a sustainable, long-term basis to give local families confidence that there will be no further closures and that West Lothian's children will be treated in West Lothian.

17:35

**Anas Sarwar (Glasgow) (Lab):** Like others, I congratulate Neil Findlay on bringing this important debate to the chamber.

At the outset, I say to Gordon MacDonald that what is letting down service users are the continued closure of the ward and the continued inaction of the Scottish Government and the health board, not the individuals who are campaigning to keep the ward open. Actually, I think that it is an insult to suggest that those campaigners, many of whom are parents who need the ward for their children and who are campaigning voluntarily and in their own time, are somehow scaremongering or letting down the local community. I pay tribute to all those who are out there on the streets, campaigning on this issue, but the reality is that they should not be campaigning. Year after year, they were promised that their ward was safe, would be open, fully resourced and fully staffed and would provide the care that their children deserved. It is a shame that we are now 230 days into this continuing closure.

I would like to say that St John's is an isolated case, but sadly it is not. We need only look at the decision on the paediatric ward at the Royal Alexandra hospital, which, it was promised, would remain open, but is now closed. Aside from paediatrics, there have also been campaigns with regard to maternity services at the Vale of Leven hospital and Inverclyde royal hospital. In those cases, local campaigners who, during the election, were promised that their service would remain open are having to take to the streets and sign petitions to protect it.

Fundamentally, this debate and other debates that we have had on NHS services come down to the integrity of this Government, public trust, the transparency of our health boards, an on-going workforce crisis, the continued cuts that health boards are having to make and the vital services that people need locally. The reality is that this is not happening in isolation. In response to freedom of information requests, health boards across Scotland have said that over the next four years they expect to make £1.5 billion of cuts. That will impact on services. We also have a workforce

crisis, with consultant vacancies across the country as well as 2,500 nursing vacancies. Our already overstretched, undervalued and underresourced NHS staff are having even more pressure piled on top of them.

The Government often hides behind what it claims is expert opinion, but what are the experts saying about this? The Royal College of Paediatrics and Child Health has made it very clear that St John's requires a 24/7 in-patient service. Again, I put on record my thanks to those at the RCPCH and all the staff at St John's who continue to go above and beyond.

We repeatedly hear the excuse that wards cannot remain open because of safety issues. My direct question to the cabinet secretary is: why have these wards been allowed to become unsafe on this Government's watch? It is simply not acceptable. I note that this debate is happening on the same day that a survey was published, showing that two thirds of NHS board members do not believe that their NHS board is transparent with the public. It is a complete shame and, quite frankly, a sham for the people whom the boards are supposed to serve, and it is incumbent on the cabinet secretary to address those issues head on.

We have heard platitudes, warm words and promises before, but people will judge the cabinet secretary and the Government on their actions. I hope that the cabinet secretary will today set out a clear, realistic and honest timetable for reopening the ward and tell us how she will address the workforce issues—not just at St John's but across Scotland—that are letting down too many of our patients.

17:40

**Alison Johnstone (Lothian) (Green):** I am sure that everyone in the chamber believes that the on-going closure of St John's in-patient paediatric service is unacceptable. We all accept that it is hugely distressing to staff, patients and their families. I, too, thank Neil Findlay for bringing the debate to the chamber.

In June last year, I attended a meeting with other concerned local politicians and NHS Lothian in the civic centre in Livingston. We sought assurances that the closure would be short term. It is fair to say that NHS Lothian could not provide an exact date for when the ward would reopen, but we are dismayed to find ourselves debating the issue in the chamber nine months later, with no resolution in sight.

We know that NHS Lothian has recruited one paediatrician, and has confirmed that an offer has been made to another candidate, but that will not solve the staffing shortages at St John's

immediately. I, too, reiterate that I fully support the recommendations from the Royal College of Paediatrics and Child Health on the future of St John's. Gordon MacDonald made the point that the review team reported that the population, activity and demand for a full obstetrics service in West Lothian merits the retention of in-patient paediatrics at St John's. I say to prospective consultants, who might be put off from applying due to uncertainty about the unit's future, that the campaigning on the issue simply demonstrates the need for the service in the hospital, and that people in West Lothian and in this Parliament would warmly welcome them.

West Lothian is one of the fastest-growing parts of Scotland. It is a popular place to bring up a family, and families cannot afford to lose this vital service. The closure of the service at St John's, as we have heard, puts pressure on the sick kids, our ambulance staff and other services, too. It is the year of young people in Scotland, and it reflects badly on us that, in 2018, young patients in West Lothian do not have access to a local in-patient service. Telling families that they are not unique and that the problem affects the whole of the UK is little comfort.

I ask the Government to really focus on the issue, because we need to get it right. I do not see any specific proposals in the Government's health and social care workforce plans that would address the serious shortage of paediatricians in Scotland. There are calls for changes to the paediatric training status of St John's. I support changes that would help to us to resolve the closure in a safe and effective manner. Equally, I understand that bringing more postgraduate trainees into the hospital would not necessarily allow the service's hours to be extended.

New proposals to improve working across sites in NHS Lothian must be brought forward. It is unacceptable for such a needed facility to be closed to in-patients for this length of time. While recruitment is on-going, NHS Lothian, and potentially other health boards, should work to provide cover from other facilities. If we think that it is acceptable for unwell children to be taxed over to Edinburgh, we have to consider arrangements that could be put in place to support staff who could work on a temporary basis in St John's.

We also have to ensure that families get appropriate help with travel expenses and other immediate costs. I visited the family support and financial inclusion service at the Royal hospital for children in Glasgow and learned about the financial support that it gives to families that often arrive in real distress, with a sick child, at any time of day or night, and worry about what will happen next. I would like that approach to be embedded in every major children's hospital in Scotland, with

reliable funding. I would like assurances that families with sick children in West Lothian will have support with expenses, and that they will know where to get that support.

Again, I stress that, fundamentally, the recruitment issues come down to a shortage of qualified doctors. We have to bring adequate numbers of students through our medical schools. We need to improve and widen access to medical degrees. I know that universities in Scotland are leading some great work. For example, the reach programme targets secondary schools with low rates of progression and encourages pupils into higher education.

However, we need to do more. Will the cabinet secretary inform us what action will be taken that has not been taken to date? Action is long overdue and it is needed now.

17:44

**Alex Cole-Hamilton (Edinburgh Western) (LD):** I congratulate Neil Findlay on bringing this important debate to Parliament and the campaigners who are fighting tirelessly to keep the issue in the forefront of our minds, not least for the benefit of my constituents who have regular cause to use the children's ward at St John's.

It is fair to say that the Government enjoys the support of every party and every member in the Parliament in its laudable aim of making Scotland the best place in the world to grow up in, but we will forever be adrift of that ambition when one of the principal children's wards to serve not just West Lothian but communities within the confines of our nation's capital can experience such a consistent manifestation of abject distress. That state of affairs gives light to many failures of Government policy. The fact that those children who require admission are transferred to Edinburgh sick kids hospital impacts not only on their lives but on the capacity of that hospital. It is a depressing situation.

It is depressing, too, that the challenges that the children's ward at St John's faces have again been raised for debate by an Opposition member rather than in Government time. I ask the cabinet secretary to reflect on that and to seek to hold a Government debate on the matter.

We are talking about a can that has been kicked down the road for six years. My friend and colleague and predecessor as a Lib Dem MSP, Alison McInnes, said in 2012:

"Parents deserve to have faith that St John's is operating at world-class levels and not surviving from day to day."

Six years on, the children's ward at St John's is still surviving from day to day. Closures and partial service reductions happened in 2012, in 2015 and,

as we now know, more extensively in 2017 and 2018.

In many ways, the situation at the children's ward at St John's represents a microcosm of problems that exist throughout the NHS as a result of the upward pressure that is exerted on every department and every hospital and primary care setting. There is unmet demand, patient inconvenience and discomfort, and inadequate workforce planning. The Government's record on workforce planning and child health in general is not great. Youngsters face two-year waits for first-line treatment in child and adolescent mental health services. Children's wards have been closed in other parts of the country—Anas Sarwar rightly mentioned the Royal Alexandra hospital—and there are other examples of the part-time provision that we see at St John's.

The treatment of our children should be the first priority not just of the Cabinet Secretary for Health and Sport but of the First Minister and the Government in its entirety. It should be the alpha and the omega of every consideration of healthcare spending and healthcare priorities. We are talking about the lives and the welfare of some of the most vulnerable children in our society, some of whom are critically unwell and many of whom are on uncertain journeys. At such times, people need certainty in the care that we can offer them. Despite that, we hear that 400 children have been transferred to an unknown destination, which has often turned out to be the Edinburgh sick kids hospital.

We know that the demand is there—we have heard a lot about that in the debate. The Royal College of Paediatrics and Child Health rightly suggests that the population that is currently served by the children's ward at St John's is adequate enough to sustain 24/7 service provision; in fact, such provision is required. Three thousand children a year use that facility, 1,000 or more of whom require overnight care. We are not talking about a rural area or an island community—the area in question is just a short drive from this chamber—yet for the past six years the Government has been found wanting in dealing with the staffing crisis that we in the Parliament have known about all that time. We have lurched from crisis to crisis.

I am proud to stand alongside Neil Findlay, other Opposition members and the campaigners in the gallery and outside who want to see action, not words. Enough is enough.

17:49

**Gordon Lindhurst (Lothian) (Con):** I, too, thank Neil Findlay for bringing this important debate to the chamber. Together with him and

other local politicians, I have previously been updated in person on the issue, but it has now dragged on beyond comprehension. When we sat together at the civic centre in Livingston in early summer last year to be updated on the third prolonged period of closure of the children's ward in six years, one dared to hope that a solution might be in sight.

Some progress seems to have been made. Last month, we learned that a sixth new consultant was to join the team—and possibly a seventh—but that was still not enough to provide a safe and stable working rota. Safety must, of course, be paramount. My understanding is that the Royal College of Paediatrics and Child Health has said that in-patient services should remain suspended until such time as an eighth consultant has been employed.

However, the appointments that I have just spoken about came one month after the ward was shut down entirely for two days in December. Progress was supposed to indicate moving towards option 1, rather than moving away from it by closing the ward altogether.

The review of paediatric in-patient services in Lothian that was conducted in 2016 rightly concluded that in-patient children's services should be retained at St John's for the long term. That makes sense if we consider the local need, which my colleague Miles Briggs and others have already touched on. Those who know Lothian, and West Lothian in particular, know it as a growing area, popular with young families. The population is expected to grow by well over 10,000 over the next two decades, so the need is increasing rather than decreasing.

When the review was undertaken, the team was told that the children's ward often came very close to capacity, and the second review into paediatric services concluded that there is "no quick fix". However, to have ended up in such a dire set of circumstances in the first place is surely unacceptable. The Health and Sport Committee inquiry in December 2016 stated—diplomatically, perhaps—that since previous concerns had been raised years ago,

"planning does not seem to have become more successful."

The reality appears to be that it has been getting worse.

If indeed there is no quick fix, surely the pragmatic approach that has been advanced by Opposition parties today should be fully considered by the Scottish Government. Adding flexibility by giving teaching accreditation for paediatrics to St John's, which was mentioned by Miles Briggs, might not only replenish staff levels in the here and now but raise the profile of the

ward to ensure future staffing sustainability. Embedding some stability in staff levels could be brought about in that way by turning St John's into a paediatric teaching hospital. That could provide a service that is so desperately needed by the people of West Lothian, and ensure its continuance. I look forward to hearing what the cabinet secretary has to say to that specific proposal.

17:52

**The Cabinet Secretary for Health and Sport (Shona Robison):** I welcome the opportunity to respond on this important topic and thank Neil Findlay for bringing the debate to Parliament. I will begin by explaining why an interim model of service for the in-patient paediatric ward at St John's hospital has been implemented.

Last July, the Scottish Government was advised by NHS Lothian that staffing levels for the ward were fragile and at risk, such that there would be no backup available if a member of staff was absent at short notice—for example, if they fell ill. That could have caused confusion and anxiety for parents and staff, and possible delays to emergency care. Therefore, the board's chief executive, supported by the medical director, took the decision to implement an interim model in the best interests and for the safety of children and their families.

It is important to stress that the decision that was taken by the board to implement an interim model has resulted in the majority of children's services being maintained at St John's. The children's ward is open 8.00 am to 8.00 pm five days a week, and provides a short-stay paediatric assessment service. Although the original plan was for children to be redirected to the Royal hospital for sick children at weekends, the board has been able to maintain a daytime weekend rota on all but three occasions since July 2017, and the paediatric ward has remained open for day-surgery activities as well as planned day-case procedures and programmed investigations. Paediatric out-patient services, neonatal services and community child health services have all been unaffected, and the accident and emergency service at St John's continues.

So, a wide range of children's services continue to be available in West Lothian and the vast majority of children who require services have continued to receive them locally at St John's.

For the children who have to travel, it is important that support is provided. In response to Alison Johnstone's question, I can confirm that that is the case. The board should be making parents aware of that.

I want to respond to Miles Briggs's comments about the position of St John's as a training facility. First, it is important to be clear that any decision about training status rests with the dean of postgraduate medicine at NHS Education for Scotland, in accordance with the standards that are set out by the General Medical Council. Members should also note that St John's is already a recognised training facility. There are currently six trainees in the paediatric unit at St John's. Those doctors are at a relatively junior level and need to acquire skills and experience in paediatrics.

I am advised that NHS Lothian has recently met the training programme directors to explore the placement of ST3—specialist trainee year 3—trainees for daytime experience within the unit, and further details of the experience that might be delivered to those trainees have recently been provided by the unit and are being actively considered by the training committee. If ST3 trainees are placed within St John's on a daytime basis, I am advised that they will not be able to participate in the out-of-hours service because patient throughput does not provide the educational opportunities that such trainees need and therefore would not meet GMC standards. However, I am happy to ensure that members are kept informed of progress in the discussions, because I think that it would be an important step forward.

NHS Lothian has taken a number of steps to improve consultant recruitment at St John's, in line with the college's recommendations. I understand that, following extensive recruitment campaigns, six new consultants are now in post and interviews in January this year have resulted in an offer being made to another candidate. The board is now, as required, in the process of completing the necessary pre-employment checks, and is hopeful of a successful outcome. That is heartening and demonstrates the board's determination to put in place a safe and sustainable rota to allow the return to a 24/7 service. The board remains committed to recruiting an eighth consultant in order to meet fully the recommendations in the Royal College of Paediatrics and Child Health's 2016 report.

I am also aware of the board's commitment to strengthening its advanced nurse practitioner workforce. Two internal members of staff are currently being trained in that role within the children's ward. On top of that, NHS Lothian intends to rerun an advertising campaign for qualified practitioners while also running an internal campaign offering nurses the opportunity to train in the role, following consideration by the board in April. As I have said, NHS Lothian remains committed to reinstating the 24/7 service and I believe that the recruitment efforts to date

demonstrate that; I do not think that those are the actions of a board that is shrugging its shoulders.

It is important, given the fragility of the service—which Neil Findlay mentioned in his speech—to recognise that to avoid that fragility in the future, we have to make sure that the RCPCH's recommendations are delivered. It seems to me that the recruitment efforts and success so far have got the board quite far down the road towards implementing the recommendations. That should give us confidence that it will complete the journey.

The RCPCH recognised in 2017 that there is no quick fix and that a long-term solution is needed, which will depend on successful recruitment of consultants and advanced nurse practitioners. As I have outlined, the board has been absolutely focused on that. The key recommendations were that the board should develop a 3-year strategy and action plan towards full implementation of the RCPCH report of 2016; that it should increase the number of advanced nurse practitioners; and that it should maintain and strengthen the short-stay paediatric assessment unit. All those recommendations are in hand.

**Neil Findlay:** The issue is that the RCPCH report was in 2016 and the situation has been going on for six years. The cabinet secretary says that there is no quick fix; surely people can expect progress, after such a long time, in ensuring that the service is back up to full speed?

**Shona Robison:** I have just taken quite some time to outline the progress that has been made. The college said that eight consultants would be required to get back to a 24/7 service. The board is in the process of appointing the seventh consultant. I do not think that that says to any reasonable person that no progress has been made. Getting seven out of eight consultants shows that progress is being made. Yes, the board has to recruit the eighth consultant, and yes, it has to make sure that the advanced nursing staff are there. However, to say that no progress has been made is not a reasonable assessment of the situation.

**Neil Findlay:** Will the cabinet secretary take an intervention?

**Shona Robison:** No, thank you.

The paediatric programme board was set up to implement the recommendations of the college's report of 2016, and it has been working hard to do so. It has been formulating a strategic plan and vision for services at St John's which, again, is important if we are to recruit to the hospital people who could go anywhere in the world. There has to be a good vision for the service and we have to promote the hospital in a positive light. The board has had some success because many of the posts

have been recruited on a network basis, which I think has made them more attractive. However, that vision for the hospital is important.

**Miles Briggs:** Will the cabinet secretary take an intervention?

**Shona Robison:** Just a second.

Options to be developed by the programme board, through wider involvement from clinical stakeholders, will be finalised at a workshop in early March. Those options will be presented at the NHS Lothian board meeting in April. Again, there is a sense of momentum in that, and the board is looking at what else can be done.

**The Deputy Presiding Officer:** The cabinet secretary was just closing, but if she is willing she may take the intervention.

**Miles Briggs:** I thank the cabinet secretary for taking my intervention.

As you have heard today, there is a lot of frustration among members of all parties at the lack of progress and the lack of information being provided. Will you commit to updating Parliament on the issue, so that we can progress it, and to take it to NHS Lothian? In my time as a member of the Scottish Parliament, the lack of information from NHS Lothian on the issue has been pretty shocking, and we have been kept in the dark on it for too long.

**The Deputy Presiding Officer:** I remind members that they should always speak through the chair rather than having direct conversations.

**Shona Robison:** First of all, we always make NHS Lothian aware of issues that are raised during debates. Of course I will be happy to do that. I am aware that NHS Lothian provides regular briefings to MSPs. Those are opportunities to hear some of the detail, but I can certainly feed that back and make sure that it the board provides information. Communication—not only to MSPs, but to the public—is important, as is knowing that progress is being made in the recruitment efforts.

I end by emphasising the Government's on-going commitment to a fully sustainable, safe and high-quality NHS, of which the workforce is a crucial element. That will be helped by the £400 million increase in the budget for 2018-19 for which some of us have just voted at decision time.

I have asked NHS Lothian to keep me closely apprised of the outcome of its on-going recruitment efforts and have been assured that recruitment continues to be of the very highest priority.

I thank everyone for their contributions to the debate. I will be very happy to make sure that members are kept fully informed of the recruitment

efforts with a view to returning St John's to a 24/7 service as soon as possible.

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

**The Deputy Presiding Officer:** First of all, I should say that that concludes the debate.

**Neil Findlay:** I am sure that the cabinet secretary did not mean to mislead Parliament, so I put on the record that NHS Lothian used to have regular briefings for members but, to my knowledge, there has not been one for nine months or a year. I have written to NHS Lothian twice about that, but have not had a response.

**The Deputy Presiding Officer:** That was not a point of order, but I understand that the cabinet secretary is quite happy to respond with her point of view on it.

**Shona Robison:** I am certainly happy to suggest to NHS Lothian that it might want to brief elected members regularly. However, there is also an onus on elected members to ask NHS Lothian to meet them and to brief them fully. I imagine that it would be quite happy to do so, should the member request a meeting.

*Meeting closed at 18:03.*



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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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