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Scottish Parliament

Tuesday 6 March 2018

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

Time for Reflection

The Deputy Presiding Officer (Linda Fabiani): Good afternoon. Our first item of business is time for reflection. Our time for reflection leader is Commissioner Keith Banks of the Salvation Army, who is the chaplain at Glasgow airport.

Commissioner Keith Banks (Salvation Army Chaplain, Glasgow Airport): I thank you for your welcome and the invitation to be here today, which I consider to be a great honour and privilege.

After nearly nine years in my role, one thing that I have discovered for sure is that I need to be human at all times: natural, unstuffy, approachable. I need to be not pious, pompous or holier than thou, but to know what is going on with Rangers and Celtic, and with Hibs and Hearts.

If it is true that the whole of human life is found in an airport—and it is—it follows that all human emotions are reflected there: human joys, sorrows, disappointments, anger and aspirations. Experience has shown me that training and academic attainments, though incredibly helpful, are not paramount. What matters most is that I am seen as a flesh-and-blood human being as much as is humanly possible.

People talk to me about all things human: the pain of grief following the loss of a loved one or a work colleague; an addiction that they are struggling with; concerns about the workplace, such as redundancy; fear for their mother's health; anxiety about a child's education; or a gender or orientation issue. People share their happiness, their jokes and their frustrations. They ask questions about God, about worrying things in the news, about the relevance of faith in the 21st century and about things that have been said in this chamber. There are always passengers who cannot understand why their plane has been delayed or why their luggage has gone missing, and there are those who cannot find the toilets. That is all very human.

When I escorted from a plane a grieving 85-year-old woman who had seen her husband pass away mid-flight, what really mattered was a caring human presence—a human ear and a human arm.

As a Christian minister, I do my best, as an ordinary human guy, to follow Christ. He was truly and properly divine, but he was truly and properly

human, too. My task is to reflect the divine nature of his love and his humanity without discrimination, which, of course, was the way in which he did it.

I guess that that is how it should be for all of us who interact with people. Whether or not we are people of faith, we should never be so lost in the clouds that our feet lose contact with the floor, because that is where people are. People need chaplains—and politicians—to be real people themselves as much as is humanly possible. So may it be.

Business Motion

14:19

The Deputy Presiding Officer (Linda Fabiani): The next item of business is consideration of business motion S5M-10833, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revised business programme for today and tomorrow.

Motion moved,

That the Parliament agrees to the following revision to the programme of business for Tuesday 6 March—

after

followed by Topical Questions

insert

followed by Ministerial Statement: Scotland's plan to tackle climate change and reduce emissions—[*Joe FitzPatrick*].

Motion agreed to.

Atrial Fibrillation

The Deputy Presiding Officer (Linda Fabiani): The next item of business is a members' business debate on motion S5M-09376, in the name of Colin Smyth, on atrial fibrillation in Scotland. The debate will be concluded without any question being put.

Motion debated,

That the Parliament welcomes *Focus on Atrial Fibrillation in Scotland; A report by the Cross Party Group on Heart Disease and Stroke*, which is due to be published on 23 January 2018; recognises that this heart condition, which affects an estimated 145,000 people across the country, including in the South Scotland parliamentary region, increases the risk of stroke by fivefold; welcomes the work that has taken place in compiling the report, and thanks the members of the advisory panel who supported and informed the report and helped formulate the recommendations.

13:20

Colin Smyth (South Scotland) (Lab): I thank all the members from across the chamber who supported my motion and allowed this debate on how we can improve care for those with atrial fibrillation, which is among the most common types of irregular heartbeat, to take place.

What is atrial fibrillation? A normal heart's pumping action is controlled by regular electrical messages that are produced by the part of our heart that is called the sinus node. Atrial fibrillation occurs when additional, irregular electrical messages are sent from other areas in and around the atria, which is the upper chamber of the heart. Those irregular messages make the atria quiver or twitch, which is known as fibrillation—hence the name atrial fibrillation.

Around 96,000 people in Scotland are currently diagnosed with the condition. It is particularly prevalent among older adults, so rates are expected to rise in line with our ageing population. In fact, international data suggests that AF rates could triple by 2050.

Given the scale of the condition in Scotland, the cross-party group on heart disease and stroke, of which I have the pleasure of being co-convenor, decided to carry out an inquiry to examine how to improve detection, treatment and awareness of the condition. The inquiry process, which included more than 250 written consultation responses and four round-table evidence sessions, brought together knowledge from a range of perspectives, and the expertise of those who were involved is clear from the report's 10 key recommendations.

However, it was the contributions from those who live with the condition that added a real depth of understanding. The voices and the lived

realities of those with health conditions are all too often missing in the statistics and the analysis that we use to inform our work on health issues. I am therefore delighted that we were able to incorporate into our inquiry so fully the invaluable insights and experiences of those with AF.

A recurring point that was raised in our inquiry was the difficulty of identifying and diagnosing atrial fibrillation. Gordon, who was a round-table participant with AF, told the inquiry:

“I think the big problem is those who are undiagnosed, who perhaps don’t have many symptoms, aren’t aware that they’ve got AF and their risk of stroke, or heart failure, are very, very much increased”.

That was a very valid point from Gordon. AF increases a person’s risk of stroke by five times. It is associated with heart attacks, and it is thought to be a factor in heart failure.

Ivan, who was another participant, told the inquiry:

“I probably had AF for a long time but didn’t know what it was. To me, the condition was unknown”.

That response is all too common. I said that 96,000 people in Scotland have been diagnosed with AF. However, it has been estimated that 2.6 per cent of the Scottish population—that is, 145,000 people—have the condition. That means that as many as 50,000 people in Scotland are living with undiagnosed AF.

One of the key barriers to early diagnosis is that the condition often exists with very limited symptoms or no symptoms at all. Indeed, as many as 40 per cent of people with AF experience no symptoms at all, and those with paroxysmal AF often struggle to gain a diagnosis at all because of the intermittent nature of their condition. For some people, the first indication that they have AF is when they suffer a stroke. However, with the right treatment—for example, the appropriate use of anticoagulation drugs—the risk of stroke for those with AF reduces by two thirds.

Given that stroke is the third most common cause of death and a leading cause of disability in Scotland, the benefits of early diagnosis of AF cannot be stressed enough. As a result, although our report stops short of advocating national universal screening, we propose

“targeted AF case-finding programmes for those most at risk”,

as well as more investment in proven technologies for AF detection. We also stress the need for the Government to tackle staff shortages—for example, the lack of cardiac physiologists—to improve early diagnosis.

However, diagnosis is not the only issue. Clinical professionals and people with AF alike raised concerns about post-diagnosis pathways

and support, and the inquiry revealed the need for more integrated and specialised care for people with AF.

Additionally, widespread concerns were raised about the lack of information for those diagnosed with the condition. Indeed, 15 per cent of respondents to our inquiry said that they had received no information at all about their condition, and only 33 per cent said that they had received a detailed explanation.

A number of consultation respondents reported that their treatment options were not fully explained to them. One stated:

“I would have been happier if it had been explained to me why other treatments were not for me.”

Similarly, Richard, who took part in one of our round-table discussions, told the inquiry that

“atrial fibrillation is unique to the individual so each case must be carefully considered to determine the correct course of treatment. It would be good if someone could give an idea of what treatments are available, and which are likely to work in each particular situation.”

It was clear from our inquiry that more needs to be done to ensure that patients with AF are adequately informed and actively involved in decisions about their care.

The importance of information extends to the wider public, and a number of responses to the inquiry highlighted the need for a public awareness campaign and the importance of raising awareness of AF among healthcare professionals.

Respondents to our inquiry also reported differences in how often their condition and treatment are reviewed. One stated that they

“would have liked a check-up programme”

but that they

“had little success in asking about drug changes and risks of current drugs.”

Integrated, multidisciplinary care can allow more opportunities for AF patients to receive appropriate reviews of their condition, provided by a variety of health care professionals. For example, community pharmacy could have a particular role to play through regular medication reviews for people with AF.

Our inquiry highlights the need to re-examine how we identify and ultimately treat atrial fibrillation, and I very much commend our 10 recommendations to the Scottish Government. If implemented, they would drive forward positive change and act as a catalyst that would improve the outcomes and experience of people with the condition.

I appreciate the efforts of everyone who was involved in our inquiry. I extend our gratitude to those who were kind enough to share their personal experiences of living with atrial fibrillation. I also thank the members of the advisory panel to the inquiry: Jim Bruce and Paul Hodson, who were our patient representatives; Wendy Armitage from Chest Heart & Stroke Scotland, Morven Dunn from the British Heart Foundation and Colin Oliver from Stroke Association Scotland, who were our third sector representatives; and Dr Neil Grubb from NHS Lothian, Professor Lis Neubeck from Edinburgh Napier University and Dr Terry Quinn from the University of Glasgow, who were our academic and clinical advisors. They all provided invaluable advice, for which we are very grateful.

I particularly thank Kylie Barclay from the British Heart Foundation, who invested a huge amount of time and effort in supporting the inquiry and developing the excellent final report that is before us today. I hope that everyone who was involved in the report is proud of it. It is a positive example of the work of a cross-party group.

Creating our report is only the first step. I am the co-convenor of the cross-party group on heart disease and stroke. My fellow co-convenor is Alexander Stewart, who continues the excellent work of his predecessor Maree Todd. We are determined, along with all members of the CPG and the advisory panel, to build on the momentum that I hope our report has created.

We are committed to working collaboratively with the Scottish Government and NHS Scotland to deliver our recommendations and, ultimately, to make a positive difference to the lives of people living with atrial fibrillation, their families and their carers.

The Deputy Presiding Officer: We move to the open debate. We are really pushed for time today, so speeches of less than four minutes would be much appreciated.

13:28

Alexander Stewart (Mid Scotland and Fife) (Con): I am delighted to be able to participate in today's members' business debate, and I congratulate Colin Smyth on securing it.

As we have heard, atrial fibrillation is one of the most common forms of abnormal heart rhythm and a major cause of stroke in the United Kingdom. AF is an abnormal heart rhythm in the heart's upper chambers, and we have heard about its consequences. More than 96,000 people in Scotland alone have the condition. We are also aware that 50,000 people remain undiagnosed, which is a massive number of individuals who are not aware of a condition that they might have to deal with at any time. Therefore, it is very

important that we are aware of the condition and get out the message that we are trying to put across today.

In my Mid Scotland and Fife region, 12,188 people have been diagnosed with AF. They will undoubtedly be aware that the condition increases the risk of stroke by up to five times. Stroke is also the third most common cause of death and a leading cause of disability, with more than 15,000 people in Scotland having had a stroke in the past year.

I am privileged to be, along with Colin Smyth, co-convenor of the cross-party group in the Scottish Parliament on heart disease and stroke. I was actively involved in the group before I stepped up to that role when Maree Todd moved on, and I am thrilled that we have achieved so much already. I pay tribute to everyone who has participated in the group.

I was delighted to host the British Heart Foundation's social science event in the Parliament on the first evening in February. The event highlighted the charity's fantastic research into AF.

The cross-party group held an inquiry into the diagnosis and treatment of people in Scotland who live with AF. The launch of our report was a fantastic opportunity to make the case for what the cross-party group is trying to achieve, and the group is doing everything that it can to move things forward.

The group heard from two of the British Heart Foundation's hugely knowledgeable scientists. Professor Jesse Dawson and Professor Tony Workman gave fascinating insights into what they are doing to break down barriers through their fantastic work, which includes studying single heart cells taken from individuals who are managing chronic illness and identifying research that will ensure that every individual gets the best chance. Their work is improving our understanding of AF.

As Colin Smyth said, the round-table discussion with individuals who live with AF was useful in enabling us all to gain an understanding of the symptoms and hear people's views about the condition and what needs to be done. The scientists' contribution was vital, too.

I pay tribute to all who are working so hard to pioneer new treatments for AF, to everyone who is participating in a study and to everyone who helped to produce the recent publication.

The report is, without question, a major achievement, which shows us in the best light—working together at local and national levels. Such an approach enables us to support the work of the British Heart Foundation and provides a platform

from which to promote the scientists and volunteers, so that the message goes out loud and clear.

We are here to fight alongside the British Heart Foundation, hand in hand, to support the charity in its drive to raise awareness and improve outcomes for people who live with AF.

I am delighted to provide assistance and support whenever I can and to play my part in standing up for improved awareness of atrial fibrillation.

13:32

Emma Harper (South Scotland) (SNP): I congratulate Colin Smyth on securing this important debate, and I remind members that I am a registered nurse.

Colin Smyth's motion says that there are 145,000 people in Scotland who are at risk from stroke due to atrial fibrillation. Some 50,000 of those people have not been found yet. I want to focus on detection and diagnosis.

The report of the cross-party group on heart disease and stroke, "A Focus on Atrial Fibrillation in Scotland", discusses detection and diagnosis, which are important in the prevention of stroke in the first instance—that is primary prevention—and in the prevention of a further stroke, which is secondary prevention.

Most folk's hearts beat in a steady, regular rhythm—"like a ticking clock", as it says in the report—of 60 to 80 beats per minute at rest. AF is a heartbeat that is not regular—an arrhythmia. The most common method for detecting an arrhythmia is traditionally to use the radial pulse and check for 60 seconds, by putting one's hands on the patient's wrist, feeling for the radial pulse—the pulse at the thumb side of the wrist, where the radial artery is—and counting the beats for a full minute. Feeling the pulse for a full minute allows the trained individual, whether they are a doctor, a nurse, a healthcare support worker or an allied health professional such as a physio or dietician, to determine whether the rate is regular. An irregular heart rate triggers a further test: a diagnostic electrocardiogram, or ECG.

The current vital signs chart—the national early warning score, or NEWS chart—is where temperature, pulse or heart rate, blood pressure and respiration rate and other vital signs such as blood glucose and urine output are recorded. The NEWS documentation now includes a box to prompt those who obtain and record vital signs to say whether a pulse is regular or irregular. If an irregularity is detected, there is further diagnostic practice.

The NHS Dumfries and Galloway stroke nurse specialist I contacted last week—Christine Cartner—said that if an irregular heart rate is detected, it is often at the time of admission to hospital. However, by that time, people might already be experiencing a stroke event. Christine said that the main issue is detecting and diagnosing AF prior to a stroke happening and outside of hospital. The new technology that is emerging to detect AF is interesting. A simple electronic test can be used to validate regularity or arrhythmia by using a single-lead electrocardiograph.

The cross-party group made 10 recommendations in its report, but I will not be able to review all 10 in the time that I have today. Recommendation 1 said that

"targeted AF case-finding programmes for those most at risk"

should be considered. Those groups include those aged over 65 years and "those with previous stroke". I support the potential to use technology.

The third recommendation was:

"Invest in the proven technologies within clinical practice to detect AF."

I like the idea of a single-lead ECG to diagnose AF, as there is certainly difficulty in achieving a 12-lead ECG with accurate lead placement and exposure of the patient's chest, and the discomfort or embarrassment of the 12-lead process.

I am sure that my colleagues will mention other issues that were raised in the report. I welcome the report and continued evidence-based information to develop the best guidelines to detect, diagnose and treat the 50,000 folk with AF whom we have not yet found.

13:36

Anas Sarwar (Glasgow) (Lab): I am pleased to speak in support of the motion from my colleague, Colin Smyth, and the important issues that are raised in "A Focus on Atrial Fibrillation in Scotland". I congratulate Colin Smyth and all the individuals and organisations that are involved with the CPG and the report. They have done a service for all of us in the Parliament and beyond.

Atrial fibrillation is one of the country's most common conditions, affecting as it does around 100,000 people in Scotland who have been diagnosed with the condition. It is feared that as many as 50,000 people are currently living with the condition, but have not been diagnosed. The condition has serious implications—patients are five times more likely to be at risk of a stroke, and those strokes are likely to be more severe.

Briefly, I want to recognise the work that all Governments have done. It is important to stress that there is cross-party consensus on moving forward and focusing on strokes as one of Scotland's three main killers, alongside cancer and heart disease. Strokes are the third most common cause of death and one of the leading causes of disability, so it is right that we give the issue focus and priority.

I will focus my comments and suggestions briefly on three areas, the first of which is the shortage of cardiac physiologists in Scotland. The Cabinet Secretary for Health and Sport, the Minister for Public Health and Sport and I have sparred many times across the chamber on the need for a proper workforce plan, the need to address acute shortages in clinical staff and the need to address the large number of consultant vacancies. Perhaps the minister might want to address those issues as they relate to the report.

The second area is how we can work to improve detection and diagnosis. The use of new technology in detection and diagnosis can play a key role in a more accurate diagnosis. Indeed, the diagnosis could be carried out using new technology in settings outwith a hospital or general practitioner practice—particularly in pharmacies or community settings—which could help relieve some of the stress and strains in the acute sector.

Diagnostic practices also need to be consistent across the country. There is variability across the country in diagnostic services for atrial fibrillation. Addressing the staff shortages, along with the wider availability of new technology, would play a big part in addressing some of the geographic differences in diagnosis. I would welcome the minister's comments on how we can ensure a more consistent approach across Scotland, how we can learn from best practice in other parts of the country and how that can be replicated across the whole of Scotland.

Thirdly, I want to consider the care pathway on which patients travel. We know that atrial fibrillation requires a long-term care management plan. That plan requires the integration of many members of the healthcare team, including cardiologists, nurses, GPs, pharmacists and social care staff. There are good examples of best practice across the country, for example in Tayside and Lanarkshire. Everyone should benefit from the good practice that is developed by colleagues in other parts of the country. Again, I hope that the minister will take the opportunity to set out that her department will ensure parity of service, no matter which health board an individual happens to reside under.

I will close, because I realise that we are short of time. The Government has a key role to play, and I look forward to working with the minister and

the wider Government, to hearing what she has to say and to working directly with the cross-party group and all the organisations that are represented on it to progress the recommendations in the report so that we can deliver a first-class service for every patient across Scotland that can serve as an example to the rest of the United Kingdom. [*Applause.*]

The Deputy Presiding Officer: I ask those in the gallery not to show appreciation or otherwise. That does not mean that nobody will appreciate Rachael Hamilton. [*Laughter.*]

13:40

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): Wow! I have never had a welcome like that before.

I welcome today's important debate, and I congratulate Colin Smyth on securing it. I declare an interest as a new member of the cross-party group on heart disease and stroke. I look forward to contributing to the group's work and to helping it to build its momentum in the future.

When I first met the British Heart Foundation in 2016, it became clear that atrial fibrillation is, despite the fact that it is all too common, not well known. The condition occurs when additional irregular electrical messages are sent from places in and around the atria, which provokes the atria to quiver or twitch—what is known as a fibrillation—and has been diagnosed in 96,376 people in Scotland. Symptoms include palpitations, breathlessness, dizziness, fainting and fatigue, but 40 per cent of people with AF do not experience any symptoms at all. AF might therefore affect thousands more people but remains undiagnosed as a result of the condition not being known about. From the information that has been gathered, we believe that the actual number of people with the condition could be as high as 145,000.

As we have heard, atrial fibrillation can increase fivefold the chances of stroke—the most common cause of death and the leading cause of disability in Scotland—so it can be a life-changing and potentially deadly condition. A number of risk factors are associated with AF, including increasing age, high blood pressure, heart failure, valvular heart disease, previous heart attack, thyroid disease, obesity, diabetes, chronic lung disease, sleep apnoea, kidney disease, smoking and excessive alcohol consumption.

In January, I welcomed the British Heart Foundation's call for more support to help people who suffer from the condition, of whom there are some 1,724 in the Scottish Borders. I welcome the initiative that encourages the implementation of specialised AF services to facilitate accurate diagnosis and to raise awareness. I also welcome

the excellent work that has been done by Colin Smyth and all the members of the CPG, and I welcome the group's 10 recommendations to the Scottish Government. It is no mean feat for a CPG to gather evidence from carefully selected advisory panels, so we thank everyone who helped to formulate the recommendations in the report.

I fully support the calls to encourage targeted AF case-finding programmes for people who are most at risk—people who are aged over 65, those who have previously had a stroke and those with cardiovascular risk factors. As we know, Scotland and the Scottish Borders have an ageing population, so it is essential that people who are at risk get the support that is required.

In line with that, the Scottish Government should actively promote, and support health boards to implement, specialised AF services in order to facilitate accurate diagnosis, to ensure prompt appropriate anticoagulation and to provide patient-centred management. It was only recently that the Scottish Borders received pulmonary rehabilitation services to help people who suffer from chronic obstructive pulmonary disease. Before that, NHS Borders was the only health board in Scotland without such a service. There should not be such inequality among health boards, so we must ensure that when a service is rolled out to help people with AF, it is rolled out to all health boards. I am sure that that will be the case, but if it is not, I will help to ensure that it is.

I again thank Colin Smyth for securing the debate, and I thank the CPG and the British Heart Foundation for their work on the published report. The Scottish Government has much to do to support the 145,000 AF sufferers, but I am sure that its efforts will be supported by all of us in Parliament.

13:44

The Minister for Public Health and Sport (Aileen Campbell): As other members have done, I congratulate Colin Smyth on bringing the motion for debate. I am glad that we have finally got the chance to do so after the weather postponed play last week.

I also congratulate all the members who were involved in the inquiry and the report. A considerable amount of work went into the inquiry from experts, but as Colin Smyth articulated, it is important that the voice of people with experience of atrial fibrillation was also heard.

I applaud Colin Smyth and Alexander Stewart for their passion about and knowledge of AF. I agree with Alexander Stewart that the work on the inquiry and report shows Parliament and its cross-party groups in the best light.

I welcome the opportunity to discuss atrial fibrillation and the Government's work to improve AF diagnosis, treatment and care. That work is being done by the Scottish Government, NHS Scotland and our third sector partners, including the British Heart Foundation, Chest Heart & Stroke Scotland and the Stroke Association.

As the motion notes, AF is a common and serious heart condition that is associated with a fivefold increase in the risk of stroke. Although most people who have the condition are diagnosed and provided with appropriate treatment, data suggests that 50,000 people with AF in Scotland are undiagnosed. That point has been raised by other members—certainly, by Colin Smyth and Rachael Hamilton. That it is why our national advisory committees for heart disease and for stroke, which include third sector partners, have developed our AF work plan, which aims to support improvement in AF diagnosis, treatment and care. I appreciate also the authoritative and detailed contribution to the debate by Emma Harper, who brought her nursing expertise to bear on how we tackle diagnosis and treatment of AF.

I am pleased that the work plan's actions and priorities echo the recommendations in the CPG's report. I welcome that concord and was pleased to contribute to the parliamentary reception celebrating the report's publication in order to share our perspective on, and our work to improve, AF issues. I pay tribute to the people who contributed to that event, including those with lived experience of AF whose voices added colour to the report's findings. It was a pleasure to meet many people who contributed to the inquiry, to hear from people with AF and to reflect on our shared commitment—which is ambitious and consensual—to improve diagnosis and treatment of AF and care of those who are affected by AF.

I was pleased to note that the progress in delivering our heart disease and stroke improvement plan's commitments on AF is acknowledged in the inquiry's report. That includes development of AF e-learning in the heart education awareness resource and training through e-learning—HEARTE—resource, and the stroke training and awareness resources, or STARs, project. Those have both been produced by Chest Heart & Stroke Scotland. Those resources were funded by the Scottish Government, as was a project that tested using smartphone apps in primary care to identify AF, which is another example of using modern technology to help advance treatment options.

The progress on the improvement plan commitments on AF galvanised our national advisory committees for heart disease and stroke to work with partners to improve further AF provision across the healthcare system. They

produced our AF work plan, the core of which is to improve pathways for AF detection and treatment in primary and secondary care—specifically, supporting AF case finding in primary care, effective follow-up in secondary care and identifying AF in people who have had a stroke in order to reduce the risk of further stroke.

To respond to some of the issues that Anas Sarwar raised, I note that the report and our work plan provide opportunities to drive forward the improvement that I think he is seeking, and to introduce far more consistency across the country in AF treatment, diagnosis and care.

On the points that Anas Sarwar and Colin Smyth raised about physiologists, we are aware of the UK shortage of cardiac physiologists, so the Scottish Government is considering a formal request to add cardiac physiologists to the shortage occupation lists for tier 2 visas, which would ensure that NHS Scotland can maximise use of overseas recruitment options.

In reflecting on some of the points around care for individuals, I say that one of realistic medicine's main aims is shared decision-making by patients and healthcare professionals, informed by discussion of treatment options. That and the AF work plan seek to ensure that the benefits of clinical interventions and technologies are maximised. The person-centred plan also includes aims such as raising awareness among the people who are at most risk of AF, enhancing patient engagement and, in time, using data to measure progress and inform our next steps to improve AF diagnosis, treatment and care.

It is important to empower people. Colin Smyth and others referred to ensuring that people are at the centre of the care in order to help them to cope with their condition, and that they have active input into what that care looks like.

I acknowledge all those who contributed to the development of the AF work plan, and I note that many people were also actively involved in the cross-party group's AF inquiry. Joint work across boundaries and portfolios—such as that to deliver our AF work plan—will achieve the aims of our health and social care delivery plan. We want a health and social care system that is integrated and works together, that is focused on the principles of anticipating people's health needs, that provides the best standards of quality and safety, and which always puts people at the centre of decisions about their care.

Our vision for primary care is at the heart of improvement in AF diagnosis, treatment and care. We are working with general practitioners, the British Medical Association, integration authorities and health boards to implement the agreed priorities for transformative service redesign in

primary care. Key to that is the new general medical services contract, under which general practitioners will become more involved influencers in the wider system in order to improve local communities' population health, with GP clusters working to improve continuously the quality of patient care. The refocusing of GPs' role as expert medical generalists will in the future result in some of their current tasks being carried out by wider primary care multidisciplinary teams, where it is safe and appropriate to do so.

AF should also be set within the context of our wider efforts to drive forward improvement at population health level. Heart disease and stroke mortality and incidence rates have decreased over the past decade, which shows that our strategies deliver real improvements, but we want to do more to prevent heart disease and stroke. We are taking decisive action to address alcohol consumption, reduce smoking rates and encourage healthy eating and active living, and we are investing to improve mental health services to help to support people to live healthier lives. Aligned with that is our work to ensure that we can reduce the health inequalities that we all want to see being reduced.

I welcome the inquiry report and its alignment with the priorities in our AF work plan. The two reports and sets of actions give us a blueprint for Scotland to drive forward the improvement and consistency that we seek to have in AF diagnosis and treatment. I again pay tribute to the work of the cross-party group and everyone who was involved in making the inquiry and the report so authoritative. It allows us to work together to make the improvements that we need.

Topical Question Time

13:52

Severe Weather

1. Gordon Lindhurst (Lothian) (Con): To ask the Scottish Government whether it will provide an update on its response to the recent severe weather. (S5T-00962)

The Deputy First Minister and Cabinet Secretary for Education and Skills (John Swinney): Last week's severe weather, which included the first ever red warning for snow, posed significant challenges across Scotland. The Scottish Government's dedicated resilience operation, which monitors weather and flood alerts all year round, was activated in advance of the severe weather and continued to meet regularly to ensure that ministers were kept fully updated on any developing issues.

The operation also worked closely with Scotland's network of resilience partnerships, which brings together emergency services, local authorities, health boards, power companies and others, to ensure that we understood any challenges that were happening on the ground and could offer support and guidance where necessary. That process enabled strong and decisive management of a challenging situation and ensured that practical public safety guidance was issued in advance of each change in the warning level.

The Scottish Government resilience room facility remains active while we monitor the national recovery and any potential impacts of flooding that follow the thaw of the snow.

Gordon Lindhurst: I commend all the emergency services and other workers who battled with the severe conditions to keep Scotland going over the past week, and I thank everyone who banded together to help out in their local communities.

It is clear that the severe weather disrupted the Scottish economy, with estimates of loss due to the closure of high streets and the inability to transport goods ranging in the hundreds of millions of pounds. We saw, for the second time this year, people in cars stuck on motorways and trains not running.

Will the cabinet secretary be assessing whether improvements to infrastructure to mitigate the effects of extreme winter weather can be undertaken to enable even better responses in the future? What can be learned from other countries that are more familiar with severe weather?

John Swinney: First, I associate the Government with the comments that Mr Lindhurst made about the role of the emergency services and the countless volunteers the length and breadth of the country who have made an extraordinary contribution to supporting individuals during this period of severe weather, but also to bringing about the rapid recovery from that.

On the question of economic disruption, Mr Lindhurst will have seen the varying analyses of economic impact. The Fraser of Allander institute, for example, said yesterday that it did not believe that the economic impact would be as severe as others predicted because, in essence, the resources that individuals did not spend last Wednesday, when they could not get to the shops, they are likely to spend this Wednesday, when they can. I acknowledge that there will be economic disruption; the challenge for the Government is to work with all our partners to minimise it as far as possible.

That brings me to the latter part of Mr Lindhurst's question. After every severe weather incident, the Government undertakes a review of how it was handled to identify lessons that can be learned. One of the key lessons that was applied in this instance was the giving of very early, timely and specific warnings to avoid travel, which reduced significantly the volume of traffic on our transport network and, as a consequence, resulted in many fewer motorists and other travellers being stranded in our transport networks than would have been had we not given such clear warnings.

Of course we look at what is done in other countries. Part of the debate that we have to have is about the level of resourcing and resilience that we ordinarily should have in place to manage such circumstances. Obviously a lot more could be spent to provide for these events, but we have to be mindful of the fact that we do not face them every single year. There is a balance to be struck. It was clear to me over the course of the past week that we have a resilience capacity that can be moved around the country to assist those parts that are facing more difficult challenges. That is an important part of the collaborative arrangements that the Government has put in place.

Gordon Lindhurst: The impact on our roads becomes ever clearer as the snow thaws and recedes. We learned recently of the 20 per cent cut that the Scottish National Party has made to pothole funding since 2010, the effects of which have been seen all too clearly in Edinburgh. Given the additional, potentially significant damage to our roads as a result of the recent severe weather, can the Government give a commitment to provide more support for our roads networks and to local authorities for coping with the additional repair

burden that has come with this exception to the weather that we are used to?

John Swinney: The Government has increased the resources that we put in place for road maintenance by £45 million in the budget. Obviously, local authorities have to take their own decisions about the level at which they invest in roads. The Conservative council in Perth and Kinross, for example, did not invest as much in road repairs this year as the SNP group proposed in the budget process, which is a matter of great regret to me. That investment decision varies around the country.

As a Government, we have activated the Bellwin formula, which has made available to local authorities the opportunity to put forward claims of extraordinary expenditure that are associated with handling these incidents. Any applications that are made through the Bellwin formula will be considered in due course by the Cabinet Secretary for Finance and the Constitution, and local authorities will be advised.

The Deputy Presiding Officer: Four members wish to ask a question. If we are fairly sharp with questions and answers, everyone will get in.

Ross Greer (West Scotland) (Green): The Scottish Trades Union Congress has collected stories from across the country of workers who have been treated shockingly during the extreme weather by employers who have told them that they have to turn up for work despite the weather warnings. That put them and their customers in danger. The First Minister and the Minister for Transport and the Islands have made welcome statements on the matter. Will the Deputy First Minister outline what the Scottish Government is going to do to defend workers' rights during extreme weather conditions?

John Swinney: First, although I accept that some people have been treated badly by their employers, a large number of individuals have been well and appropriately treated by employers who have not asked them to undertake journeys that would put them at risk.

Yesterday, the Government met the STUC as part of our on-going dialogue with it. We agreed to collaborate in developing a fair work charter that focuses on the treatment of workers who are affected by severe weather or other emergencies. We will progress that work as part of our continuing relationship with the STUC. Obviously, we will do so in the context of employment law and employment rights not being devolved functions, but we will do as much as we possibly can within our areas of legislative competence to make sure that workers are properly protected from being asked to undertake journeys or to attend work when it is patently unsafe for them to do so.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): I ask the cabinet secretary about the statement that the Minister for Transport and the Islands made about deductions from wages. I contacted the two councils that are in my area. Midlothian Council has paid in full all employees who could not get to work, particularly during the time of the red warning. However, Scottish Borders Council is giving only one day of full pay and, otherwise, it is asking those who could not work at any point to take the time off either their flexitime or their leave to make up for their absence. To me, that is docking wages by another name. I ask whether the cabinet secretary or the transport minister will raise the issue with the Convention of Scottish Local Authorities.

John Swinney: We will be very happy to pursue discussion of this question with local authorities. As I said in my earlier answer to Mr Greer, we think it important—and our dialogue with the STUC reinforces the point—that individuals are treated fairly and appropriately. As Christine Grahame cites, Midlothian Council has taken an appropriate approach in that respect, but we will be happy to raise such questions with COSLA to ensure that there is fairness for individuals who are affected by such circumstances.

Colin Smyth (South Scotland) (Lab): The cabinet secretary made reference to the opening of the Bellwin scheme, which is a very welcome decision. However, will he acknowledge that the scheme's criteria can be overly restrictive? It covers only, for example, actions that deal with saving life and limb, which means that there is a huge threshold for local authorities, which will have to pay first before they will receive any funding from the Government. It also covers only actions that are taken in a very short period of time. Given that there is precedent for doing so, will the Government consider awarding funding to local councils to deal with what will be a substantial clean-up cost right across Scotland and not just to authorities that will qualify for the Bellwin scheme?

John Swinney: The Government will remain open to dialogue with local authorities about that question. However, we have to look at the issue across a wider perspective. Not every winter is as severe as the one that we have experienced. Indeed, in the winter of last year there was much less recourse to some of the snow-clearing and gritting operations than has been required this year. Therefore, last year, local authorities will not have had to spend as much as they will have to spend this year. There is a need for us to look at the question in the round. The Bellwin scheme is available to support local authorities with exceptional costs—which is what it is designed to

do—but the Government will remain open to dialogue with individual local authorities and with COSLA on all such questions.

Margaret Mitchell (Central Scotland) (Con):

The major incident that resulted from the severe weather involved hundreds of vehicles being stranded overnight on the M80. Will the cabinet secretary comment on Police Scotland's response to the incident? In particular, will he when police first attended and how long they were there for and will he comment on the strategy that Police Scotland put in place to deal with the incident, given reports that there was a miscommunication between the former Strathclyde and Central legacy forces—now the Greater Glasgow and Lanarkshire divisions—that resulted in neither responding timeously in doing so?

John Swinney: I have not seen the speculation to which Margaret Mitchell refers but, from my involvement in this instance, I can say that the police were on the ground and handling the issue from the minute that difficulties arose. Indeed, on Wednesday evening, I spent a prolonged amount of time—as did Mr Yousaf—talking directly to the police commander who was on the M80, in freezing conditions, explaining to us what was going on. The difficulty that was experienced on the M80 was that a number of vehicles could not obtain traction in climbing up the hill from Castlecary, going in either direction. A significant cause of that was the fact that there were a large number of heavy-goods vehicles in that area, none of which could achieve traction.

Humza Yousaf and I were involved in calls throughout that evening. The operating companies were trying everything possible to grit the roads and create a more solid surface on which vehicles could gain traction, but their efforts were unsuccessful. I can vouch for the fact that that effort was going on. The police were there throughout the whole incident. They were handling a very difficult situation, but the conditions were extremely poor. That is why, on Tuesday, the minister gave clear warnings to reduce travel and intensified those warnings on Wednesday morning, when the red warning came to us. Anyone listening to those warnings should have thought twice about going anywhere near the M80, because it is no surprise to any of us that the hills up and down at Castlecary caused these difficulties during winter.

I assure Margaret Mitchell that the police were absolutely all over the incident and were giving us quality information from the scene. I put on record my thanks to the police officers who were out on that motorway in the freezing cold for giving us such quality information as we handled the issue.

Climate Change (Emissions Reduction)

The Presiding Officer (Ken Macintosh): The next item of business is a statement by Roseanna Cunningham on Scotland's plans to tackle climate change and reduce emissions. The cabinet secretary will take questions at the end of her statement.

14:06

The Cabinet Secretary for Environment, Climate Change and Land Reform (Roseanna Cunningham): In 2009, the Scottish Parliament unanimously passed the most ambitious climate change legislation anywhere in the world. Eight years later, I am laying the Scottish Government's third report on policies and proposals for meeting the statutory emissions reductions targets from 2018 to 2032—our climate change plan. I am doing so a little late, thanks to last week's weather, but that is perhaps fitting, given that the reality of climate change will mean that Scotland experiences increasingly frequent severe weather events.

The plan has been prepared in accordance with sections 35 and 36 of the Climate Change (Scotland) Act 2009.

In January 2017, I laid before Parliament a draft version of the plan, and I am grateful for the scrutiny that four parliamentary committees gave it. While we were considering the recommendations that were made, advice was received from the United Kingdom Committee on Climate Change, along with feedback from a wide range of stakeholders with interests across the entire range of society and the economy. I wish to thank formally everyone who was involved in the development of the final plan.

We have responded with changes that, I believe, result in a better plan—one that is more balanced, more ambitious and more achievable. The final version of the plan is very different from the draft. It addresses members' concerns and it presents what is undeniably a complex set of issues, policies and proposals in a more accessible way. In short, we listened and we have produced a climate change plan that is fit for the future and for a growing economy.

So, what is in the plan? It sets out a vision of Scotland's society for 2032 and the policies that will get us there. Of course, last September, in our programme for government, we also announced significant policy changes affecting greenhouse gas emissions, and they have been embedded in the plan. The plan is broken down into sectors of the economy and sets out the contribution of each.

Scotland's electricity system has been our great success to date, and it shines a light on the path for other sectors to follow. Already largely decarbonised, our electricity system will be increasingly important as a power source for heat and transport. With our new energy strategy for Scotland, which was published in December, we are committed to delivering 50 per cent of all Scotland's energy needs from renewables by 2030.

By 2032, we will have set the scene for the deployment of carbon capture and storage technologies. Although the plan does not rely on CCS to deliver our emissions reduction ambitions, our support for the ACT Acorn project site at St Fergus, which will demonstrate how our North Sea infrastructure can be reconfigured and reused to remove and store carbon from the atmosphere, shows our determination to do even more in the energy sector.

In transport, we will transform the way that we travel. Scotland will be a safer and friendlier place for pedestrians and cyclists, and our plans for electric vehicles and infrastructure mean that we will phase out the need to buy petrol and diesel cars and vans a full eight years ahead of the United Kingdom. We will introduce low-emission zones to Scotland's largest cities, which will improve the quality of our air, and we will take significant strides towards having greener buses, heavy goods vehicles and ferries.

Our buildings will be insulated to the maximum appropriate level and will increasingly be heated and cooled by low-carbon technologies, which will benefit consumers through lower heating bills, helping to combat fuel poverty. An entire low-carbon services sector will grow around the £0.5 billion we are investing in Scotland's energy efficiency programme.

Over the lifetime of the plan, we will reduce food waste and end the landfilling of biodegradable municipal waste, while industry and consumers will benefit from a more circular economy.

By 2032, we will have transformed our landscape. New forest will be planted in the right places and more of our peatlands will be restored to health, which means that greater amounts of carbon will be stored, biodiversity will be increased and healthier ecosystems will be created.

By 2032, we will also have realised our ambition for Scotland to be among the lowest-carbon and most efficient food producers in the world. Scotland will be a world-class producer of high quality food, with growing numbers of farmers and crofters moving to low-carbon farming practices. That will not only achieve greenhouse gas emissions reductions but generate improvements in animal health and welfare, provide cleaner

water and air and—crucially—save farmers money.

Scotland's industrial sector will be more energy efficient and productive and will use more innovative technologies, which will present significant economic and competitive opportunities. That will be supported by our low-carbon infrastructure transition programme, through which we will provide £60 million of new investment to maximise Scotland's enormous potential in the low-carbon sector.

The significant decarbonisation needed in industry depends, of course, on our continuing access to the European Union emissions trading system. Sadly, the UK Government's continued lack of clarity on that is risking investment and growth in our economy. As the UK Government prepares to remove Scotland from the EU, it is imperative for it to reassure industry that the level playing field provided by the ETS across Europe will be maintained for Scottish businesses.

Communities naturally have a critical role to play, and the plan recognises that. I am particularly proud of the support that we have provided through our climate challenge fund, which has helped community-led organisations to tackle climate change by running projects that reduce local carbon emissions.

Businesses also have a crucial role to play. Moving early to invest in energy efficiency will protect them against rises in fuel prices, and shifting operations to a low-carbon footing will meet the expectations of an increasingly climate-aware consumer base. With an estimated \$23 trillion of climate-friendly investment opportunities by 2030, the direction of travel is self-evident and our message to businesses is simple: we will do all that we can to provide them with the certainty and stability that they need to invest and grow in the low-carbon economy. With last week's announcement of the implementation plan for the Scottish national investment bank, there is reassurance that we will provide flexible finance for our companies to innovate and grasp the opportunities of the low-carbon economy.

The transition to an environmentally and socially sustainable economy may look daunting. To make sure that it will be a positive experience for workers, communities and businesses, we are working towards the establishment of a just transition commission later this year. The commission will provide advice to ministers on how to proceed, while helping to tackle inequality and poverty and promote a fair and inclusive jobs market.

Scotland has a particular responsibility to deal with climate change. Arguably it was a Scot, Greenock's own James Watt, who ushered in the

industrial revolution and the burning of fossil fuels on a massive scale, so it is right that we demonstrate leadership in dealing with the causes and effects of climate change. At the global climate negotiations in Bonn last year, the First Minister said that

“our ambitions must live up to the scale of the challenge, and our actions must live up to our ambitions.”

This Government is already making a difference abroad. We are working with international partners to build and maintain the momentum for action, and, with our climate justice fund, we are supporting some of the poorest and most vulnerable communities in Africa. However, it is our actions here at home that will give us the credibility to lead others, and with this plan we set out our ambitions for Scotland.

The ambitions will be difficult to achieve. There will be bumps on the road ahead, but we choose this road willingly, and are meeting the challenge head on with our stringent and demanding annual targets and our commitment not to purchase carbon allowances in the international markets. Soon we will introduce a new climate change bill, to raise our ambition even higher.

We are not taking any easy options, because this Government believes that we have a moral obligation to act. We are confident that Scotland's unique gifts—plentiful renewable energy resources, a strong legacy of innovation, and the ingenuity of the people of Scotland—will enable us to realise the opportunities that lie ahead. My Cabinet colleagues and I are dedicated to delivering the vision set out in this climate change plan to tackle one of the world's most challenging issues. I commend the climate change plan to members.

John Scott (Ayr) (Con): I declare an interest as a farmer. The climate change plan that was published by the Scottish Government yesterday lacks specificity and ambition across most sectors. Like others, we are frustrated that the Scottish Government has ignored many suggestions made by MSPs and parliamentary committees to improve the climate change plan, and we are disappointed to see that little has changed from the draft plan that was published a year ago.

We would like the Scottish Government to provide more clarity on the actions that it will take and the policies that it will introduce to tackle climate change, particularly in the transport sector. Specifically, we saw last week from the latest transport statistics that bus passenger numbers in Scotland have fallen by 10 per cent over the past five years, and that only 31 per cent of journeys to work were by public transport or active travel in 2016—the same as in 2006. In addition, and more worryingly, at the current rate of progress it will

take around 239 years to reach the Government's target of 10 per cent of journeys being made by bike.

How can the cabinet secretary expect there to be a modal shift away from petrol and diesel cars to public transport and active travel when under her Government's stewardship we have seen so little progress thus far? When will we see transport emissions start to fall, given the trends that we see in car usage and active travel?

Roseanna Cunningham: I think that John Scott's opening comments were utterly absurd. We are one of the most ambitious Governments in the world when it comes to tackling climate change, and I do not think that he would get much argument about that from many of our international partners. To suggest that there is a lack of ambition is quite ridiculous. In fact, a great deal has changed between the draft plan and now, not least with regard to the updated greenhouse gas emissions statistics that have been brought on board and the programme for government proposals that are to be wrapped into the plan. Indeed, of the various recommendations that were made, many have been included in the final plan.

The truth is that transport emissions will have been reduced by 37 per cent over the lifetime of the plan—the greatest reduction in absolute terms of any sector. We are more ambitious in our plans for transport in Scotland than the Tory-run UK Government is at Westminster, and I doubt whether anybody looking at our proposals on active travel, low-emission zones or the move towards low-emission vehicles could possibly come to the same conclusion that Mr Scott has come to. I hope that that change of tone from someone who is normally a rather more reasonable individual is not indicative of a wider move across the Conservative Party in this Parliament.

Claudia Beamish (South Scotland) (Lab): The stark difference between the plan and the Government's earlier draft is puzzling. In some areas, the plan has swung quite dramatically from unrealistic to unambitious or, in the cabinet secretary's words, “more achievable”. Was that really the aim?

The windfall from the land use sector and the new effort in the phasing-out of fossil fuels in the transport sector are to be welcomed and are favourable for emissions, but it is disappointing to see those used, as I understand the final plan, to reduce effort in other sectors. The plan is already based on the outdated ambition of the Climate Change (Scotland) Act 2009, and Scottish Labour has urged the Government to consider a 77 per cent target for emissions reductions by 2030. Will the cabinet secretary explain why most of the

sectoral targets have changed so dramatically for the worse?

I must focus on agriculture. The sector has been allowed to lag behind considerably, yet all the related policies seem to be about encouragement. Does the cabinet secretary feel that criticisms of that section of the earlier draft have been sufficiently addressed?

Roseanna Cunningham: There have been some significant changes since the draft plan was published, not least in relation to scientific measurements, as we have a new set of greenhouse gas emissions statistics. Claudia Beamish no doubt heard my previous answer on some of the other changes.

The draft plan and the final plan were never going to look exactly the same. We have taken the opportunity that some of the changes have given us to make adjustments to the draft plan. One of the adjustments that Claudia Beamish might be concerned about in terms of reining back is the ambition on heat. The proposal in the draft plan was criticised by the UK Committee on Climate Change, which considered it not to be credible. We have taken the opportunity to look at it again and to use the capacity that we now have across the system to produce something that is considerably more achievable.

Claudia Beamish referred to agriculture. Over the lifetime of the plan, emissions from agriculture will fall by 9 per cent. I remind her that it is almost impossible to conduct agricultural endeavour without creating a certain level of emissions—it is not an area that can be emissions free. We have to work as well as we can with farmers to get them to move to the use of better practices. We have programmes in place that allow us to do that, and the 2015 statistics show that agricultural emissions are down by more than 25 per cent from baseline levels. We are making changes there, and we will continue to do so.

Mark Ruskell (Mid Scotland and Fife) (Green): The statement mentioned a final plan that is “more ambitious” than and “very different” from the draft. It appears that the plan is indeed very different from the draft because, if we add up all the Scottish Government policies in the final plan, the result is 1 million tonnes of emission reductions less than would have resulted from the policies in the draft. Why is that the case? Does the Scottish Government still believe that, by 2030, we will be driving around in our cars a third more?

Roseanna Cunningham: I do not want to repeat some of the things that I have already said in response to John Scott and Claudia Beamish. Mark Ruskell will have heard me talking about some of the reasons for the changes between the

draft plan and the final plan and about many of the things that have happened in the time between.

On transport, the projections that are in the plan assume no change, but of course there will be change. It is one of the areas in which this Government will deliver the most. I do not see why members should feel pessimistic about it; we are doing very well and—certainly in comparison with the Westminster Government—we will do far better. I hope that Mark Ruskell will take that on board. As I have indicated, some of the things that I said in response to the previous two questions apply equally to Mr Ruskell’s question, but I do not want to repeat myself.

Graeme Dey (Angus South) (SNP): Environmental campaigners have called on the Scottish Government to do much more to cut emissions from domestic properties. Given the fact that 80 per cent of Scotland’s homes are heated by gas, will the cabinet secretary outline what that would mean in practice for public expenditure, the supply chain and householders?

Roseanna Cunningham: It would be quite difficult and, in some areas, incredibly disruptive. In an earlier answer, I made reference to the fact that the independent adviser, the Committee on Climate Change, has already advised that the transition to near-zero emissions buildings is likely to take decades. We should be realistic about the contribution that the sector can make to the 2032 targets, and the Committee on Climate Change criticised the original ambition in the draft plan.

A key consideration that we must take on board is the risk of stranded assets where a less disruptive or competitive solution might be anticipated. We do not want to go in one direction and then discover that there is a better direction that we might have taken. Therefore, we will focus on policies that are relatively low cost and which provide relatively large benefits. That helps to optimise investment decisions in the near term but, in the meantime, there is also innovation, which will help in the longer term. We will work with partners and the UK Government to determine the best route to decarbonising the natural gas network through, for example, the injection of hydrogen.

We plan for the future of heat supply. We continue to deliver real measures on the ground. We are on track to deliver the 2016 programme for government commitment to make £500 million available for fuel poverty and energy efficiency measures over the four years to 2021. Arguably, some of the original proposals in the draft plan might have exacerbated the situation in respect of fuel poverty instead of solving it.

Liam McArthur (Orkney Islands) (LD): As Graeme Dey said, environmental groups have

expressed concerns about some of the changes from the draft to the final plan. The existing homes alliance Scotland says:

“As Scotland Shivers, Government cuts warm homes ambition”.

It is right that the cabinet secretary has taken on board the points that were made about the deliverability of targets, but can she really justify the collapse in the target for low-carbon domestic heat from 80 per cent in the draft to 35 per cent in the final plan? What will that do to address fuel poverty, which, as the latest figures suggest, is again highest in my constituency?

Roseanna Cunningham: I will reiterate a little of what I have already indicated.

I understand why members criticise. They have looked at a figure in the draft plan, looked at a figure in the final plan and perhaps not thought through carefully why there is a difference. I say again that the Committee on Climate Change advised that the draft plan’s targets were not credible. As a Government, we have to consider what is doable. It is interesting that, when I am asked questions about various aspects, I do not get any suggested solutions. I do not want to make that sound like a criticism of Liam McArthur.

There are real issues about making decarbonisation of domestic heat practicable and doable. We are working towards targets. Working towards the original targets would have involved making early decisions on low-carbon technologies, with a risk of backing the wrong solution. That would have ended up costing us considerably more—and “us” can mean the consumer.

Claudia Beamish and everybody else can shake their heads but what would they propose that we do? Should we go into everybody’s homes in the next five years and rip out all the gas central heating? Are members who are thinking about their own central heating proposals planning on doing that? There are some real issues about practicality, disruption and our ability to ensure that, as we move forward, people do not end up in a worse situation than they are in now.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I thank the Scottish Government for the support that it has given to the Acorn project in my constituency. It is one of a series of initiatives that underpin Scotland’s international reputation. How are other countries catching up with us? How are they using our example in their own domains? In particular, I am thinking of nations such as Sweden.

Roseanna Cunningham: Scotland is frequently compared to Sweden. Despite the response of some members today, the traditional way to

describe our position is that we are third in the world, behind Sweden and Finland, for tackling climate change. One or two things need to be said about Sweden: it does not include the land use sector, aviation or maritime emissions, unlike Scotland; it has no annual targets in the way that Scotland does; and it reserves the right to buy international carbon credits to make up 15 per cent of its emissions. We are not comparing like with like and, on one view, we are doing considerably better than Sweden. Objectively, some people say that we are third behind Sweden and Finland, but my point is that, when we compare ourselves, we are doing better. Perhaps we could claim to be the best in the world.

Finlay Carson (Galloway and West Dumfries) (Con): The ambition for decarbonising Scotland’s buildings has been dramatically reigned in to 35 per cent, even though the Committee on Climate Change suggested a target of 50 per cent. The CCC said that

“Achieving ambitious levels of low-carbon heating requires immediate action, rather than waiting until 2025”

and it described low-regret actions that could be taken now, such as new buildings, heat pumps for off-gas-grid homes, greater use of biomass and new district heating systems. Why does the plan say that low-regret and no-regret options for low-carbon heat will still be left until after 2025? If those options for decarbonisation are low regret or no regret, why is action not being taken in the short term?

Roseanna Cunningham: An enormous energy efficiency programme that is funded to the tune of £0.5 billion is about to start in Scotland. I am not quite sure what the member thinks that programme is about, but I can tell him that it is particularly about that issue. As I have said a number of times this afternoon, the Committee on Climate Change advised us that our original targets were not credible. We now propose a balance between domestic and non-domestic and, in my view, a balance of ambition with realism. We are setting low-carbon heat targets of 35 per cent for the domestic sector and 70 per cent for the non-domestic sector, which are in line with the Committee on Climate Change’s assessment of what can be achieved.

Activity until 2025 will focus on low-regret heat decarbonisation technologies, such as the uptake of renewable heat technologies in individual buildings off the gas grid and support for low-carbon district heating in appropriate areas. Our proposals are in line with Committee on Climate Change advice, as a way forward, and I reiterate that some suggested possibilities would be a massive disruption in Scotland and almost impossible to achieve practically.

Ivan McKee (Glasgow Provan) (SNP): How does the Government plan to engage with new technologies to support the electrification of the transport sector?

Roseanna Cunningham: Innovation is already at the heart of the Scottish Government's low-carbon transport policies. It already supports international firsts on the use and production of hydrogen for transport, including the surf 'n' turf initiative in Orkney in Liam McArthur's constituency. The programme for government commitment to end the need for new petrol and diesel cars by 2032 is another signal that Scotland can be at the forefront of innovation and new technologies. In September 2017, we launched a £60 million low-carbon innovation fund, which aims to support a range of new low-carbon projects in Scotland, including our ambitions on low-emission vehicles.

We continue to work closely with the energy sector and regulators to support future investment and innovation in areas such as smart grids and vehicle charging and refuelling, and we track emerging technologies and business models to better understand their potential impacts and the support that we can provide. Further announcements are coming in respect of those, which I should perhaps leave to my ministerial colleagues.

David Stewart (Highlands and Islands) (Lab): The cabinet secretary rightly said in her statement that significant decarbonisation in the industrial sector depends on continued access to the EU emissions trading scheme. What assessment has the cabinet secretary made of the effect of withdrawal from the EU ETS on the climate change plan? Has any work been carried out with the other UK nation states to develop a UK ETS?

Roseanna Cunningham: It is fair to say that the EU ETS is the single most important policy instrument in driving down industrial emissions, and we continue to call for clarity from the UK Government as it prepares to leave the EU. Until last week, there had been almost no response whatsoever to that call. There is now an indication that some thought is finally being given to what the future might hold for an emissions trading system, although we are completely unclear about how that might look. Therefore, with the climate change plan, we have had to operate on the basis of the current scenario, which is a fully functioning ETS across the whole of Europe. It is clear that, if we do not continue to be part of that, there will be a significant impact that will require to be measured at that point.

The position is difficult. Ironically, the EU ETS is one framework that everybody agrees we need something in place of if we are not to join or continue to be part of it. However, thus far,

precious little serious engagement and thought seems to have been given to the matter by Westminster.

Fulton MacGregor (Coatbridge and Chryston) (SNP): I welcome the plan and the fact that Coatbridge has been earmarked as a targeted area for low-emission zones, given its high levels of pollution and social deprivation. Will the cabinet secretary explain the concept of carbon leakage and its potential implications for the Scottish economy in the context of Brexit?

Roseanna Cunningham: Carbon leakage is a tricky concept. It occurs when industry simply relocates to jurisdictions with lower decarbonisation and emissions ambitions, and it results in the displacement of emissions rather than any overall reduction. Were businesses to move their operations, that would also have a detrimental effect on our economy.

Climate policies that introduce costs above those of other countries could negatively impact on the competitiveness of businesses with a lot of international trade. At the extreme, that could result in their relocating to countries in which there are more lax climate policies and lead to almost the opposite effect to the one that we are trying to reach. There would also be a risk of increased import dependence to source inputs and intermediate products for manufacturing processes. Those are already live issues that the business community is considering, given the uncertainties associated with Brexit.

As I indicated, we are currently a participant in the EU emissions trading system, which puts a price on industrial emissions and energy production throughout the whole of Europe and allows a level playing field. We remain of the view that continued participation in the ETS and UK regulatory frameworks would ensure that industry retained that wide level playing field, which protects against carbon leakage from competitors outwith the EU.

We continue to press the UK Government for clarity on its plans for emissions trading as it prepares to leave the EU. We do not want to end up in a situation in which, as a result of actions within the UK and Scotland, all that we do is export carbon emissions.

The Presiding Officer: I apologise to the remaining two members who wanted to ask questions. We have run out of time.

Higher Education (Widening Access)

The Presiding Officer (Ken Macintosh): The next item of business is a statement by Shirley-Anne Somerville on widening access to higher education. The minister will take questions at the end of her statement, so I encourage all members who wish to ask a question to press their request-to-speak buttons now.

14:39

The Minister for Further Education, Higher Education and Science (Shirley-Anne Somerville): Scotland has a world-class higher education sector. We currently have five universities in the top 200 in the world and, each year, students from around 200 nations choose to come to our institutions to study.

It is our belief that a child growing up in Scotland should, regardless of their background, have an equal chance of attending one of our great universities. I am also clear that widening access is about access to not just fresher fairs, but graduation day and beyond. Ensuring that students from the most deprived areas of Scotland are supported to achieve their aspirations into, through and beyond higher education is at the core of that. Those end goals of graduation and positive destinations are central to our thinking as we deliver the commission on widening access's recommendations and they are a key focus and priority for the Government.

Setting out her first programme for government, the First Minister made a crucial commitment when she told the chamber that our task was to ensure that

"a child born today in one of our most deprived communities has no less a chance of going to university than a child born in one of our least deprived communities."—[*Official Report*, 1 September 2015; c 20.]

She did so because we consider that education is by far the most effective means that we have to improve the life chances of and to deliver the best possible outcomes for everyone.

We have enshrined the principle of widening access in legislation, placing it at the core of what we expect from post-16 institutions and the Scottish Further and Higher Education Funding Council; we continue to invest £51 million a year to support places for access students and those transferring from college into university; and, in 2015, we established the commission on widening access, the recommendations of which we accepted in full.

Since the publication of "A Blueprint for Fairness: The Final Report of the Commission on

Widening Access" in 2016, we have embedded our targets within university outcome agreements, introduced a full non-repayable bursary of £7,625 for young care-experienced students and established an access delivery group to oversee delivery. To support that work, we have provided universities with a real-terms budget increase of 1.9 per cent.

We are making progress. Last December, the Universities and Colleges Admissions Service reported that Scotland had reached a new record for the number of acceptances—the only part of the United Kingdom to see an increase. The acceptance rate for 18-year-olds also reached a record high, increasing for the third year in a row. More significantly, UCAS reported a record rise in the number of 18-year-olds from our most deprived communities being accepted. In total, the number of Scots from the most deprived communities getting places to study at a Scottish university increased by 13 per cent. That means that more than 600 additional people from the most deprived communities were accepted to study at university. We have a record number of Scots going to university and a record number of Scots from the most deprived communities going to university—that is progress.

Sitting behind that progress is a change in perception. We are eating away at the idea that going to university is not something that any child with the ability can achieve. In fact, just last month UCAS revealed:

"Scottish 18 year olds from the most disadvantaged areas are 67 per cent more likely to apply in 2018 than 12 years ago."

However, we must maintain and, indeed, quicken the pace of change.

Professor Sir Peter Scott's voice and the challenge that he—as the independent commissioner for fair access—provides to us all are crucial, as he not only provides a fresh perspective on the issues that are central to the widening access agenda, but continues to drive forward change. I thank Sir Peter for his work over the past year. He has established the role of commissioner as one that provides a significant contribution to access in Scotland.

Today's statement provides an opportunity for me to respond to the commissioner's first annual report. The majority of the commissioner's recommendations relate to areas that we are already driving forward as a result of the commission on widening access. Sir Peter has provided valuable advice on implementation and encouraged bolder steps to be taken by the Scottish Government, the Scottish funding council and, in his words, "most institutions".

I will first respond to the commissioner's call for the Government to make clearer its priorities on our targets and ambitions for access.

This Government recognises that Scotland's colleges are a key part of our higher education system and that they play a crucial and valued role in widening access. Colleges often provide the first step into further and higher education. Although they are a valued place of study in their own right, they can also be a stepping stone on to degree-level study at university. However, we are also clear that students from the most deprived backgrounds are well represented in colleges. The greatest inequalities lie in our universities, so I am clear that we will continue to prioritise access to university in our work and our targets for fair access. I reiterate once again that, no matter their background or circumstances, applicants should have an equal chance of going to university by 2030.

When we talk about fair access to university, I do not just mean fair access to some universities. We expect every university to take action now to ensure that, by 2021, 10 per cent of entrants to each university are from Scotland's 20 per cent most deprived backgrounds. Through the access delivery group, we will continue to see progress towards meeting those targets, but members should be assured that I will look to the Scottish funding council to use the outcome agreement process to ensure that delivery is achieved.

I make it clear that our targets are for learners of all ages. Adult students should and will be given the same priority as school leavers from similar backgrounds in our work on fair access. The framework for fair access will identify the best methods through which to support adult learners into higher education, and I expect learners of all ages to be considered in the work to develop a more co-ordinated approach to access across Scotland.

My vision is of an efficient and flexible tertiary education system in Scotland, which supports all learners to succeed. Our work on the learner journey is examining how we can better connect the different parts of our education system and ensure that learners' previous education is recognised fairly. I welcome the commissioner's recommendations on those areas and his insights into how the system can better support learners from our most disadvantaged communities.

As we take forward our work on the learner journey, we will take account of the commissioner's recommendations on the importance of access within that journey, the need to make more imaginative use of first year at university, and the option for learners with advanced highers to go directly into second year at university, should they wish to do so. The

commissioner also made recommendations on articulation, contextualised admissions and bridging programmes, which I fully support.

Universities have committed to taking action on all those points, but we need further clarity on when changes will occur. In each area, universities need to pick up the pace of change and implementation.

I welcome the detailed work that has been put into the development of implementation plans by lead delivery partners, in all those areas, which will be discussed at the next meeting of the access delivery group. However, as with the overall and institutional targets that I mentioned, I will look to the Scottish funding council to intensify its work in those areas, if that is required.

I fully accept the commissioner's recommendations for the Scottish funding council. This Government recognises the pivotal role that the funding council must play if we are to deliver fair access. I wrote to its chair in October last year to set out my expectations and ambitions for the 2018-19 outcome agreements, and in recent discussions with the funding council I have made clear the way in which I expect it to lead and co-ordinate delivery of a number of recommendations from the commission on widening access.

The commissioner asked the Scottish Government to consider any savings that will be produced by a reduction in demand for places from European Union students. We will take future decisions on the higher education budget as part of our annual budgetary process. However, for anyone in the sector who might be thinking that there is a short cut to achieving our targets through a drop in demand elsewhere, let me be very clear: there is no short cut and there is no magic bullet; widening access will require systemic change. The targets and timescales that we have all accepted from the commission on widening access will not be delivered in any other way.

I note the commissioner's recommendations on an increase in funded places. I fully understand why the recommendation has been made and we will continue to consider its merits. We are conscious, however, that we are engaged in reforming the system and that that is best achieved by the fairer distribution of publicly funded opportunities. In the end, widening access will be achieved by building a fairer system rather than by continually expanding an unfair system.

Our ambition is for equality throughout the system. By that, I mean equality in relation to not just access but completion of and success in studies, equality in the jobs that access graduates can enter once they have finished their degrees, and an equal chance for those people and their

children to succeed. Only then can we create a fairer Scotland.

The Presiding Officer: The minister will take questions.

Liz Smith (Mid Scotland and Fife) (Con): I thank the minister for the early sight of her statement. I have three areas of questioning.

First, Sir Peter Scott said in his recommendations:

“the fixed cap inevitably raises concerns that the drive to recruit SIMD20 students may reduce opportunities for other students.”

The point was reiterated by Audit Scotland, and Sir Peter made the same point to the Education and Skills Committee two weeks ago. It is a hugely important point in respect of the wider picture of university entrance and university funding.

Will the minister therefore say today whether the Scottish Government is minded to amend the current structure of funded places? Will she explain exactly what she meant in her concluding remarks when she said that there is “no short cut” to achieving the Scottish Government’s targets through a drop in demand for places from elsewhere? Her answer to that is also crucial to the sector.

Secondly, our universities are particularly interested in what Sir Peter Scott said on the debate about what constitutes academic excellence, and the high standards that have traditionally been the hallmark of the Scottish sector. They want to know whether, in the context of widening access, traditional measures of academic excellence and success will be challenged. What is the Scottish Government’s response on that? Again, it is a crucial question.

Finally, can the Scottish Government tell us the timescale within which universities can expect to receive up-to-date figures on the achievement levels in highers of school leavers by the end of secondary 6—equivalent to those that have been published in Vikki Boliver’s research—to inform their commitment to set minimum entry levels for SIMD 20 students?

Shirley-Anne Somerville: As I mentioned in my statement, I recognise that some people have concerns about displacement. I point Liz Smith to the fact that the commissioner for fair access has said that

“the available data is suggestive rather than conclusive”.

there is a fear of displacement, but displacement has not been proved in the statistics that we have. As I mentioned in my statement, there has been a 13 per cent increase in the number of students from the most deprived communities being accepted to university. At the same time, there has

been an overall increase in the total number of Scottish students at university. That is something that we both can welcome.

I mentioned that there is no short cut for EU students—or for anyone else for that matter. I do not want us to get into a frame of mind in which we think that we will somehow widen access by hoping that enough places will become available and that Brexit—which we, certainly we in the SNP, do not want—will lead to changes in demand. I do not want universities to sit by and to hope and assume that they will get enough widening-access students because something else—the scale and extent of which we do not know—will happen.

There needs to be systemic change to encourage people from deprived communities to apply. I listened to Sir Peter Scott’s evidence to the committee and his discussions about success. As I said in my statement, I want to ensure that we achieve successful outcomes for the people who fill the widening-access places. By “successful outcomes”, I mean their making it to graduation day and securing good graduate jobs.

I appreciate that Sir Peter Scott discussed with the committee changes to how a student can get from one year to another, and whether the system needs to be more flexible. That is for universities to look into. When looking at what success is, we must acknowledge that success is the person achieving a good degree at the end of their time at university. That is why we are talking not just about people getting into university but about what happens after graduation day.

I have committed to working with Universities Scotland to ensure that it has information on what happens in individual schools and on academic achievement. However, I will say—the commissioner also made the point—that universities do not need that information in order to set minimum entry requirements, which are based on what students need to get through and to succeed in their degrees. That information might prove to be useful to universities in other avenues, but they do not need it. Universities need to get on with the job of moving on with contextualised admissions and minimum entry requirements. We cannot afford to wait another year for another round of data, and to see another round of students not having access to the university places to which they should have access.

Iain Gray (East Lothian) (Lab): I thank the minister for early sight of her statement. The minister knows that Labour members support her aims of widening access to higher education in general, and to universities in particular.

The progress that we have made is very welcome, but what is especially welcome is the minister's assertion—which she just repeated—that the issue is about access not just to a freshers' fair but to graduation day and beyond. She is right; living and surviving at university are important, as is getting there in the first instance. That is why full non-repayable bursaries are so important for care-experienced students. However, surely the minister can see that access to non-repayable bursaries and grants to live on while studying are also critical to young people from deprived backgrounds who are considering university, because they will not be able to turn to their families for financial help.

Will the minister therefore commit to restoring the money that has been cut from grants, and to shifting the balance between grants and loans for living, back towards grants for students from low-income backgrounds?

Shirley-Anne Somerville: I begin by noting that Iain Gray and I agree on something, which does not happen often during questions on statements. It is important that we recognise the importance of graduation day and beyond. That deals with the consensual part of Iain Gray's comments.

As Iain Gray well knows, the review of student support reported at the end of last year, and the Government is due to report back soon on our conclusions on those recommendations. We are looking seriously at all aspects of student support, including bursaries. I hope that Iain Gray can take some reassurance from the fact that the work that officials are doing on the review's recommendations is based on the first principle, which is to ensure that students from our most deprived communities get the support that they require in order for them to get through university. That is the first principle that we consider, as we look at all the recommendations and all the areas in which the review has asked us to carry out more investigation.

The Presiding Officer: Before I call Ruth Maguire, I remind members that I give the opening speakers from the Labour and Conservative parties dispensation to make a few opening remarks to outline their party's position. Unfortunately, that dispensation does not apply to everybody, which means that other members must just ask questions, to which they will get a quick answer. That way, we will get through everybody.

Ruth Maguire (Cunninghame South) (SNP): Does the minister agree that whatever barriers people face before they get to university, they do not simply disappear the second that they get a place? Given that students from disadvantaged or non-traditional backgrounds are less likely to stay until their second year, are more likely to obtain a general rather than an honours degree, and are

less likely to get a first or a 2:1, what is the Scottish Government doing to encourage universities to attach higher priority to retention and to success and achievement, in the context of widening access?

Shirley-Anne Somerville: The Scottish Further and Higher Education Funding Council's widening access and retention fund is providing £14.7 million of funding in 2017-18 to help students to remain in higher education. That is allocated to the universities that have the highest intake of widening-access students.

We are also ensuring that we use the outcome agreement process to encourage universities to set more ambitious and challenging targets for access. They must also agree improvements in retention and attainment, and in the outcomes for their students. The work that we are doing with the funding council to intensify the outcome agreement process is ensuring that we look not only at entry to university, but at retention and attainment.

Oliver Mundell (Dumfriesshire) (Con): In the context of recommendations 17 and 18 in Sir Peter Scott's report, how will the Scottish Government ensure that pupils from SIMD 20 areas have more access to advanced higher courses, which will help their chances of taking up more diverse opportunities at university?

Shirley-Anne Somerville: We are looking at that as part of the learner journey work that the Scottish Government is undertaking. It is very important that we ensure that school students have the opportunity to study at college or university or to take up an apprenticeship so that they can follow whichever career they choose.

Jenny Gilruth (Mid Fife and Glenrothes) (SNP): I remind members that I am the parliamentary liaison officer to the Cabinet Secretary for Education and Skills.

What role will our schools and colleges play in helping to meet the targets that were set by the commission on widening access? Will the minister consider the feasibility of a pilot study to track the work of the University of St Andrews, as an ancient institution, and a local high school in my constituency, where nearly one child in three lives in poverty?

Shirley-Anne Somerville: I am very interested in tracking the progress of all the universities, which I follow closely. However, I welcome the work that the new principal of the University of St Andrews has undertaken to give further impetus to the widening access agenda.

I made it clear in my statement that colleges play a crucial role in our higher education system and in widening access. However, we also need to

ensure that we are working with primary and secondary schools, where most of our young people will develop their dreams and ambitions for their future lives and careers.

We are taking a whole-systems approach to the issue, which is why I am delighted that, in the next couple of weeks, we will have a seminar at which regional improvement collaborative leads will come together to discuss what more can be done to develop that whole-systems approach. Peter MacLeod, who sits on our access delivery group, will lead that seminar.

It is very important that we encourage our young people to develop their dreams and ambitions, regardless of whether they will finally achieve them in employment, college, university or an apprenticeship. This is apprenticeship week, so I should mention that apprenticeships are exceptionally important outcomes for young people.

Daniel Johnson (Edinburgh Southern) (Lab): In her statement, the minister pointed to institutions and the Scottish funding council addressing articulation and contextualised admission. However, given that the fundamental issue relates to the differences in approach between institutions, is there not a role for Government in bringing forward a harmonised and co-ordinated system? Might the delivery group look at that? Surely the minister will agree that having a clear view of how youngsters can get to university is what is ultimately important.

Shirley-Anne Somerville: I absolutely see that there is a role for Government to encourage articulation. That role will certainly be demonstrated in the next few months when I finalise my letter of guidance to the funding council. That will look at intensifying our outcome agreement process, which will include our work on articulation.

Sir Peter Scott raised very valid points around articulation. I was interested to read his views and, last week, I discussed with him the assumption that young people should have full articulation rather than there being a presumption against that. I had a very interesting discussion with him.

I see a role for Government, which will come through my letter of guidance to the funding council and through expressing in the outcome agreements with the different institutions how we will take that on. The member can be assured that we will discuss that in the access delivery group to see what more can be done by the Government, the funding council and every institution.

Ross Greer (West Scotland) (Green): The cost of everything from rent to transport remains a barrier to widening access, and current financial support for students from low-income backgrounds

simply does not cut it. Following Iain Gray's question, I press the Scottish Government to commit to increasing bursaries and equalising support for university and college students, which is essential if we are to successfully widen access to higher education.

Shirley-Anne Somerville: As I said to Iain Gray, the Government will be responding to the recommendations of the review of student support in due course. We will look at the review to see how we can carry out the further investigations that it asked the Government to do. There were some areas that the review did not look at and it made clear that it wants the Government to pick up and investigate certain areas. I point out that we have put £5 million into the budget for initial implementation of that work. Other aspects of the review of student support will require longer implementation if, for example, changes to the Student Loans Company or discussions with HM Revenue & Customs are needed.

Tavish Scott (Shetland Islands) (LD): I, too, thank the minister for early sight of her statement.

I met apprentices in Lerwick and Scalloway yesterday—no doubt, many other colleagues have met apprentices this week too. I ask the minister to recognise, in this apprenticeship week, that vocational routes into work are every bit as important as a university education.

Can I have a further go on the line of questioning that Iain Gray and Ross Greer have pushed? Does the minister hope that implementation of the review of student support will be in place for the next academic year? Is she able to give Parliament any details of the timescales that she is working to, given that the very students whom we are seeking to help—those from the most disadvantaged backgrounds—appear from some of the evidence to be the very ones who face more difficult circumstances in terms of the debt burden?

Shirley-Anne Somerville: I reiterate that it is important that we encourage young people to choose the destination after school that is right for them. Universities, colleges, direct moves into employment and apprenticeships are all equally valid and valued opportunities for our young people, so the Government's commitment to widening access to university should by no means be read as a sign that university is the right destination for a young person to choose. It is up to the young person, depending on their ambitions for their career.

I saw the pictures of the member with the apprentices, and it looked a thoroughly interesting visit.

As I said, the review of student support looked at a number of different challenges that we have

within the student support system. Some things will be able to be achieved for the next academic year and others will not. If something requires, for example, a change to the Student Loans Company rule book, that will require us to look at a longer time period. If we did not do that but simply piggybacked on a scheme that is already in place, there might be a disadvantage. For example, we might have to join the system that is already in place in England, with a higher interest rate. There would be disadvantages to moving quickly if, by doing that, we joined a system that was detrimental, particularly to those from the poorest backgrounds.

However, that does not mean that the Government is not taking action on the matter. We have already taken action to ensure that almost 3,000 additional students qualified for a non-repayable bursary or saw their funding increase last year due to our decision to raise the income threshold from £17,000 to £19,000, and we confirmed in the programme for government our commitment to raising the repayment threshold for student loans to £22,000 and reducing the repayment period to 30 years, as well as implementing the care-experienced student bursary.

We are taking action on the matter and we will take action for the next financial year where we can, but other aspects of the review of student support will take longer.

Fulton MacGregor (Coatbridge and Chryston) (SNP): It seems that there is a real disparity between universities in terms of accepting young people from more disadvantaged areas. Does the minister agree that meeting the ambitious targets that we have set cannot be down to the work of just some of our universities and that it is time for our older universities to work a bit harder on this?

Shirley-Anne Somerville: I have made it very clear in my expectations of the sector that, when I talk about widening access to university, I mean not just some of the universities but each university. The UCAS figures that were published in January demonstrate that good progress is being made on widening access, with the majority of universities showing an increase in applicants from deprived areas. However, targets have been set for individual institutions, and I am determined that they will all be achieved. People from the most deprived backgrounds should have the same choices as everyone else.

I will not get into a position where we are pushing a few institutions that are already performing well to pick up the responsibility for delivering this agenda. Every institution can and must play its part in widening access.

The Presiding Officer: I apologise to the four members who did not get in to ask a question, but I am afraid that we have run out of time. We have too many items of business this afternoon.

Local Government Finance (Scotland) Order 2018 [Draft]

The Deputy Presiding Officer (Christine Grahame): I ask members to get into their seats quickly. We are quite short of time, so I want to get a move on.

The next item of business is a debate on motion S5M-10794, in the name of Derek Mackay, on the draft Local Government Finance (Scotland) Order 2018.

15:09

The Cabinet Secretary for Finance and the Constitution (Derek Mackay): The purpose of today's debate on the local government finance order is to seek Parliament's approval of the guaranteed allocations of revenue funding to individual local authorities for 2018-19. The debate also seeks agreement to the allocation of additional funding for 2017-18 that has been identified since the 2017 order was approved at this time last year.

The 2018-19 budget delivers a fair settlement for local government under the most challenging of circumstances. The funding package for 2018-19 continues to focus on our joint priorities of delivering sustainable economic growth and protecting front-line services and the most vulnerable in our society. In providing a real-terms increase in resource funding to local authorities, the budget will ensure that local authorities have the funding available to follow the lead of the Scottish Government and lift the 1 per cent pay cap.

In 2018-19 the Scottish Government will provide councils with a total funding package worth £10.7 billion. That includes revenue funding of over £9.8 billion and support for capital expenditure of over £876 million.

Today's order seeks Parliament's approval for the distribution and payment of £9.5 billion out of the revenue total of over £9.8 billion. The remainder will be paid out as specific grant funding or other funding that will be distributed later, as agreed with local government.

Included in those figures is the £159.5 million that I announced on 31 January during the debate on stage 1 of the 2018-19 Budget (Scotland) (No 2) Bill. The remaining £10.5 billion—sorry; I will say that again—the remaining £10.5 million that I announced will be paid as a specific revenue grant in support of internal ferries for the northern isles. If I had announced £10 billion for ferries for the northern isles, that would be a whole different matter.

Of the extra £159.5 million, £125 million was allocated as an amendment to the budget bill at stage 2. It is included in the 2018-19 revenue support grant figures in the order, as I set out during the stage 1 debate. The remaining £34.5 million is included as a redetermination of the 2017-18 revenue support grant figures that are in today's order. I hope that everyone got all that.

The overall funding package for 2018-19 includes an additional £159.5 million to protect spending on day-to-day services, as announced on 31 January as part of the stage 1 debate of the budget bill; £10.5 million for Orkney and Shetland councils to support internal ferries for the northern isles; £66 million to support additional investment in social care, in recognition of a range of pressures that local authorities are facing; and £52.2 million of revenue and £150 million of capital funding to deliver our ambitious programme for the expansion of early years education and childcare.

James Kelly (Glasgow) (Lab): The cabinet secretary talks about a package that is intended to protect council funding and services. Will he explain why his own council area of Renfrewshire is looking at more than £24 million of cuts over the next three years and 200 job losses, as was outlined yesterday in an article in *The Times*?

Derek Mackay: Renfrewshire Council, like many councils—all of them, in fact—is setting priorities and making decisions. At the same time, it is investing more in roads and the environment and is expanding its services, as are many other councils. There are choices for local authorities. Renfrewshire Council is committed to having no compulsory redundancies—that is an example of a council making choices. My argument to Mr Kelly would be that local authorities are well resourced as a consequence of the budget and that the above-inflation uplift was good news for local government across the land.

I had begun to discuss a range of elements of the package. It includes financial support of £24 million to cover the full-year cost of the teachers' pay award for 2017-18; £120 million for pupil equity funding, to be spent at the discretion of head teachers to raise attainment and close the attainment gap; £88 million to maintain the pupil-teacher ratio nationally at 2016 levels; and a £355 million transfer from the national health service to integration authorities in support of health and social care, which has been baselined.

In addition, local authorities will be able to increase council tax by up to 3 per cent, and they look set to do so. That is worth an additional £77 million to Scotland's local authorities. Thirty local authorities have set their council tax levels for next year and the remainder are to do so this week. All of that represents a real-terms increase for local government.

There remains a further £47.6 million of revenue funding that will be distributed once the necessary information becomes available. It will be included for approval in the 2019 order. The amounts involved, as agreed with local government, are £37.6 million for the teachers induction scheme and £10 million, which will be the balance of the total sum available to ensure that the impact of the bedroom tax can be fully mitigated.

In addition to the revenue funding that is contained in today's order, there is specific revenue funding that is paid directly by the relevant policy areas under separate legislation, which amounts to £273.7 million. That includes pupil equity funding, £86.5 million for criminal justice social work, £52.2 million for early years expansion, additional support for northern isles ferries and £4.4 million for Gaelic funding.

The 2018 order also seeks approval for changes to funding allocations of £148.6 million for 2017-18, which have been added to fund a number of agreed spending commitments. Those include £42.3 million for the council tax reduction scheme, £37.5 million to support the teacher induction scheme and £22.5 million for temporary accommodation.

There is a strong increase for capital funding as well, primarily supporting the Government's efforts on early learning and childcare. There are also further investments, which have been debated previously, to meet our ambitious housing targets.

I argue that our business rates package is the most generous in the United Kingdom and that our specific measures support growth. The business community has warmly welcomed our decision to cap the uplift at the level of the consumer prices index rather than at that of the retail prices index.

In summary, the total funding from the Scottish Government to local government next year amounts to £10.7 billion. Our funding proposals continue to deliver a fair financial settlement for our partners in local government that will be strengthened by continued joint working to improve outcomes for local people by improving educational attainment and through health and social care integration.

I move,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2018 [draft] be approved.

15:16

Alexander Stewart (Mid Scotland and Fife) (Con): We, in the Scottish Conservatives, have been clear that we do not believe that the Scottish Government's funding settlement for our local councils is fair. It falls well short of the revenue increase of £545 million that the Convention of

Scottish Local Authorities has said that local authorities require to maintain current levels of service. Such a poor settlement is symptomatic of this Scottish National Party Government's approach to local democracy. Unlike the Scottish Conservatives, who believe that local authorities can be real engines for local growth, the Scottish Government seems to treat councils with contempt. I spent 18 years as a councillor and am well aware of what Governments have done to local government in that timescale. Over the tenure of this Government, it has certainly done that.

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

Alexander Stewart: I would like to make some progress.

Although we acknowledge that it is an extremely disappointing and difficult settlement, we shall vote for the Scottish Government's motion to ensure that our local councils receive their funding.

It is clear, from the carefully choreographed public relations stunt that we saw in the negotiations between the SNP and the Greens earlier this year, that the draft budget's proposal for a real-terms cut to local government budgets has been reversed, but that has gone by no means far enough. In fact, it was very much the case that the Scottish Government could give only sufficient financial provision to ensure that councils receive their funding.

Audit Scotland's financial overview of local government highlighted that local government faces real challenges as we move forward. Rather worryingly, the report revealed that Scottish councils are, on average, spending 10 per cent of their revenue budgets in servicing borrowing. It also suggested that some councils could run out of funds completely in the next two or three years. Such problems are very much the fault of the Scottish Government, which has made a 7.6 per cent real-terms cut in local authority funding since 2010-11. Moreover, the pressure that the SNP has put on local authority budgets has forced many councils across Scotland to use fees and charges to fund vital services, which is totally unacceptable.

It is not only the level of funding itself that the Scottish Government has got badly wrong this year. Its incompetence was in plain sight when it emerged that provisional local government settlements, including ring-fenced funds for criminal justice, had been erroneously allocated in two areas of the budget.

Local authorities are also facing significant shortfalls. Double counting means that they are facing bigger challenges. Councils had planned their budgets on the basis of the figures that were

set by the Scottish Government's draft budget, and these problems only created even more difficulties for them.

Derek Mackay: I want to ensure that the record is accurate: there was absolutely no double counting.

The consultation phase that comes after the circular enables local authorities to engage and come back to the Government if there is a different choice of methodology or other matters. That is exactly what happened: there was a different way in which to allocate the resource.

I know that Alexander Stewart would, first, welcome the fact that the Scottish Government consults local government on distribution and is willing to respond and would, secondly, not want to continue to make a totally inaccurate suggestion that there was double counting when there was not.

Alexander Stewart: The words "a different way in which to allocate the resource" say it all.

It is not just incompetence that we have seen from the Scottish Government in recent months, with the cabinet secretary dealing with the settlement in many different ways. There has also been some sleight of hand in relation to the pay rise for council workers. The 3 per cent pay rise that the Scottish Government has agreed and funded for core staff technically does not cover all of Scotland's 240,000 council workers. Scottish ministers have now admitted that an expectation that council staff will receive a 3 per cent rise has been created but that that is not necessarily going to be the case. COSLA has warned that the main challenge for local government finance is the Scottish Government's public sector pay policy.

The Minister for Local Government and Housing (Kevin Stewart): Will the member take an intervention?

Alexander Stewart: I want to make progress.

We have heard that, if every local authority in Scotland raised its council tax by the maximum allowed, that would raise £77 million. However, the cost of increasing council staff wages by 3 per cent is nearly three times that, at £210 million. The funding that is required is not there. The issue highlights a wider problem with local government financing in Scotland, which is the lack of transparency on the part of the Scottish Government.

We have said that we will vote to approve the order that is before us, but we are uncomfortable about doing so, because it means that the Parliament cannot properly debate local government financing for 2018-19 in the full knowledge of the impact that there will be. Today, we are going through a purely procedural matter.

There will be an opportunity for us to deal with the financial circular when it comes forward, but that will not happen until later this year, long after this debate.

The Scottish Conservatives will vote for the motion, but we do not believe that it is the right way to go forward or to manage the business of Scotland's finances. Hardworking Scots up and down the country are being asked by the SNP Government to pay more in taxes while their local public services are being cut. The Scottish Government is taking with one hand and then taking with the other—that is a double whammy for people across this country.

The Scottish Government urgently needs to rethink its approach to local government finance and make the process of funding allocations to councils more transparent so that the issue gets the proper parliamentary scrutiny that it deserves.

15:22

James Kelly (Glasgow) (Lab): I welcome the opportunity to speak in this afternoon's debate and to oppose the local government finance order—

Derek Mackay: Will the member take an intervention on that very point?

James Kelly: Just let me finish the sentence, please, Mr Mackay.

I will oppose the local government finance order that has been laid by cabinet secretary Derek Mackay.

Derek Mackay: I appreciate Mr Kelly letting me intervene after he has been speaking for only 14 seconds.

I simply want to make the point that—as I am sure James Kelly knows—to oppose the order is to oppose the money that is going to local government. The Tories have at least accepted that although we have a difference of opinion about the sums, the order is a technical one that will release the money that has been allocated. If the Labour Party wishes, it can, by all means, campaign for more money to be allocated. However, if Mr Kelly's attempt to ensure that the order is not agreed today is successful, it will mean less money going to local government.

James Kelly: The cabinet secretary makes the point that this is a technical order in a technical debate, but we will not sign up to what is, in effect, an allocation of cuts to local councils. We hear time and again speeches from SNP members about opposing austerity and standing up for progressive policies. However, if we look at what is happening in local government, the figures are stark. Even before this year's budget, there was a cumulative £1.5 billion of cuts and COSLA

reckoned that £545 million was needed in order to fill the black hole in the SNP's budget. I acknowledge that there was movement between stage 1 and stage 3, but that still left a stark hole of £368 million. That reflects points that were made in the Audit Commission's report of November last year, which gave some stark examples of how councils are struggling to fill the gaps after year-on-year cuts.

Kevin Stewart: Mr Kelly is painting what he describes as a "stark" picture. If things are so stark, why did Labour councils refuse to raise the council tax last year when they had the ability to do so?

James Kelly: It is SNP members who—year after year, and for seven years in a row—have pressed their buttons in this Parliament to allocate cuts to local council budgets.

An analysis in *The Times* yesterday helpfully looked at what is happening on the ground, council by council. Let us take the example of jobs. In Aberdeenshire, 370 jobs will be lost; in East Renfrewshire, 300 jobs will be lost; in Renfrew—Mr Mackay's own area—200 jobs will be lost; in Fife, 190 jobs will be lost; in North Ayrshire, 50 jobs will be lost; in the Scottish Borders, 35 jobs will be lost; in Orkney, 14 jobs will be lost; and in Angus, 16 teaching posts will be lost. The total number of jobs that will be lost is just short of 1,200. If that number of jobs was being lost in an industry or in a factory, the Scottish Government would rightly be setting up a task force as a matter of urgency; instead, the cabinet secretary has come here today to ask us to vote for an allocation that will cut jobs and services.

The cabinet secretary tells us, in reasonable tones, that it is a well-resourced budget. Again, let us look at what is happening across the country. Yesterday, West Dunbartonshire voted for a budget that will result in £2.5 million of cuts to services such as meals on wheels. Such cuts will have a real impact on local communities.

I contend that the cuts to council budgets will not help the Government to achieve its policy objectives. The Government will, understandably, want to see improvements in educational performance and the statistics for the crucial skills of reading, writing and arithmetic, but it is difficult to see how we can make that happen if we are taking teaching and classroom assistant posts out of schools, as some councils are having to do.

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

James Kelly: I am sorry—I am nearly at the end of my speech. I have taken two interventions.

If we drain resources from education, that does not join up with the aim of growing the economy. Councils have told me that they sometimes have to cut back on business planning and local economy units, which will undermine the ability of the councils to contribute to local economic growth. That does not make sense in terms of the Government's overall policy priorities.

We will not stand on the sidelines and cheer on the cuts, like the SNP MSPs. We will stand up for local communities and oppose the order at 5 o'clock tonight.

15:28

Andy Wightman (Lothian) (Green): This is an important debate, and it is not just a technical one. In many ways, though, it is a debate that we should not be having. I will explain why in a moment.

As the cabinet secretary says, the order delivers almost £9.5 billion in revenue support grant and non-domestic rates for councils across Scotland. The money will be used to deliver a wide range of vital public services, including environmental health, social care, leisure, recreation, transport, housing and educating Scotland's young people.

Following the Greens' engagement with the budget process, the settlement represents a real terms—if modest—increase in revenue spending for local government. That was a key demand in budget negotiations and I am pleased that it has been secured. This is therefore a settlement that we will be voting for at decision time. However, as I mentioned at the outset, this is not a settlement that we would like to be voting for. It is fundamentally wrong that so much of the revenue and capital budgets of local government is determined by the Scottish Parliament.

In 2014, COSLA's commission on strengthening local democracy published its final report, in which it argued:

"The case for much stronger local democracy is founded on the simple premise that it is fundamentally better for decisions about these aspirations to be made by those that are most affected by them."

That is an argument that I know that many members will recognise from the 2014 independence debate, when largely the same argument was used to advance the case for Scottish independence. However, for more than 50 years, local democracy in Scotland has been eroded to the point where Scotland is now one of the least democratic countries in Europe, with the weakest structure of local government and with the least fiscal freedom.

In most European countries, at least 50 per cent of the budgets that municipalities and communes

raise is raised locally, and that delivers a sense of accountability that is entirely missing in Scotland. The politicians who make those decisions about raising and spending money are genuinely local; they are politicians whom one would meet daily on the street, in the shops and in the school playground.

Scottish Greens want to see a fundamental shift in political power, from Holyrood to local communities. Thus, this is the last budget on which we will be willing to enter negotiations, unless a serious, credible and substantive process is begun to increase the fiscal autonomy of local authorities, reform local taxation, shift the balance of funding from the centre to the local, and put in place the kind of fiscal framework that exists between the United Kingdom and Scotland in relation to devolved budgets.

That is why, on 21 February, Patrick Harvie wrote to the First Minister to outline why we need local tax reform, as envisaged by the commission on local tax reform. That is why, following the budget last March, we published a paper outlining what a fiscal framework for local government might look like. That is why I will soon put out for consultation a proposal for a member's bill to incorporate the European charter of local self-government into Scots law.

In particular, it is an affront to local democracy that the limited and regressive tax power that local government does have—the council tax—remains the most regressive tax in the United Kingdom, based on a tax base last assessed more than a quarter of a century ago. It is wrong that council tax rate-setting powers have been appropriated by the finance secretary in a form of Tory rate capping in order to cajole local government to bend to the will of central Government and to punish councils if they do not meet the preferences of Scottish ministers. That is a process that would be unlawful across most of Europe and is, in my view, unlawful under international law.

I do not feel comfortable sitting in this Parliament and voting on how much money local government should receive, but we are where we are, and we will be supporting the order at decision time.

15:32

Willie Rennie (North East Fife) (LD): I commend Andy Wightman for his remarks about local government finance. I believe that, just as this Parliament should be able to raise the majority of the money that it spends, local government should have the same power, because if a body can control the purse strings it can control its own destiny. If we have that, we can have true local

democracy, rather than the control that we have by central Government over local government.

I agree with an awful lot of what Andy Wightman has just said. I think that we should be putting power back in the hands of local authorities. Taking back control is incredibly important for them, because if we are going to improve local accountability so that the local electorate can hold local councillors to account for the decisions that they make, there is no point in central Government dictating how much money local councils are going to get in the first place. That should change, and I hope that we get a good debate over the coming year, to encourage that kind of reform so that we can get true local government.

I commend my colleagues Tavish Scott and Liam McArthur for achieving even more than they thought for the northern isles ferries. I heard the Cabinet Secretary for Finance and the Constitution commit to £10 billion for new ferries for the northern isles. Those luxury ferries will provide a bed for every passenger with waiters on tap, and think that that is a great innovation by the minister.

Derek Mackay: I am experiencing a wee bit of déjà vu. If I really did put £10 billion in the budget for the ferries, would even Willie Rennie vote for it?

Willie Rennie: The cabinet secretary has taken the words right out of my mouth. It would still not be good enough, I am afraid, because the SNP always falls short of what is required.

However, I want to focus on a serious element of today's statement. For the sixth year in a row, we have had the failure of the SNP Government to match a commitment from its 2011 manifesto—the manifesto that said, "Re-elect Alex Salmond"—which said:

"We will introduce a new Funding Floor to ensure that no Local Authority receives less than 85 per cent of the Scottish average in terms of Revenue Support. This will be funded by additional money from central government."

In the Scottish Parliament information centre briefing—I admit that it is based on the draft budget, but, having looked at the figures today, I see that the percentages have not changed substantially—the figure for Edinburgh is not 85 per cent but 80.7 per cent, and the figure for Aberdeen is 81.5 per cent. That is well short of the funding floor that was promised.

Instead of fixing the funding for local government and providing more money for Edinburgh and Aberdeen—particularly for the latter, which has suffered a shortfall of nearly £20 million in each of the six years since 2011—the SNP has just fixed the formula. The Government now says that it includes council tax income, which miraculously takes the figure right up. That was not the commitment back in 2011.

Kevin Stewart: Will Mr Rennie take an intervention?

The Deputy Presiding Officer: Mr Rennie is in his final minute.

Willie Rennie: There are shortfalls again this year: a £28 million shortfall for Edinburgh and a £7.3 million shortfall for Aberdeen, based on the promise that was made in the 2011 manifesto. Yet again, the Government has failed to meet its 85 per cent funding floor commitment. I hope that we will get a revision of that from the Government, so that it meets its commitments in the future.

The north-east has faced considerable problems in recent years because of oil and gas, and the infrastructure in that part of the world is poor. The national health service has been underfunded by £16 million a year on average. Change is needed to meet the commitment and to provide a fair deal for Aberdeen and Edinburgh.

15:37

John Mason (Glasgow Shettleston) (SNP): I am always happy to speak on the budget and, once again, I am happy to tell the Tories why they are wrong.

Although the focus today is on local government finance, we also need to look at the wider issues of how we raise revenue and how we spend it. I suspect that most members will argue today that local government should get more money rather than less, although the Conservative policy of cutting or freezing tax would mean that either local government or other sectors would have their funding cut.

We should acknowledge the Green Party's push on this issue and its agreement with the Government to raise income tax a bit more in order to fund our councils a bit better. However, there is only so far that we can go down that route without killing the goose that lays the golden egg.

Scottish Labour has suggested much higher taxation, but apparently without doing much research, exploring how it would work in practice or having the figures independently checked. It is interesting that a party that supported having an independent Scottish Fiscal Commission that would do the forecasts instead of the SNP Government is not quite so keen on having its own forecasts properly verified.

Assuming that we do not have scope for raising the tax take much more at this stage, parties that want to give more to local authorities presumably want to take that money from other sectors such as the health service.

Andy Wightman: Surely it is not so much about whether we should raise more tax to give to local

government, but a question of whether local government should have the fiscal levers to decide for itself how much revenue it wishes to raise in its local area.

John Mason: I basically agree with Andy Wightman's argument and what he said in his speech today, and I look forward to the introduction of his bill. However, we are where we are for 2018-19, and Labour failed in that it could not introduce new tax proposals in time for April.

We find it difficult to get some of the other parties to admit this, but more money for local government means fewer nurses, fewer doctors, fewer medicines, fewer students or fewer trains, or one of the other options. The Tory suggestion of making savings through less wastage is just another way of making cuts and the Tories have not told us which department should get those cuts. Will it be local government or somewhere else?

As a Glasgow MSP, I want as much funding as possible for our city. I consider that funding allocations must be based on need and not on arbitrary percentages, as Willie Rennie seemed to suggest. I accept that need can be hard to measure, but our allocations to local government must be based on need.

The top four local authorities by funding in the provisional figures are the three island authorities plus Argyll and Bute Council, which also has many islands. Having been heavily involved in the Islands (Scotland) Bill, I think that that level of funding is appropriate, given the extra costs and challenges that islands face. The next three on a per capita basis are Inverclyde Council, West Dunbartonshire Council and Glasgow City Council. Most people would feel that that was appropriate, given the needs in those authorities.

Compared to those in England, local councils here are getting a good deal. This week is apprenticeship week and, yesterday, I visited an organisation in my constituency that provides care for adults with learning disabilities and others with severe needs. It was good to hear that that organisation puts a huge emphasis on training not just for apprentices but for all its staff. It was especially encouraging to hear that it is able to pay its workers in Scotland £1 more per hour than workers in England get, because local authorities here are willing and able to pay that bit more. In turn, that is because local authorities in Scotland are better funded than their counterparts down south.

Of course, we would all like more money for almost everything, but we have to live in the real world and that means living within our means. Maybe in future years we can raise taxation more or maybe other sectors will need less money but,

for 2018-19, we have set a pretty reasonable and fair budget and, in particular, a pretty reasonable and fair settlement for local government.

15:41

Graham Simpson (Central Scotland) (Con):

Last year, I stood here and bemoaned a finance settlement that left councils making cuts, axing services and losing staff. Here we are again. I ask members to remember the figure of £15 million—which is a lot of money—because I will return to it.

Scottish Conservatives will vote for the order because councils need the money, but as Alexander Stewart said, our support should not be seen as acceptance that it is a fair settlement, because it is not. Local government has been squeezed year after year by the SNP. Regardless of how Derek Mackay and John Swinney try to dress it up or even hide the true picture, councils have been making cuts every year under them.

Mr Mackay was once a promising young council leader who stood up for local government. Now, he cuts a figure from a Dickens novel. [*Laughter.*]

Derek Mackay: I missed that.

Graham Simpson: Mr Mackay cuts a figure from a Dickens novel. First, he is Mr Micawber, presenting a draft budget hoping that “something will turn up”, as it surely did, in the shape of Patrick Harvie. However, at the same time, he is Mr Scrooge, swinging the axe on local government. He is a complex man, indeed.

I was a councillor for 10 years, and in every year in which the SNP was in power, we had to make decisions about what to cut. The council tax freeze was in place, which was something at least, but we held our nerve when it ended and continued it because that we had pledged to do that. Keeping our promises on tax: what a novel concept that is.

This year, the current crop of councillors was set up to expect a massive cut in their budget, so when that cut was not quite as bad as they first feared, some of the more naive among them were delighted. We even had the rookie SNP council leader John Ross drooling that it was

“the most progressive budget for South Lanarkshire Council for many years”,

and praising a better-than-expected settlement.

Derek Mackay and his outrider Mr Harvie might be able to fool the likes of Councillor Ross, but his council has still had to make £15 million of cuts—there is that £15 million—and is losing more than 100 full-time equivalent members of staff. On top of that, hard-pressed council tax payers in South Lanarkshire can now look forward to a 3 per cent increase in what they give the council to manage

potholes. I cannot wait. If that is progressive, he can keep it.

South Lanarkshire Council is no different from any other council. What about Labour-run North Lanarkshire Council? Its challenge was slightly easier, but it still had to make £2.6 million of cuts and lose more than 50 full-time equivalent staff. There is also the familiar council tax increase. At least the council leader, Jim Logue, knew who to blame this time, and noted

“the devastating impact that the continued level of austerity enacted by the Scottish Government’s lack of support for local government”.

That just about sums it up. The Scottish people are starting to realise the consequences of the SNP’s incompetence on service delivery by local government.

The annual charade by Derek Mackay and Patrick Harvie may con SNP council leaders, but not everyone is as easily fooled. We can expect the same dance next year.

Council staff throughout Scotland could be forgiven for expecting a 3 per cent pay rise. The bad news is that the Scottish Government, having created that expectation, will not pay for it. Is that fair funding? I do not think so.

15:45

Daniel Johnson (Edinburgh Southern) (Lab):

The budget debate this year has been marked by contorted rhetoric and even more contorted mathematics in order to try to claim largesse and generosity in the settlement for local government. That is nothing short of a cruel irony, because in 10 years of SNP Government, local government has seen 10 years of austerity and £1.5 billion of cuts being passed to it.

Let us be clear: that is an SNP choice. Since 2013-14, the Scottish Government has had a cut of 1.5 per cent to its revenue grant, but has passed on a cut of 4.5 per cent in revenue funding to local government. That has been despite the fact that much of the SNP’s largest public policy change proposals require the use of local government—for example, the expansion of childcare and tackling the attainment gap. The reality is that while the SNP increasingly adds to the local government jobs list, it gives local government less and less.

James Dornan: The biggest receiver of funds outside local government is the NHS, so how much would Daniel Johnson take out of the NHS budget to fill the gap that he claims exists?

Daniel Johnson: The reality is that the SNP has year after year failed to use the powers that this Parliament has. The way to fill the gap is through progressive taxation.

Kevin Stewart: Can Daniel Johnson tell members why Labour councils have chosen not to increase the council tax next year, which would have filled a few gaps, as he would put it?

The Deputy Presiding Officer: Just a wee minute. Daniel Johnson will stand up when I call him—I know that he is desperate to reply. I call Mr Johnson.

Daniel Johnson: Thank you, Presiding Officer. The reality is that the council tax is a regressive form of taxation. The SNP used to think that; why does it not think that any more?

This is an odd debate. I will echo some comments that were made by Andy Wightman. We have to make local government fiscally responsible again, but we also need a transparent budget process. Although we debated the budget two weeks ago, we still do not have the clear and final detail, according to the Scottish Parliament information centre. When I entered the chamber, we still did not have the local government financial circular, which shows a disturbing lack of transparency. I urge the cabinet secretary to reflect on that so that we have an improved and more transparent budget process in future years and, indeed, more stable funding for local government.

I thank Willie Rennie for mentioning Edinburgh; it is generous of him to speak up for an area other than his own. This year's deal is terrible for Edinburgh, which will have a £2.6 million real-terms cut, according to the latest figures that we have. That comes off the back of a budget settlement last year that was described by the council's leader as the worst settlement since devolution.

Edinburgh has much of what is needed to be successful, including a high number of tech start-ups, universities and a high number of graduates, but investment is needed to make good on those success factors. However, such factors can hide underlying poverty. In 10 years of declining budgets, we have seen real impacts in the vital services that some of the poorest people in our communities need to get by. Cuts have resulted in growing class sizes and fewer teachers, and those teachers increasingly teach in older schools. I raise again the case of Liberton. I have four high schools in my constituency and Liberton high school, which was built in the 1950s, has barely seen investment since.

Edinburgh is, behind Aberdeen, the second last council in terms of funding per head, and has consistently had twice the level of cuts of the Scottish average. It has had a 10 per cent cut in its funding since 2013-14, which is more than £150 per person.

I agree with James Kelly: we cannot support the financial settlement because, to be frank, it short changes local government and the vital services that it provides.

15:49

James Dornan (Glasgow Cathcart) (SNP): There is no question: the Government is being pushed into making ever more difficult choices when it comes to public spending and finance. There is also no doubt that we would like to give more to local authorities, but let us not pretend that the block grant is not being cut. Obviously, that has the impact that day-to-day spending is decreasing across the board.

Daniel Johnson: I said that the Scottish Government's revenue grant has been cut by 1.5 per cent, so why has the Scottish Government cut revenue funding to local government by 4.5 per cent in the same period?

James Dornan: I touched on the answer to that in my intervention, but Daniel Johnson refused to answer the question. Obviously, the SNP Government has made spending in the NHS a priority, and we have protected local authorities as much as possible with the financial settlement for councils. I do not see where the money would come from for any of the fantasy projects that Labour keeps on suggesting. If people make suggestions, they have to say how they will pay for them. I have not heard them do that.

Over the next two years, the block grant will fall by more than £500 million. As a councillor in Glasgow City Council, where I was a group leader for a while, and as a Glasgow MSP in the years thereafter, all that I heard from the then Labour-led administration was cries over and over again for the council tax to be unfrozen. Freezing the council tax for families across Scotland was a progressive policy, and it benefited households across the country. However, as every member knows, I am a reasonable man, and I can understand that that needed to change. The Scottish Government unfroze the council tax: councils have the option to increase it by up to 3 per cent, which would raise a total of £77 million. I am puzzled by the unwillingness of many Labour-led administrations to grab that opportunity with both hands. Labour asked for that, but refuses to use it.

Last year, for example, Labour in North Lanarkshire cut posts. They protested outside Parliament and claimed that the SNP was responsible for those staff losses. However, this year, they refuse to increase the council tax, even for the richest households, to an extent that would allow them to save any of those staff. Members may call me cynical, but there was a local

authority election last year, so I have to wonder whether votes were more important to that administration than protecting services and workers.

This year, North Lanarkshire Council and many other Labour-led administrations are again cutting jobs, often backed by Tory votes. Those cuts include cuts in numbers of classroom assistants, which James Kelly mentioned. Things do not need to be that way. We should compare what those councils are doing with the excellent local budgets of SNP-run administrations.

In my city of Glasgow, the local authority has agreed on one of the most progressive budgets in a long time. I have been passionate about taking Cordia (Services) LLP back into the local authority for a long time, because that service will clearly work better if there is a close partnership between the social work department and the local authority. The public want investment in city infrastructure and a commitment to fixing roads, pavements and lighting. They want a commitment to improving everyday lives, which is happening in Glasgow.

As convener of the Education and Skills Committee, I have to congratulate councils such as South Lanarkshire Council that have found ways to increase the uniform grant to allow children to attend school with the very basics that are required in order for them to learn and to feel that they belong. Glasgow City Council plans to tackle child hunger by offering free school meals during the holiday period. Such policies will change the lives of children and young people across those council areas. As we strive for a fairer Scotland, we should all welcome that.

As a former councillor, I understand that there are frustrations about finance, but we must recognise that the Government is being ever more financially restricted by Westminster, and that we need to protect services including the NHS. We still have to find a way that benefits people in local authorities across Scotland. I suggest a pay rise for public sector workers and a new progressive tax system. The excellent budgets that some of our biggest councils are delivering are the way to do things—until we are an independent country, of course—and to ensure that we not only survive but thrive in these tough economic times.

I support the Government.

The Deputy Presiding Officer: I say gently to James Dornan that I do not like the word “them” and would prefer to hear “the Opposition” or “the other Government”.

15:54

James Kelly: A number of interesting points have been made in the debate.

I was interested in Alexander Stewart's contribution, his stout defence of local government, and his view that the Tories supported a fair funding settlement for local government. I certainly agree with some of that. However, during the budget process, it seemed to me that although the Tories wanted to keep taxes as low as possible, they did not have any solutions on how they would fund local government, so I am not sure that Mr Stewart's rhetoric backed up the reality of the Tory position. I know that there are members of other parties who disagreed with Labour's approach to the budget, but at least we set out our views in an alternative budget, how much money we sought to raise and how that should be spent. The Tories did not go through that exercise.

A number of members mentioned pay. Although the cabinet secretary does not have direct responsibility for pay, he has made a number of announcements on policy intent, so there is—quite rightly—an expectation from council workers that they should at least receive the terms set out in his announcements. The reality is that, from the very start, the budget was short by £200 million and no additional money was included for pay. That puts councils in a position of having to choose between giving a fair pay settlement and cutting services and jobs. Indeed, that is why we are seeing the extent of job cuts that I touched on in my opening speech. I did not include the 100 jobs that Graham Simpson highlighted are being cut from South Lanarkshire Council, which takes the figure up to 1,300. That shows the scale of the problem.

Some members talked about how to improve the budget process. Daniel Johnson was right to talk about transparency, because how can we properly debate the allocations when the financial circular is not in place? I make it clear to the cabinet secretary that it would be useful if more information was available on the underspends that are recorded throughout the financial year. That has clearly become part of the budget process, given that, each year, he digs into the underspend in order to fund the deal with the Greens.

Andy Wightman made a strong contribution in which he made it clear that local government needs to be more of a priority next year in relation to not only funding, but local democracy. That is very important.

Fundamentally, we need a different approach. Year on year, local government is penalised. If we want to change next year's debate, we need to look at progressive taxation and at redistributing more power and services to local government, otherwise local councils will continue to be penalised. We will oppose the motion at 5 o'clock tonight on the basis of those penalties.

15:58

Jamie Greene (West Scotland) (Con): Daniel Johnson said that this is “an odd debate.” He was right: the Scottish Government purportedly seeks to improve education and outcomes, protect public services and support job creation and growth, but its local funding policies have exactly the opposite effect.

Mr Dornan said that this is a “progressive” settlement, but that is far from being the case, because local councils and our communities will be hardest hit by the SNP’s budget choices.

James Dornan: Will the member take an intervention?

Jamie Greene: I have just started—let me make some progress.

Many members have talked about job losses in their local council areas. Closer to home for me, Inverclyde Council has made viable proposals to cut 60 council jobs. That is a lot of jobs, and cutting them will be a huge loss to that part of the world—and councils across the country are doing the same thing. Inverclyde Council is also looking to close community centres and a whole other bunch of services.

I spent most of Monday dealing with a case in Inverclyde involving a constituent who has very limited access to a number of services that were previously available to help those suffering from the blight of addiction. A number of services that tackle some of Scotland’s most deep-rooted problems have been cut in recent years. The cabinet secretary can stand up here in the chamber and talk about real-terms this and cash-terms that, but when we go back to our constituencies—

Derek Mackay: Will the member stand here and take an intervention?

Jamie Greene: May I finish? We are the ones who have to go back to our constituencies and deal with the fall-out from local authority funding. The cabinet secretary says that local councils are making choices. They are doing that, but I assure members that they are making choices that they do not want to make.

Derek Mackay: There is the local and then there is the national. If Jamie Greene was finance secretary and had to approve an order today, by what sum would he increase the allocation and from where would he find the resources to do so?

Jamie Greene: It is unfortunate that I have not been the finance secretary for the past 10 years, because I would have grown the Scottish economy at the same rate as the rest of the UK economy is growing, which this cabinet secretary

has simply failed to do. I hope that that answers his question.

The cabinet secretary made an important point when he said that councils are making difficult choices and cutting vital local services that affect people in our communities.

Members talked about transparency in the process. Conservative members will vote for the motion today for the technical reason that local councils must get funding, but it is disappointing that the Parliament is not privy to the updated financial circular that accompanies the order. We are being asked to vote on key budget information without seeing it, yet SNP members are putting out press releases that contain specific numbers for their local councils’ settlements. I would hate to think that they know what their councils are getting before SPICe and other MSPs know.

We do not need to know the exact figure for each local authority; we know that allocated funding will be a challenge for many authorities. To the unsuspecting eye, the £170 million additional settlement might seem promising at first glance, but the reality is that the settlement nowhere near covers the £545 million that COSLA says that local government needs if it is to maintain services at current levels, let alone provide additional services.

On the public sector pay rise, members on the Conservative benches have been positive about the need to increase income in the public sector, but a question remains: who will pay for the increases? COSLA says that a 1 per cent pay rise will cost about £70 million and a 3 per cent increase will cost about £140 million.

The SNP has left local authorities to foot the bill for its promised public sector pay rises. The idea is that council tax increases are the great panacea for local government. There are two points to be made in that regard. First, it is being suggested that council tax payers, not central Government, should foot the bill for stagnating investment in local authorities. Secondly, an increase in council tax, which we know will be the approach of pretty much every council in Scotland, will not even scratch the surface of the shortfall that most councils will face over the next few years, and that fact is being ignored.

This Government’s poor economic strategies have left hardworking Scots facing increased taxes while their local services are being cut. The funding will not lead to more reliable, well-funded public services from local councils. Council tax payers the length and breadth of Scottish will pay more and get less. I ask the cabinet secretary to reflect on that.

16:03

The Minister for Local Government and Housing (Kevin Stewart): The Local Government Finance (Scotland) Order 2018 that is before us today seeks parliamentary approval for the guaranteed payment of £9.5 billion in revenue support to Scotland's 32 local authorities, to enable them to provide the people of Scotland with the full range of services that they need and fully deserve.

Scotland's local authorities will continue to play a pivotal role in the Scottish Government's transformative programme of public service reform as we continue to build on the priorities in the 2017 programme for government and focus on delivery of our joint priorities.

Before I get into the detail of the order and respond to some of the comments that have been made in the debate, I want to thank everyone who was involved in minimising the disruption and inconvenience that was caused by the extreme weather that we experienced last week. Many of those people are employed by our local authorities the length and breadth of Scotland.

As you well know, Presiding Officer, the Cabinet Secretary for Finance and the Constitution acted immediately when he was asked by the Scottish Borders Council to trigger the Bellwin scheme, which can provide emergency financial assistance. By triggering the scheme, the cabinet secretary has allowed any council to submit a request for additional funding under certain circumstances. I can confirm that we have also been contacted by Dumfries and Galloway, Perth and Kinross, Aberdeenshire and Angus councils.

I turn to the matters at hand. We have heard some interesting comments from members today. I will start with some of the comments that were made by Mr Stewart in his opening remarks. He failed to tell the chamber where the Conservatives would find additional moneys to give to local government. As Mr Kelly pointed out, Mr Stewart's party wanted to rip £500 million from the Scottish budget. I would be very interested to hear any comments from him about from where the Conservatives would find the money. No, I thought not.

Mr Stewart scaremongered a lot about other things, too. He said that councils might run out of money in the future. For the chamber's knowledge, as of 31 March 2017, local authorities' usable reserves amounted to £1.9 billion, which represents 18 per cent of the total funding that is provided to councils by the Scottish Government. I will take an intervention from the economic wizard, Jamie Greene.

Jamie Greene: It is nice to receive a compliment from the minister for a change. Does

he accept that local government debt has reached nearly £17 billion? His idea that it is sitting in huge swathes of cash is simply unrealistic and bonkers.

Kevin Stewart: Mr Greene obviously does not know the difference between a compliment and sarcasm.

Local government reserves amounted to £1.9 billion, which is 18 per cent of the money that goes from Government to councils. That is not an insubstantial sum. It is not up to central Government to tell local government how it should spend resource in terms of capital spend. However, a huge amount of the money that is being paid out is through public-private partnership charges; that scheme would never have been allowed, and has been stopped, by this Government. Others in the chamber should reflect on that.

Willie Rennie: Will the member take an intervention?

Kevin Stewart: I will take Mr Rennie's intervention in a little while, because I have got some things to say about him, too.

I turn to pay. Inflationary pressures on councils include pressures on pay. Pay makes up an average of 60 per cent of a council's revenue budget. It is therefore wrong to claim—as members have done today—that councils need a real-terms increase in overall funding, plus additional money to allow pay to keep pace with inflation. We are providing local authorities with a funding increase of £174.9 million in the 2018-19 budget. That includes £24 million as our contribution to increase teachers' pay for 2017-18. Taken together with the £77 million that can be raised through the council tax, councils will have access to an additional £252 million in revenue funding. That is a 2.6 per cent increase in cash terms and a real-terms increase of 1.1 per cent. COSLA estimates that the additional costs that councils will face as a result of the 2018-19 pay policy are around £220 million, so councils have the money to increase pay. Mr Kelly was right, for once, in his summing up: the Cabinet Secretary for Finance and the Constitution does not have locus on local government pay. That is entirely a matter for local authorities.

I want to make one point in response to Mr Rennie. This order always gives me the opportunity to pay tribute to the late and great Brian Adam—the man who suggested the funding floor that this Government implemented. That funding floor, which did not exist under the previous Labour-Liberal Democrat Administrations, provided a fairer settlement for the likes of Aberdeen City Council and the City of Edinburgh Council.

I will finish on this point—

The Deputy Presiding Officer: You must finish.

Kevin Stewart: Aberdeen City Council has £3.9 million more in 2018-19 than it had in 2017-18, which includes an additional £8.7 million because of that floor. I pay tribute to Brian Adam for achieving something that was never achieved under previous Administrations.

I urge members to support the order.

Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill: Stage 1

The Presiding Officer (Ken Macintosh): The next item of business is a stage 1 debate on motion S5M-10795, in the name of Derek Mackay, on the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill.

16:11

The Cabinet Secretary for Finance and the Constitution (Derek Mackay): This is part 2 in this afternoon's act. It will probably be a far more consensual debate than the previous one. It is a shame that Mr Simpson has departed from the chamber, because his use of the books of Dickens to characterise me has inspired the BBC. I hope that there will be no conjuring up of more such impressions of me in this debate, which will show what a reasonable person I am.

Just short of three years ago, the land and buildings transaction tax came into effect in Scotland, alongside the Scottish landfill tax. They were the first new national Scottish taxes to be introduced by a Scottish Parliament in more than 300 years.

Subsequently, in 2016, the Parliament approved legislation to introduce the LBTT additional dwelling supplement, which is a 3 per cent additional rate of tax that is applied to certain house purchases. The supplement applies where, at the end of the day that is the effective date of a transaction, a buyer owns more than one dwelling and the buyer is not replacing a main residence. Where the additional amount is paid, the legislation provides that it can be reclaimed when a main residence is being replaced and the sale of the previous main residence occurs within 18 months of the purchase of what then becomes the current main residence.

The introduction of the original LBTT legislation and the subsequent introduction of the additional dwelling supplement were important milestones on Scotland's tax journey, but it is important to acknowledge and recognise that, on occasion, there will be a need for change. Tax is complex and it is inevitable that, at times, amendments will be required or desirable to improve operation, or for other reasons.

Reflecting that fact, the Scottish approach to taxation is founded in part on effective engagement and partnership working with stakeholders. It was as a consequence of that engagement, which included engagement with MSPs, that, last summer, I introduced secondary legislation to address a specific issue that had

been highlighted in relation to the treatment of married couples, civil partners and co-habitants—referred to as an economic unit—in the ADS legislation.

The order that was approved by the Parliament in June 2017 addressed the scenario in which a couple jointly buy a new main residence, but only one of the couple's names was on the title deeds of their shared previous main residence. Its effect was to ensure that relevant couples did not have to pay the additional dwelling supplement or could claim repayment of the supplement when their previous main residence was sold within the 18-month period.

Although the order addressed the issue for transactions that took place after it came into effect, it could not apply to transactions that had taken place previously, and members of the Finance and Constitution Committee and stakeholders rightly raised that as a concern during their scrutiny of the order.

The Scottish Government agrees with that view, so it has introduced the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill to deliver parity for all taxpayers, regardless of the effective date of their transaction. The bill is single-minded in its focus and scope, in that it serves solely to give retrospective effect to the provisions of the 2017 order. I thank the Finance and Constitution Committee for its scrutiny of the bill, and I welcome its support for the bill's general principles.

I recognise, of course, that stakeholders have raised a number of other issues around the additional dwelling supplement and the approach to devolved taxes more widely. I welcome their input and engagement and take seriously the points that they have raised. I assure members that, although they are outwith the scope of this bill, the issues that were raised in the submissions will be considered. However, many of the asks would involve a much more significant amendment to the legislation, so they will require further attention.

On the issue of group reliefs specifically, I intend to bring forward a consultation on draft secondary legislation to address for future transactions the concerns that stakeholders have raised. Such legislation would deliver parity of approach between LBTT and stamp duty land tax in this area.

Murdo Fraser (Mid Scotland and Fife) (Con): I welcome what the cabinet secretary has just said about group reliefs. I do not know whether he is familiar with the Law Society of Scotland briefing that was issued for this stage 1 debate, but it sets out a number of examples of other areas in which people buying houses together might inadvertently

become liable to the additional dwelling supplement. Does the Scottish Government have any plans to look at those areas as well to see whether they require to be addressed by legislation?

Derek Mackay: I appreciate the intervention, but I do not want to give any views today that are wider than the purpose of the bill and further to what I have said already. However, I reiterate that I will consider and reflect on all submissions.

There is a very strong argument—maybe the budget process review group has assisted us with this issue—about the fact that Westminster has the ability to refine tax legislation as appropriate but we do not have that function in the Scottish Parliament. There is an increasingly strong case for the Scottish Parliament having such a function to address certain matters without having to take the legislative route that we otherwise have to go through. That is certainly worthy of consideration.

In the bill, we are taking action on a specific technical issue as a result of engagement on that issue, not least with Murdo Fraser. Given that context, the bill is therefore non-contentious and I hope that it will be supported across the chamber and across the tax community. All other considerations on land and buildings transaction tax will be considered in a timely and appropriate manner as part of our overall approach to the planning and management of devolved taxes.

I look forward to the debate, but I am very curious as to how we will fill the next 40 minutes.

I move,

That the Parliament agrees to the general principles of the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill.

The Presiding Officer: I call Bruce Crawford to speak on behalf of the Finance and Constitution Committee.

16:17

Bruce Crawford (Stirling) (SNP): How long do I get, Presiding Officer?

The Presiding Officer: Five minutes, Mr Crawford.

Bruce Crawford: Okay. Thank you.

It is my pleasure to speak as the convener of the Finance and Constitution Committee. I put on record my thanks to my fellow committee members for the constructive manner in which they went about their deliberations on the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill. I also thank the clerks, particularly Alan Hunter, who supported the committee so well during our deliberations. If only

other aspects of the committee's workload were as straightforward to navigate.

On the subject of Dickens's characters, perhaps on this occasion Derek Mackay is Samuel Pickwick, who is said to have been

"Benevolence personified ... entirely human and credible ... Decent and determined".

Perhaps he is the most appropriate character from Dickens as far as this bill is concerned. I had better get on now with the rest of my speech.

I highlight by way of background that, following the devolution of certain powers over taxation as a result of the Scotland Act 2012, our predecessor committee scrutinised plans to introduce the land and buildings transaction tax from April 2015. Since the implementation of LBTT, a number of changes have been made to the Land and Buildings Transaction Tax (Scotland) Act 2013, with perhaps the most significant being the introduction of the additional dwelling supplement in April 2016. That meant that individuals or couples purchasing a second residential property would be liable to pay an additional tax charge. Exemptions were put in place, though, to ensure that such buyers were not inadvertently left out of pocket—for example, by legislating to entitle people to claim a refund where they temporarily owned two dwellings while waiting for their original property to be sold.

However, it became apparent that the legislation had been drafted too tightly, which had the unintended consequence that couples in certain circumstances were treated as a single economic unit when determining whether the supplement should be levied but not when determining whether they should be reimbursed. I know that that issue has been raised with MSPs across the country. To address that anomaly, the Government laid a statutory instrument, which the committee considered and endorsed in June last year. At that time, the cabinet secretary confirmed that it was not possible for the secondary legislation to apply retrospectively, meaning that a small number of couples who had already paid the supplement were unable to claim it back. The cabinet secretary undertook to consider other legislative vehicles to effect the change, and the bill that we are debating today is the direct result of that undertaking.

Although the committee fully supported the policy intentions of a bill that is understandably narrow in scope, stakeholders raised a number of additional issues in written evidence. I will briefly address some of those comments and suggestions.

A recurring point was that the data provided to Revenue Scotland does not allow it to proactively identify taxpayers who are eligible to claim

reimbursement of the supplement. The cabinet secretary acknowledged that and explained that the legal world would be well aware of the bill and would raise awareness among clients, while Revenue Scotland would publish information on its website to raise awareness and explain how to go about submitting a claim. However, the cabinet secretary accepted the fair point that attempts should be made to identify eligible taxpayers. The committee therefore invited Revenue Scotland to consider what further steps it would take to identify such people. I am grateful for its considered response, which explains that, although it is not possible to do that, it intends to use a wide range of communications activity to raise awareness of the change.

The committee is also mindful of the potential impact on the overall LBTT tax take of refunds that arise from the bill. Although the impact is likely to be relatively small, we have invited the Government to provide updates on the number of repayment claims that are made and the amounts that are repaid.

I put on the record the committee's appreciation for the constructive engagement that we have had with the cabinet secretary and his officials in supporting our scrutiny of the bill. I welcome the comments that he made in his opening speech and the contents of his letter of 5 March in response to the committee's stage 1 report, as well as his letter to the committee today about the group relief consultation announcement, which I think we all welcome.

The committee recommends the general principles of the bill to the Parliament.

16:22

Murdo Fraser (Mid Scotland and Fife) (Con): I start by reminding members of my entry in the register of members' interests, which shows that I am a member of the Law Society of Scotland.

Following on from the convener of the Finance and Constitution Committee, I fear that we might be in for a contest this afternoon to see who can come up with the Dickens figure whom the cabinet secretary most corresponds to. I give you, Presiding Officer, Mr Micawber from "David Copperfield", who is described as

"always in debt yet recklessly cheery and blindly optimistic".

I ask colleagues to beat that if they can. [*Laughter.*]

On behalf of the Scottish Conservatives, I welcome the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill. The finance secretary knows that I have constituents who were caught in the very circumstances that the bill attempts to redress,

and it might be helpful to the Parliament if, without giving their names, I narrate the circumstances of the case as an illustration of why the bill is important.

In the case of my constituents, we had a young couple who had recently married. They lived in a property that the husband had owned prior to the marriage, which was therefore in his sole name. The wife did not own any property. In time, they decided to move to a larger property, which was purchased in their joint names, as is the normal practice. The entry date for the new property was a few weeks prior to the entry date for the sale of the existing one, so there was a short overlap. There is nothing unusual in that. That led to them paying an additional dwelling supplement on the purchase price. If I recall correctly, the sum was about £13,000, which represented a substantial financial commitment. Nevertheless, they fully expected that the sum would be refunded to them in the normal way after the sale of the first property, as they were second home owners only on a short-term and inadvertent basis.

I am sure that members can imagine their horror when they discovered that Revenue Scotland was claiming that the additional dwelling supplement was not repayable in their case. They had never budgeted for an additional £13,000 and had no idea how they would meet that additional charge.

As the cabinet secretary has pointed out, the problem was that, as a result of the way that the original legislation was drafted, only the husband was treated as replacing a main residence. Because the wife did not have her name on the title deeds of the original property, she was not treated as replacing a main residence and therefore, on the strict interpretation of the legislation, ADS could not be reclaimed on the sale of the first property by the husband.

It is clear that such a situation was never the policy intent of the original legislation. ADS was introduced as a revenue-raising measure to produce tax from those buying a second property, or more properties, either for investment purposes or as a holiday home or other residence. It was never intended to be a tax on those who were simply replacing their main place of living. Yet, due to what is essentially an error in the way that the original legislation was drafted, couples such as my constituents were inadvertently caught by it.

I drew my constituents' case to the finance secretary's attention, as I am sure that other members did with similar cases, and I am pleased that the Scottish Government acted very swiftly. A statutory instrument was brought in last year to resolve the problem for new purchasers after June 2017. Primary legislation was required to give retrospective relief to those who were caught during the period from the introduction of ADS—1

April 2016—until June 2017, hence we have the bill before us. It is a timely and very welcome bill, and it will be much appreciated by the individuals who are caught in the situation that I have just outlined.

I would like to raise two other minor issues in relation to the bill before us. First, we have to make sure that all those who would benefit from this bill are aware of its passing. I raised that issue with the cabinet secretary when he came to the Finance and Constitution Committee, and indeed the committee convener just referred to it in his opening speech. There is a particular case for Revenue Scotland to engage with the Law Society of Scotland, which will be best placed to be aware, through its member companies, of the cases affected. It can then be ensured that everyone is aware that the legislation has been passed, so that those who are able to reclaim ADS can do so.

The other point relates to separate issues in connection with LBTT, which were raised in evidence to the committee by the Law Society and the Institute of Chartered Accountants in Scotland. Adjustments to the LBTT ADS regime would be beneficial in a number of other areas, for example, in relation to the transfer of investment properties to pension funds or in relation to LBTT group relief where share pledges are involved. I welcome the fact that the cabinet secretary has this afternoon published a letter saying that he is prepared to consult on the latter matter, which takes us forward in a very helpful fashion.

The suggestion has also been made that an annual finance bill in the Scottish Parliament could deal with the minor tidying up of matters such as those. It would be very welcome if the Scottish Government were to consider that suggestion.

I reiterate that the Scottish Conservatives will support the bill before us at stage 1 this evening. I hope that it becomes law as quickly as possible, and I know that there are constituents of mine who will be very grateful if it does.

16:28

James Kelly (Glasgow) (Lab): There have been a number of heated debates and exchanges over the past of couple months, mainly over the budget and certainly between me and Mr Mackay. I want to make clear at the outset of this debate that I fully support the proposals that have been brought forward on the land and buildings transaction tax. I commend Mr Mackay for his approach in listening to stakeholders and to the issues that were raised by committee members—principally Murdo Fraser—and for bringing forward corrective action. It is very welcome.

The purpose of the land and buildings transaction tax was to levy a tax on those who

purchase property. In the original legislation, the approach was to treat couples, including those in civil partnerships or who are cohabiting, as one domestic unit, in order to seek to ensure that people were not avoiding tax. That seemed a reasonable approach.

However, as other members have outlined, if people sought to claim relief from the ADS where they had purchased a property and sold one in the previous 18 months, they were caught by inconsistent treatment, which is against the principles of fair taxation. In addition to the changes that were introduced by order last year, the bill addresses, retrospectively, the position of those who were caught by the policy prior to May 2017, which, again, seems a reasonable approach. I am encouraged by the fact that the bill has been well supported by the stakeholders who engage on this issue, including the Law Society of Scotland and those who participate in the relevant forum.

The financial memorandum states that the bill will have a financial impact of between £655,000 and £1.55 million. Although that is a relatively small amount as regards the overall budget, it will have an impact on it and it will be interesting to learn from the cabinet secretary where that will be drawn from.

Some of the responses that were made to the consultation on the bill introduced other issues relating to how we, as a Parliament, might better manage taxation. It is right to look at such issues—particularly given that, as we now have increased tax powers, more such technical issues might come up and require to be tidied up. It seems reasonable to look at the idea of an annual taxation bill through which we can tidy up any unintended consequences.

The measure that we are debating today is a necessary one. I commend the work that has been done by the Finance and Constitution Committee's members, witnesses and clerks. I also commend the cabinet secretary for introducing appropriate legislation to correct the loophole and ensure that those who have been caught unfairly by the way in which the original legislation was drafted can seek appropriate redress.

The Presiding Officer: We move to the open debate.

16:32

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): The title of the bill may prove to be almost as long as the time that is taken to consider and approve it. As the cabinet secretary, the convener and members have reminded us, the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill seeks to correct an

unintended consequence of the Land and Buildings Transaction Tax (Scotland) Act 2013.

When LBTT tax replaced SDLT in Scotland in 2015, a percentage of the value of the house, which varies depending on that value, became payable in tax. In 2016, the ADS came in, and its purpose was to charge an additional 3 per cent of the value of the house if it was a second home. The intention was that the ADS would apply if one spouse owned an existing home and their spouse bought a second home, but that it would not apply if the buyer was replacing their original home. Of course, the unintended consequence was that certain couples who bought another house, replacing their original home, were still being charged the ADS because the name of only one spouse was on the title to the first house. That was not the policy intention behind the ADS. It is hugely important that, as a Parliament, we listen when well-meaning action that we take can be improved and that we act accordingly. The bill simply seeks to correct that problem and to allow a retrospective claim to be made for the return of the ADS in such cases.

The financial memorandum that accompanies this short bill estimates a likely increase of somewhere between 2 and 5 per cent in the number of joint buyers intending to claim back the tax, provided, of course, that they are able to dispose of the original property within 18 months. On average, the value of each ADS transaction is thought to be around £8,000. As James Kelly pointed out a moment ago, the overall cost is estimated to be somewhere between £600,000 and £1.5 million, which I understand is to be met from within existing resources. The bill will not therefore have a huge impact on the Scottish budget. No doubt, the measure will be welcomed by those who are affected by it.

In terms of the overall impact of the land and buildings transaction tax and its performance, more than 90 per cent of home buyers pay less tax or no tax at all compared with the situation under the predecessor stamp duty land tax. Further, it has helped to keep more than 25,000 houses out of tax altogether by setting a threshold of £145,000, which means that there is no charge until that figure is reached.

We ought to welcome the progress that has been made through the LBTT as it involves home buyers paying a fairer amount of tax and gives them a helping hand by saving them money. At the upper end of the market, data from Revenue Scotland tells us that house sales are continuing to rise annually by about 18 per cent, and the Scottish Government is committed to monitoring the performance of the tax across all the bands. I note the cabinet secretary's announcement that the Government intends to consult on group relief,

which is an issue that was raised by quite a number of stakeholders.

The bill is a welcome correction to an unforeseen effect that unintentionally but unfairly taxed some house purchasers. It addresses that and will allow those house buyers to reclaim the tax that they paid on the purchase of their house. I support the Scottish Government's motion.

16:36

Bill Bowman (North East Scotland) (Con): I refer members to my entry in the register of members' interests with respect to my membership of the Institute of Chartered Accountants of Scotland. I also warn members that my speech will contain some repetition of what others have said.

I thank the cabinet secretary for bringing the bill forward—it is both welcome and necessary. An anomaly in relation to the additional dwelling supplement meant that it was chargeable when spouses, civil partners and cohabitants jointly replaced a home that was owned by just one of them. It is right that we now apply last year's action to end that anomaly retroactively.

I echo Murdo Fraser's point regarding advertising the change. I appreciate that Revenue Scotland cannot identify those affected and will advertise the change on its website. However, that does not seem wholly sufficient. Can the cabinet secretary clarify whether any third parties, such as professional bodies or estate agencies, have been contacted in relation to notifying the public of the change?

As welcome as the latest fix is, it only scratches the surface. The Law Society of Scotland has highlighted several additional anomalies with the ADS in its submission to the Finance and Constitution Committee. One of those additional anomalies relates to couples who are separating. In situations in which one partner goes on to buy a new home, relief is not available. Equally, there is no relief for couples who were not previously living together prior to purchasing a joint property. Neither situation seems fair, and those who are caught up in such cases might feel that they are being penalised for circumstances that may be outside their control. Nor is it fair that the SNP's land and buildings transaction tax contains no dependent dwelling exemption, as stamp duty land tax does in the rest of the United Kingdom. It is more than reasonable to consider that the purchase of a property with another connected to it should be considered as an overall single transaction rather than as the purchase of an additional residence.

We should not address such issues in isolation. The bill is welcome, but it is narrow and

cumbersome. A lot of time and effort has gone into ending one relatively small, though significant, anomaly in a specific aspect of one particular tax—a case of deficient SNP legislation leading to a deficient fix, leading to yet another fix. A new approach is needed, and I think that the cabinet secretary alluded to that in his speech.

Derek Mackay: Is it not fair to reflect on the fact that the Parliament as a whole passed the legislation, and to acknowledge that the right thing for the Government to do is to engage with parliamentarians and stakeholders and, where possible, remedy any issues that require to be remedied? For the Government to have taken any other course of action would have meant that there would be no satisfactory resolution for those who have been caught up by the issue. The matter is not necessarily one of parliamentary fault. Whether it is a matter of legal interpretation, enforcement or whatever, surely the Parliament is doing the right thing.

Bill Bowman: The Parliament is doing the right thing, but there are issues around the method used in doing the right thing—that is what I am going to talk about.

Revenue Scotland should play a more prominent role in administrative policy changes, mirroring the relationship between HM Treasury and Her Majesty's Revenue and Customs.

The introduction of an annual finance bill would give the Parliament a formal opportunity to review and revise tax policy, which is a position that is backed by respected bodies such as the Institute of Chartered Accountants of Scotland, the Chartered Institute of Taxation, the Scottish Property Federation and the Law Society of Scotland.

Surely the finance secretary would prefer his legacy—when the time comes for a legacy, that is—to be that of a reforming finance secretary. The very issue that we debate today demonstrates the need for a formalised review process. As the Scottish Property Federation noted, there was

“very little opportunity for detailed scrutiny”

of the legislation on the additional dwelling supplement. This is perhaps a timely reminder for SNP members of the dangers of rushing legislation through the Parliament, only for that legislation to come back and hit them later. An annual finance bill would signal that the Parliament is serious about using its evolving tax powers in a considered and fair manner. The Parliament is maturing, and its approach to tax policy must mature, too.

When we take decisions on how much of people's hard-earned money to collect from them and on how we spend it, people must have

confidence in our decisions. The public whom we serve deserve no less.

16:40

Neil Bibby (West Scotland) (Lab): I support the bill. Like Bill Bowman, I am likely to repeat what other members have said.

The cabinet secretary and others have set out the details of what the bill will achieve. It is unusual to introduce and pass retrospective legislation but, in this case, it is absolutely the right thing to do. The bill corrects an anomaly and an unintended unfairness that was introduced by the Land and Buildings Transaction Tax (Amendment) (Scotland) Act 2016. At the time, the Scottish Government's intention was clear: it wanted to levy an additional tax on those who purchased a property in Scotland and who already owned another property. Rightly, the Scottish Government recognised that a situation can often arise in the purchase of a property whereby an individual or a couple become, for a short period, the owner or owners of two properties. That is why, as has been said, a period of grace of up to 18 months was introduced, in which, if the person or couple purchasing a second property then disposed of their first property, they were able to reclaim the additional amount of LBTT that had been paid.

However, as other members have said, it has become clear that, in trying to ensure that married couples, civil partners and cohabitants do not move property between individuals for tax avoidance purposes, the anomaly or unintended consequence to which I previously referred has been created. The Parliament has legislated for a situation whereby spouses, civil partners and cohabitants are liable—as a single purchaser would be—for the additional taxation when jointly buying a home to replace a home that was owned by only one of them. As other members have said, such people were subject to the additional dwelling supplement if only one name was listed on the deeds. However, unlike a single person or a couple who were both listed as owners of the original property, those who were not listed as owners of the original property but were listed as joint owners of the new property not only became liable for the additional tax but, unfairly, could not reclaim that tax if the original property was disposed of within 18 months. It is only fair, therefore, not just to address that anomaly for all future purchases but to compensate those who have been unfairly charged since the ADS was introduced.

Everyone accepts that the easiest way to address such anomalies is by the use of secondary legislation. Unfortunately, retrospective legislation cannot be effected by secondary

legislation unless there is a specific expressed power, which, in this case, does not exist—hence the bill, which has cross-party support and the support of key stakeholders. Although I support the bill, I will highlight wider concerns that were brought to the attention of the committee by those key stakeholders. As we have heard, the Law Society of Scotland has highlighted that the bill will not address other changes to LBTT that it believes are urgently required. I accept that there is no opportunity to do that here, but I hope that the cabinet secretary will reflect on what the Law Society has said and come back to the Parliament with suggestions about how that can be looked at in the future.

I have referred to anomalies and unintended consequences, and it is worth reflecting on another relevant issue that was raised by the Chartered Institute of Taxation, the Law Society, the Scottish Property Federation and the Institute of Chartered Accountants of Scotland, which is that there should be a way of addressing technical issues that occur in our new devolved tax system. As James Kelly and others have said, the idea of an annual Scottish finance or tax bill is a good one; I therefore ask the cabinet secretary for a commitment that the Scottish Government will fully consider that.

If the Parliament decides that retrospective legislation is needed to address an anomaly, it would be pointless if the intended beneficiaries of that legislative change were unaware of their entitlement to claim a refund. I accept arguments against engaging in an expensive publicity exercise, but I hope that Revenue Scotland can make detailed proposals about how those who are affected will be identified and notified. As has been said, the legal world and the Law Society have an important role to play. Those who are affected will inevitably have instructed a solicitor, so I suggest that the Law Society be encouraged to encourage its members to identify clients who fit the relevant profile in the identified period and to contact those clients to make them aware that there has been a change that could benefit them.

Although the bill is unusual in that it proposes to have a retrospective impact, it is straightforward, has unanimous support and will address a small but significant unfairness. I therefore support the committee's recommendation that the bill be supported.

16:45

Ivan McKee (Glasgow Provan) (SNP): I draw members' attention to my entry in the register of members' interests with respect to rental of a property.

I will keep my speech short and give you some time back, Presiding Officer, at the risk of repeating what everyone has said up to now in what has been an extremely consensual debate. The tone of the debate makes a welcome change and provides a bit of a respite from the usual debates in this place that involve matters financial and constitutional, which are more akin to multidimensional trench warfare. It is nice to get the equivalent of a break in which to go and play football in the snow before hostilities resume again tomorrow with the debate in committee on the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill.

The Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill tidies up an anomaly with respect to retrospective relief. The original legislation provided, in relation to the additional dwelling supplement, that couples be treated as one economic unit to avoid the potential for tax avoidance by individuals moving property between themselves. It clearly did that, but it also created a specific anomaly whereby, if the old property was in the name of one of the individuals and the new property was in both names, they both fell liable for the tax, in effect being treated as one economic unit when the ADS was payable but not when the ADS was being repaid. I welcome the fact that the Government has listened to the concerns that have been raised and that the cabinet secretary has introduced the bill to address that anomaly.

Estimates vary as to the total amount of tax that will be reclaimed, as Mr Kelly mentioned, but the figure will come to between £650,000 and £1.5 million. Although that is not a significant sum in the scope of the Government's finances, we could be talking about a significant amount of money for the individuals concerned, as Mr Fraser said, and they will be glad to see it coming back to them.

Other issues have been raised during consideration of the bill. It is good to see that the cabinet secretary is giving group relief some consideration, with the opening of a consultation on that matter, and I hope that other anomalies that have been raised by the Law Society will get some review as well.

Bruce Crawford: Does Mr McKee agree that, with regard to an annual finance or tax bill, perhaps Bill Bowman should go off and read the report of the budget process review group, which covered that area quite extensively? Indeed, it recommended to the Government that a finance bill should be examined and that any recommendations should be brought forward by the end of the current session of Parliament. The cabinet secretary responded quite positively to that suggestion.

Ivan McKee: That is exactly the point that I was going to raise next. We should welcome consideration of a finance bill and see whether that is possible. It is a shame that Mr Bowman did not get the memo about the suspension of hostilities before making his earlier remarks.

It is great that the Government has listened to people's concerns about the issue and taken them on board, and that it has introduced a bill to make the required changes effective. The Finance and Constitution Committee in its entirety welcomes the bill and has given consensual support for it, and we will be glad to see the bill passed in due course.

16:49

James Kelly: Bill Bowman, Neil Bibby and Ivan McKee all expressed concern that they might be repeating some of the points that others had made, and they must feel sympathy for those of us who have to speak twice in the debate, as there is a real danger that we could be appearing on UK Gold soon.

There has been a strong element of consensus in the debate, which is right because the anomaly in the original legislation will be corrected by the proposed legislation that the cabinet secretary has introduced. If the bill is passed, those who have been unfairly affected will be able to claim appropriate retrospective relief.

Members have raised issues that have been brought up in responses from the Law Society and other organisations about extending the areas that are covered by the legislation in terms of group relief. Bill Bowman gave the example of couples who have separated, and that situation should be seriously looked at.

However, there should be an element of caution. Ultimately, it is a tax-raising measure, and tax has to be raised fairly. If there is unfairness in the system, I expect that to be ironed out. Nevertheless, we do not want to get into a situation in which we build in so many exemptions that we lose the effectiveness of the tax-raising measure. It must contribute to the budget—everyone feels strongly about that, no matter what their point of view on it.

In committee, Murdo Fraser raised the issue of the awareness campaign. I appreciate that it is difficult because, according to the analysis, the measure will potentially affect between 76 and 189 people, which is a small number. I understand the cabinet secretary's caution about Revenue Scotland or any other organisation launching a major advertising campaign. What is needed is some innovation. A lot of the bodies will know particular individuals who might be affected and they can communicate with them.

Social media could also be skilfully used. Those of us who use social media as part of our political campaigning are well aware that, by putting a small bit of money into, for example, advertising on Facebook, we can reach a wide audience. That might be something for Revenue Scotland to look at.

The other main point from the debate, which I raised in my earlier speech and which Neil Bibby underlined, is the need for an annual finance bill to deal with technical tax changes. That makes good sense.

Overall, the debate has provided a consensual end to the afternoon, even if the start was not consensual. Members on the Labour benches support the Government's approach on this.

16:52

Alexander Burnett (Aberdeenshire West) (Con): I thank my fellow committee members for the constructive conversations that we have had on the bill, and I look forward to continuing our work as we scrutinise this piece of legislation. In addition, I echo the thanks of our convener to our clerks and to those who have submitted evidence to the Finance and Constitution Committee.

I refer members to my entry in the register of members' interests, particularly with regard to my businesses that deal with the purchasing and leasing of residential properties and businesses, which are impacted by LBTT.

The Scottish Conservatives agree with the bill and welcome its introduction at stage 1. As many members have pointed out, the need for the bill is the consequence—and another example—of an SNP Government pushing through bad legislation that requires further legislation to correct it. The irony, as we argue over the timings that have been proposed by the SNP for the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill, makes it particularly topical.

From the evidence that has been taken, it appears that the bill will not be the final piece of correcting legislation that is required. As my colleague Murdo Fraser noted, the proposed legislation is required to correct the injustice that has been done to many constituents who were simply starting a home together. As has been pointed out, many experts noted, during discussions on the original legislation, that they had grave concerns over its impact on the housing market as well as its other potential consequences.

Those concerns have been borne out by the facts. The estate agent Aberdeen Considine's analysis last December showed that selling prices in Glasgow's east end had risen by 20 per cent in

the previous quarter. *The Times* reported last Friday that

"first-time buyers without extra capital are being consistently outbid by"

buy-to-let

"investors from China"

and the middle east. I do not want to deter international investment, but legislation that the Scottish Government introduces should not be to the detriment of our own residents who look to make a life and home of their own.

The bill also affords the opportunity to consider the wider issues that we face with LBTT. The Law Society noted that

"there will continue to be regular issues that arise in relation to the implementation of devolved taxes".

Therefore, it encourages Revenue Scotland and the Scottish Government to work together in a policy partnership to ensure that the Scottish tax system is responsive and fit for purpose as it develops.

As the Institute of Chartered Accountants of Scotland states, there is a good case to be made for care and maintenance measures in the existing tax law so that, if stakeholders find that parts of the legislation do not work as intended, there is an opportunity to revisit the law without the need for primary legislation.

I note and welcome the letter that the cabinet secretary sent to the committee shortly before the debate, introducing a consultation on group reliefs. I hope that he will continue to be as receptive on other issues.

We have a duty to pass bills that work effectively and that benefit our constituents to the maximum effect the first time round. Therefore, although we support the consensus in passing the bill to the next stage, I ask the cabinet secretary to cover in his closing speech his response to the further amendments to the land and buildings transaction tax legislation that the Law Society and others have proposed.

The Presiding Officer: I call the Cabinet Secretary for Finance and the Constitution to conclude the debate.

16:56

Derek Mackay: Do I have until about 5 o'clock, Presiding Officer?

The Presiding Officer: Yes.

Derek Mackay: Thank you very much. I will conclude the debate briefly by answering a number of points that have been raised.

I imagine that, of all the devolved taxes, the scale of the financial issue that we are discussing is not such that it would give me any cause for concern.

In terms of raising awareness of the issue, although Revenue Scotland cannot proactively pursue the people whom it thinks might be eligible for the refund, solicitors and others can proactively go back to their clients and, I hope, help people to get redress. I suppose that, like many MSPs, Murdo Fraser will enjoy writing a letter to constituents to say, "See that £13,000 bill that you were taxed with? Because of the consensus in Parliament, you are now no longer liable for it and can claim it back." What a dream it is for a Tory to write such a letter! In fact, any member who has had such a case can write back in those terms; MSPs have a responsibility as well.

In all seriousness, I appreciate the tone of the debate, the constructive suggestions and the support for the action that will be taken to ensure that we address the issue. Having addressed it through the order, we will also be able to address it retrospectively through the bill.

I do not often hear from James Kelly the words "I commend Derek Mackay", but I liked that and hope that we can hear more of that in future. On that note, if there is parliamentary consensus that we require an annual finance bill to address some of the month-to-month or year-to-year finance issues, that is welcome. Bruce Crawford, the convener of the Finance and Constitution Committee, is absolutely right that that was a recommendation of the budget process review group. I certainly welcome that, and it is further welcome that parties around the chamber are agreed on that point. That includes the mild-mannered Bill Bowman.

Specific issues were raised on why the bill does not capture every issue that was raised through the consultation. We must be careful on tax avoidance—deliberate behaviours to avoid paying tax. In whatever we do, we engage and consult, but there was a clear reason to proceed with the bill as a focused piece of legislation to address an anomaly.

Parliament gave the introduction of the tax due attention at the time but, sometimes, there are unforeseen consequences of legislation, its interpretation and its enactment. Parliament should, of course, have the right to return to that and address it. Opposition parties have been mature enough to welcome the remedies that have been found so swiftly, consensually and constructively and I appreciate the response from the committee and stakeholders on the bill. We will return to the other matters that have been raised through the consultation.

The financial consequences have been set out. The number of people who are affected is quite small, but the issue is significant for those people, which is why we are remedying it today. I look forward to doing so in a few seconds' time. This is only stage 1; I look forward to the further stages of the debate, and the recommendation, which has cross-party appeal, to have yet another finance debate in the Scottish Parliament following the budget debates over the course of the past few months.

**Land and Buildings Transaction
Tax (Relief from Additional
Amount) (Scotland) Bill:
Financial Resolution**

17:00

The Presiding Officer (Ken Macintosh): The next item of business is consideration of motion S5M-10654, in the name of Derek Mackay, on a financial resolution for the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.—[*Derek Mackay*]

Business Motion

17:00

The Presiding Officer (Ken Macintosh): The next item is consideration of motion S5M-10843, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revised business programme.

Motion moved,

That the Parliament agrees to the following revision to the programme of business for Wednesday 7 March—

delete

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

and delete

5:30 pm Decision Time

and insert

5:00 pm Decision Time—[*Joe FitzPatrick.*]

Motion agreed to.

Parliamentary Bureau Motion

17:01

The Presiding Officer (Ken Macintosh): The next item of business is consideration of Parliamentary Bureau motion S5M-10844, on stage 2 proceedings on the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill.

Motion moved,

That the Parliament agrees, further to its resolution on 1 March 2018 to treat the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill as an Emergency Bill, to suspend the first sentence in Rule 9.21.6 for the purposes of stage 2 consideration of the bill and that stage 2 will be taken by the Finance and Constitution Committee.—[*Joe FitzPatrick*]

Decision Time

17:01

The Presiding Officer (Ken Macintosh): The first question is, that motion S5M-10794, in the name of Derek Mackay, on the draft Local Government Finance (Scotland) Order 2018, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Motherwell and Wishaw) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Arthur, Tom (Renfrewshire South) (SNP)
 Balfour, Jeremy (Lothian) (Con)
 Ballantyne, Michelle (South Scotland) (Con)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Bowman, Bill (North East Scotland) (Con)
 Briggs, Miles (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burnett, Alexander (Aberdeenshire West) (Con)
 Cameron, Donald (Highlands and Islands) (Con)
 Campbell, Aileen (Clydesdale) (SNP)
 Carson, Finlay (Galloway and West Dumfries) (Con)
 Chapman, Peter (North East Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Corry, Maurice (West Scotland) (Con)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Davidson, Ruth (Edinburgh Central) (Con)
 Denham, Ash (Edinburgh Eastern) (SNP)
 Dey, Graeme (Angus South) (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)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Freeman, Jeane (Carrick, Cumnock and Doon Valley) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)
 Golden, Maurice (West Scotland) (Con)
 Gougeon, Mairi (Angus North and Mearns) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Greene, Jamie (West Scotland) (Con)
 Greer, Ross (West Scotland) (Green)
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)
 Harper, Emma (South Scotland) (SNP)
 Harris, Alison (Central Scotland) (Con)
 Harvie, Patrick (Glasgow) (Green)
 Haughey, Clare (Rutherglen) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Halcro Johnston, Jamie (Highlands and Islands) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kerr, Liam (North East Scotland) (Con)
 Kidd, Bill (Glasgow Anniesland) (SNP)

Lockhart, Dean (Mid Scotland and Fife) (Con)
 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)
 Mitchell, Margaret (Central Scotland) (Con)
 Mountain, Edward (Highlands and Islands) (Con)
 Mundell, Oliver (Dumfriesshire) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Ruskell, Mark (Mid Scotland and Fife) (Green)
 Russell, Michael (Argyll and Bute) (SNP)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Graham (Central Scotland) (Con)
 Smith, Liz (Mid Scotland and Fife) (Con)
 Somerville, Shirley-Anne (Dunfermline) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Alexander (Mid Scotland and Fife) (Con)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Todd, Maree (Highlands and Islands) (SNP)
 Tomkins, Adam (Glasgow) (Con)
 Torrance, David (Kirkcaldy) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wells, Annie (Glasgow) (Con)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Whittle, Brian (South Scotland) (Con)
 Wightman, Andy (Lothian) (Green)
 Yousaf, Humza (Glasgow Pollok) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Cole-Hamilton, Alex (Edinburgh Western) (LD)
 Dugdale, Kezia (Lothian) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Johnson, Daniel (Edinburgh Southern) (Lab)
 Kelly, James (Glasgow) (Lab)
 Lamont, Johann (Glasgow) (Lab)
 Lennon, Monica (Central Scotland) (Lab)
 Leonard, Richard (Central Scotland) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 McNeill, Pauline (Glasgow) (Lab)
 Rennie, Willie (North East Fife) (LD)
 Rumbles, Mike (North East Scotland) (LD)
 Smith, Elaine (Central Scotland) (Lab)
 Smyth, Colin (South Scotland) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 93, Against 23, Abstentions 0.

Motion agreed to,

That the Parliament agrees that the Local Government Finance (Scotland) Order 2018 [draft] be approved.

The Presiding Officer: The next question is, that motion S5M-10795, in the name of Derek Mackay, on the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill at stage 1, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill.

The Presiding Officer: The next question is, that motion S5M-10654, in the name of Derek Mackay, on a Financial Resolution for the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Land and Buildings Transaction Tax (Relief from Additional Amount) (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.

The Presiding Officer: The final question is, that motion S5M-10844, in the name of Joe FitzPatrick, on stage 2 proceedings on the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees, further to its resolution on 1 March 2018 to treat the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill as an Emergency Bill, to suspend the first sentence in Rule 9.21.6 for the purposes of stage 2 consideration of the bill and that stage 2 will be taken by the Finance and Constitution Committee.

LEADER Programme

The Deputy Presiding Officer (Linda Fabiani): The final item of business is a members' business debate on motion S5M-10223, in the name of Mairi Gougeon, on the LEADER programme. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges the excellent high-quality projects currently being delivered by the LEADER programme, the EU fund that has been supporting community-led local development in rural areas for over 25 years; notes what it considers the solid and unique framework provided by LEADER, which creates local partnerships between individuals, rural-based enterprises and communities, enabling them to innovate, diversify and become more sustainable; recognises the value of LEADER in facilitating co-operation between community-led projects in different parts of rural Scotland, including in Angus North and Mearns, the UK and Europe; commends the LEADER staff and local action groups across the 21 programmes in Scotland, which have, to date, approved, or are in the process of approving, more than 400 projects since 2014; notes the interim report by the National Council of Rural Advisers, which it understands highlights that, in terms of targeting resources, there is scope to learn from the application of the LEADER approach that drives community-led local development and has a unique role in enabling local partnerships, and notes calls for urgent clarity from the UK Government on what will replace this funding once the UK is no longer a member of the EU, including how money will be allocated, how projects will be approved and delivered, and what the total allocations will be.

17:05

Mairi Gougeon (Angus North and Mearns) (SNP): I am really glad to be able to host this debate to focus on the future of the LEADER programme, which is an issue that affects all our rural communities. I will start by providing some background information on how the programme evolved.

LEADER is a French acronym. I will attempt to pronounce what it stands for; I hope that I will not put my French family to shame. It stands for "liaison entre actions de développement de l'économie rurale", which translates into English as "links between the rural economy and development actions". LEADER comes under the common agricultural policy. Pillar 1 of the CAP deals with direct support to farmers; LEADER falls under pillar 2, which relates to wider rural development.

The purpose of LEADER is to be a bottom-up, grass-roots method of delivering support to our rural communities. It aims to encourage businesses, individuals and community groups to develop projects that drive action on climate change; that enhance rural services and facilities, including transport initiatives; that enhance natural

and cultural heritage, tourism and leisure; that support food and drink initiatives; and that build co-operation with other local action groups across Scotland and the United Kingdom, and in Europe.

The programme was first launched 25 years ago. Initially, it involved just 217 regions and focused on disadvantaged rural areas. The results from those regions were positive and encouraging, so the LEADER method was mainstreamed as a fundamental part of the European Union's rural development policy. By 2013, the programme covered 2,402 rural territories across the member states.

What is so effective and innovative about the LEADER method? Prior to the early 1990s, different approaches to supporting vulnerable rural communities were tried out, but they were typically sectoral and aimed at farming, and they were top-down approaches, with schemes and funding being decided at regional or national level. The effectiveness and innovation of LEADER come from the principle of the bottom-up and area-based approach that involves the local community—the principle of community-led local development. The decision-making process is driven by local action groups that are made up of people who represent the social and economic interests of the local area, and who represent public and private bodies. Those groups assess and decide on the projects that they think fit the priorities that are to be pursued in their local areas.

What has LEADER delivered? In the previous programme funding period from 2007 to 2013, LEADER awarded £92 million to more than 2,500 projects. That created more than 1,500 jobs in communities and helped more than 60,000 people from rural areas into training. For every £1 that was awarded, LEADER leveraged in an extra £1.38 through matched funding. That figure is set to be even higher in the current programme, which runs until 2020.

However, what is so great about the fund is the sheer breadth and variety of projects in our rural communities that it has helped to support. In the current programming period, the 21 local action groups across rural Scotland have, through LEADER, helped to deliver glamping pods, artisan tea, apple orchards, the Fife pilgrim way, the conversion of derelict outdoor pools into caving spaces, jazz on the lochs, equestrian tourism, outdoor nurseries for children, cycling hubs, and a project that introduces young children to aeroplane design, to name just a few.

In my Angus North and Mearns constituency, LEADER has been worth £2.7 million to Angus and £2.8 million to south Aberdeenshire, and it has contributed to the Caledonian railway, which is based in Brechin, to help to fund a replacement

station building at Bridge of Dun. It has provided funding towards new mobile cinema equipment for Brechin community cinema and has helped the Murton Trust for Education and the Environment in Forfar to create a centre for developing rural skills.

I hope that I am not stealing Graeme Dey's thunder and that he will not mind my mentioning this too much—that was a very deliberate AC/DC reference for any budding fans or those who are paying attention. LEADER helped to support DD8 Music, which is a youth music group in Kirriemuir, in the previous funding period. It helped that group to find premises to set up its own recording studio. From that, the group was able to grow, and it now organises Bonfest, which is one of the biggest festivals in the north-east. This year, Bonfest will happen on the first weekend in May. I will invite the cabinet secretary to it again this year, as I did the last time it was mentioned. In 2016, the event pulled in more than 5,000 visitors. The estimated economic impact was £403,000, which is a huge amount of money for the local economy.

LEADER continues to evolve and innovate. I have spoken before in the chamber about the Angus Council's crowdfunding platform and its funding team, which is dedicated to improving community capacity. Crowdfund Angus now works in synergy with the Angus LEADER programme. The programme provides 50 per cent of the crowdfunding target for projects that seek to reduce inequalities, support better connectivity or create first-class community facilities. Such projects are underpinned by the desire for stronger local economies.

LEADER has delivered a hugely diverse and impressive list of projects, so it is imperative that post-Brexit we ensure, as far as possible, that we develop policies and funding programmes that support the innovation and creativity that, in turn, support our rural communities.

Now to the crux of the matter. What now? There are no concrete proposals about what will replace this element of rural development funding. The only hint that we have is from the Conservative manifesto, where a UK-wide "shared prosperity fund" was mentioned, through which it is proposed that money that is spent will

"help deliver sustainable, inclusive growth based on our modern industrial strategy."

That will, allegedly, involve extensive consultation of

"the devolved administrations, local authorities, businesses and public bodies."

However, as far as I am aware, that process has not started, and with just over a year to go until Brexit and two years until the LEADER programme comes to an end, that is a big concern

I wanted to hold this debate on LEADER because, among the myriad of EU funds that have drawn attention and on which there are various campaigns, it should get the focus and the attention that it deserves. I thank the East of Scotland European Consortium for taking the lead in looking at the issue, alongside the local action groups, and for all the briefing information that it has provided for the debate.

LEADER needs to be acknowledged for the positive impact that it has had on communities across Scotland. As of January this year, 914 projects had applied for funding across the 21 local action groups. The value of the LEADER commitment is £25 million, with a value in matched funding of £37.5 million.

The sad thing about the Brexit process is that it is only by going through it that we will fully appreciate what we have now and what we will lose. We cannot afford to lose the LEADER programme without having in its place a rural development strategy that will work for our communities on the same bottom-up principle. That strategy needs to be developed by working with the local action groups, local authorities and the people on the ground who work to deliver the funding and who therefore know it best. I hope that we can all unite in that message tonight and that each of us will work to ensure, as far as we can, that our rural communities do not get left behind in the Brexit process.

The Deputy Presiding Officer: First of all, I ask the people in the public gallery to refrain from clapping—or booing, or reacting in such ways.

We move to the open debate. A lot of members want to speak, so I ask that contributors stick to four-minute speeches, please.

17:12

Graeme Dey (Angus South) (SNP): Given where the balance lies, it is entirely understandable that debate on what will replace the common agricultural policy has focused on farm payments. Indeed, given how much of the money is distributed through pillar 1, and that farming has a powerful lobbying voice, that was perhaps inevitable. However, pillar 2 does so much more than just support farming activity: it provides for the environment, rural communities and the wider rural economy. Therefore, I very much welcome tonight's debate on the LEADER programme and congratulate Mairi Gougeon on securing it.

I have seen up close in my constituency the good that LEADER does. The Angus LEADER fund for 2014-2020 totals just more than £2 million. To date, about £1.25 million has supported 23 projects across the county, and it is anticipated

that the remaining £800,000 will be snapped up by the autumn. We are at the point already where new enquiries are being turned away: that is how popular LEADER is.

I will offer just a few current examples of what the fund has supported in my constituency. It has backed the Friockheim Community Hub Ltd project, in which the old Eastgate primary school is being developed into a fantastic focal point for the village, to the tune of almost £138,000. Auchlishie Livery in Kirriemuir received £200,000 to help to tackle an undersupply in the local bunkhouse market, and almost £20,000 went to support the development of a Scottish artisan tea growers collaborative, which works across a number of areas. Also, two glamping projects between them attracted support totalling £40,000.

Ogilvy Spirits, which is one of several burgeoning food and drink businesses in Angus South, was awarded £125,000 for a visitor centre and tasting experience. East Haven Together was awarded £4,000 to hold the Angus litter summit, at which I was pleased to speak. Muirhead & Birkhill Millennium Hall Committee received more than £55,000 to support car-parking improvements for the community.

Tourism, community activity, food and drink and environmental projects—all things that matter to rural constituencies such as mine—have been supported by LEADER. I use Friockheim hub, the millennium hall and Eassie, Nevay and Kirkinch Community Association's hall for surgeries, and I have worked with Ogilvy Spirits and the tea growers, so I know how important the LEADER support has been.

The Angus LEADER fund is having to turn away applications, which is evidence of the continuing demand for its backing. High take-up of LEADER funding is not confined to Angus; the programme is universally popular throughout Scotland. Through direct funding and matched funding, LEADER has injected £223 million into Scotland's rural communities over the past 11 years. The sudden removal of a funding structure of that magnitude would be devastating for communities. It would impact on local facilities, infrastructure and, ultimately, jobs. Just as farming needs certainty over funding post Brexit, so do Scotland's rural communities and businesses, which seek clarity and assurance on what will come next for them.

The UK Government has a duty to step up and take serious action on behalf of such groups. Although Westminster Conservatives have made passing comment on the construction of a new shared fund, it is unacceptable that an incompetent negotiating team could leave Scotland's rural communities with a serious gap in funding.

The only option that will avoid a potentially detrimental impact on communities and businesses is to ensure that a like-for-like funding alternative is in place by March 2019. As the Cabinet Secretary for the Rural Economy and Connectivity made clear in his letter to the UK Government this week, Scotland must not in any way be worse off in respect of its funding allocations.

17:16

Peter Chapman (North East Scotland) (Con):

I refer members to my entry in the register of members' interests and remind members of my farming interests.

I welcome this opportunity to debate the LEADER programme, which provides vital support for rural businesses and organisations. The programme is part of the EU common agricultural policy scheme that is delivered under pillar 2. I will widen the debate to cover all support for farming and rural businesses.

I agree with much of what Mairi Gougeon says in her motion. The LEADER programme has delivered some excellent, high-quality projects. It is unique in targeting funding well, because local action groups are at the heart of deciding which projects get funding. A local action group is made up of individuals, local enterprises and communities, who understand their area and its needs and can therefore make wise decisions about which projects deserve support. They guide the project through the application process and supervise it through to completion.

In my region, LEADER funding for projects from the north Aberdeenshire local action group has had a positive impact. For example, the Aden caravan park in Buchan updated its facilities to include glamping pods, closed-circuit television and wi-fi after receiving a £32,000 grant from LEADER. The update is helping to attract more visitors to the area, which is boosting the local community.

CC Powell Ltd, an agricultural machinery dealership, which is based in Banff, secured £100,000 of LEADER funding to complete its project to construct a store and parts building and a retail outlet, to meet its needs. On the project's completion in 2017, new jobs were created in the area.

In my home village of Strichen, LEADER funding of more than £15,000 will see the Strichen Townhouse open to the public, after refurbishment, as a library, museum and archive. In a small village such as mine, that will be a fantastic space in which to bring the community together.

I have said that LEADER funding is important for rural businesses, communities and activity groups. It is a good scheme. However, the responsibility to put a new scheme in place does not lie with the UK Government. The Department for Environment, Food and Rural Affairs has made the situation clear:

"We will maintain the same cash total funding for the sector until the end of this parliament: this includes all EU and Exchequer funding provided for farm support under both Pillar 1 and Pillar 2 of the current CAP. This commitment applies to each part of the UK."

Therefore, the money is there. Michael Gove has made it abundantly clear that the Scottish rural support system will be designed, and put in place, by the Scottish Government to best suit Scotland's needs. He has been absolutely clear that he does wish to become involved, apart from in agreeing the high-level rules and regulation that we need to protect our internal UK single market.

If Mairi Gougeon wants a LEADER scheme in place post-Brexit, she needs to lobby her own Government ministers to come up with a plan. It is their responsibility and in their hands. Instead of the Scottish National Party Government planning for Brexit to fail to further its own political aims, it should start listening to our rural communities and get on with the job of governing. Fergus Ewing, who is sitting listening to the debate, must start giving some guidance on the new system of support, which our farmers and rural communities expect and deserve. Right now, he is failing them.

17:21

Joan McAlpine (South Scotland) (SNP): I, too, thank Mairi Gougeon for securing tonight's timely debate on the LEADER programme.

A lot of attention has been paid to EU funds in recent years, given the Brexit situation. A lot of the focus has been on pillar 1 of CAP and common agricultural payments. However, as has already been said, the LEADER programme is part of pillar 2. It might be less well known in urban parts of Scotland, but that pillar is equally important. Mairi Gougeon and others across the chamber have laid out what the LEADER programme is, so I will not go over the same ground.

I want to draw attention to some projects in Dumfries and Galloway, where I live. The LEADER programme has invested in excess of £10 million in communities across the region over the past 20 years. LEADER funding has been invested in projects such as the Wigtown book festival in Scotland's book town. The funding gives year-round support to literary events in the region. There is also spring fling, which is probably the biggest open studio event in the UK, and the Dumfries and Galloway arts festival, which is another year-round festival. Those projects have

really put the region on the map as a leader in creativity. They contribute greatly to the region's economy, and the initial investment from the LEADER programme has allowed those initiatives to grow and to leverage funding from other sources.

Dumfries and Galloway received just short of £5.6 million from the current LEADER programme. Half of that funding comes directly from the EU, with the Scottish Government match funding the other half. That was the third largest allocation across Scotland and, since the programme's launch in September 2015, it has supported 42 projects, with grants in excess of £2.6 million.

Those projects include community-led initiatives such as the Speddoch hall project near the small village of Dunscore, which has allowed the local community association to rebuild the village hall, which was destroyed by fire in 2013. The programme also supports projects in the rural business sector, such as the Ninefold distillery project. The micro distillery, which will be set up in a renovated stone farm steading building on Dormont estate, will increase the diversity of income to the business and bring in new and skilled employment to rural Dumfries and Galloway.

In the year of young people, the LEADER programme, importantly, funds a number of initiatives that support the youth of the region, including the bridge to employment project, which helps young people with additional support needs to enter the world of work. The project aims to establish an alternative post-school progression route for those young people in Stewartry, which is another very rural area. Those young people mostly have autism spectrum disorder. They have already gained national qualifications, but they require additional support to take the next step into work. Another project for young people is the upland creative network, which provides a platform on which young people can consider employment opportunities in the creative industries.

There are simply too many projects to mention in a four-minute speech, but I hope that I have given a flavour of the importance of the LEADER programme in just one corner of rural Scotland. It has an enormous impact and the potential loss of that funding has been a recurring issue. It has arisen on several occasions in the Parliament's Culture, Tourism, Europe and External Relations Committee, which I convene.

In last week's debate on the timetable for consideration of the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill, I quoted from my committee's report on Scotland's future relationship with the EU, in which we said that powers that were devolved under the Scotland Act 1998 should come straight back to

the Scottish Parliament. Our report also said that the return of those devolved powers should be accompanied by a funding mechanism that results in “no detriment to Scotland.” That is extremely important, because we know that Scotland gets far in excess of its population share of the CAP funds.

Despite what Mr Chapman said, we have not been given any indication of how the UK Government plans to replace the funding shortfall.

Peter Chapman: Will the member take an intervention?

The Deputy Presiding Officer: Ms McAlpine will have to close.

Joan McAlpine: Yes—I am afraid that I do not have time.

Are we to go down the route of the Barnett formula? If we were to do that, there would be an enormous shortfall in the amount of money that we received. The UK Government has still given no indication of the answers to such questions. Today, I have written to the Secretary of State for Scotland, David Mundell, in an effort to get clarity on those issues, because time is ticking.

17:26

Liam McArthur (Orkney Islands) (LD): I congratulate Mairi Gougeon on her impressive strike rate in securing members’ business debates and, following her recent leading of the hen harrier debate, I thank her for picking another subject that has real resonance in my Orkney constituency. I also pay tribute, as the motion does, to all the LEADER staff, including Phyllis Harvey at Orkney Islands Council, and the local action groups across the country that put in such a colossal amount of work

If we look at the Orkney LAG members, we must pay testament to the talents of the wide variety of individuals who give up their time to assist in the process by facilitating co-operation and supporting individuals, rural-based enterprises and communities across Scotland, the UK and indeed Europe.

The tragedies of Brexit are manifold. I still believe that it is an act of self-harm on an epic scale. One particular area in which our participation in European integration over the decades has borne quiet but profound dividends is that of rural development and wider structural funding support for our peripheral communities. Such support existed prior to us joining the Common Market in the mid-1970s, but I think that its provision was given impetus and ambition thereafter.

With just over 12 months to go before Mrs May intends to pull the ripcord, sadly, what is to follow

in terms of rural development—as in so many other areas—is as yet unclear. For those of us who represent rural and island communities, that is deeply concerning.

Mairi Gougeon has spelled out how, over the past 25 years, LEADER has had the Heineken effect as regards community development across Scotland. In Orkney, it includes support for small and medium-sized enterprises and social enterprises, as well as farm diversification; Orkney’s crucial tourism, cultural heritage, crafts and food and drink sectors; community services and facilities; Orkney’s natural environment and sustainable energy; and the development of our fisheries sector. In each of those areas, an array of initiatives, whether on innovative fisheries-related research, skills training or improving access to natural heritage and tourism sites, has been supported. All have benefited from LEADER and the collaboration that it engenders with other partners, such as the council, Highlands and Islands Enterprise and community councils.

That is not to say that, looking forward, improvements cannot be made. There is an opportunity to consider what works well and needs to be preserved, and what is in need of reform. I know from personal experience of watching my wife wrestling with the requirements of LEADER as part of an application for funding to allow the expansion of the Orkney Fossil and Heritage Centre in Burray—which, thankfully, was successful—that the process can be a bureaucratic nightmare. I seem to recall her using language that was a good deal less parliamentary than that.

It is true that potential applicants can be put off engaging with the programme. We need to bear in mind who is the target beneficiary. Many community groups are run by volunteers in their spare time. We also need to bear in mind the desired outcome from the funds—projects coming to fruition and leaving a lasting legacy in their communities. Therefore, I think that there is scope to simplify the application process and the guidance, and to make them more straightforward and less susceptible to constant change.

In addition, we should ensure that penalties for errors are proportionate rather than punitive, and there should be a more intuitive information technology system for applications and claims that does not require LEADER staff to reset passwords, which is not always easy in the evening or at the weekend when many applications are being put together. That would also allow applicants to print off applications for discussion at committee meetings or retention by treasurers. Again, that is not currently possible.

However, we must continue with the grass-roots approach, with locally agreed strategies and local

decision making on applications. There is also scope for more local control over budgets and reallocation in response to changed local circumstances. There is food for thought on how we improve LEADER in the future, but what is in no doubt whatsoever is that the need for that sort of support will remain, whatever emerges from Brexit.

I thank Mairi Gougeon again for enabling this debate to take place and I look forward very much to seeing what Orkney-related topic she goes for next time.

17:30

Tom Arthur (Renfrewshire South) (SNP): I thank my friend and colleague Mairi Gougeon for securing this important debate on liaison entre actions de développement de l'économie rurale, which is otherwise known as LEADER.

LEADER is, of course, a community development scheme with funding from the European Union that has benefited many communities across Scotland, including those in my constituency of Renfrewshire South. The greater Renfrewshire and Inverclyde local action group, which is responsible for the delivery of LEADER in my area, takes in the Renfrewshire, East Renfrewshire and Inverclyde local authority areas. Of the 17 settlements covered by the greater Renfrewshire and Inverclyde local action group, seven fall within my Renfrewshire South constituency, namely Lochwinnoch, Kilbarchan, Howwood, Brookfield, Linwood, Uplawmoor and Neilston, with the Craighends area of Houston also included. The social and economic diversity of those areas reflects the wide range of communities that benefit from LEADER.

With more than £2 million of funding, the greater Renfrewshire and Inverclyde LAG has been supporting jobs and initiatives in Renfrewshire South, such as the tag-n-track project at Clyde Muirshiel regional park, near Lochwinnoch. Through the use of satellite tags and geographical information system technology, the project allows children to track the movements of lesser black-backed gulls and barn owls. Previous projects in Renfrewshire have included supporting community groups and the restoration of a historic building. Analysis of the 2007 to 2013 programme highlights a number of other positive impacts, including the creation of more than 150 volunteering opportunities and 130 training places, the safeguarding of 13 jobs and the creation of an additional three jobs.

Just as important as the resources made available is the way in which decisions are taken. The greater Renfrewshire and Inverclyde LAG's local development strategy for 2014 to 2020 was

developed following extensive engagement with the local communities. In Linwood, which was new to the LAG area, a consultation meeting was held with members of the community, representatives of local groups and key agency stakeholders, which generated a range of ideas for projects that would meet the needs of the local community. One would not normally associate Linwood with being a rural community, so that tells us something about the range of communities that benefit from LEADER. East Renfrewshire Council undertook an online survey of interested parties, and such engagement means that the programmes of local action groups are, in effect, co-designed and contribute to our shared ambition to further empower our communities.

It is clear to me that my constituents in Renfrewshire South have benefited from LEADER in terms of resources provided and the opportunity to play a greater role in shaping their communities. Sadly, all that is now under threat because of Brexit. Along with the majority of my constituents, I voted in 2016 to remain in the EU, but we now stand to see communities in Renfrewshire South undermined by the potential loss of programmes such as LEADER, just as we see our local and national economies threatened because of fanatical, hard-right, Brexit ideologues in the United Kingdom Government—and a few in here, too.

If the UK Government is going to inflict the Brexit catastrophe on us, it has a duty to start setting out how it will compensate my constituents in Renfrewshire South and the many other communities across Scotland that currently benefit from LEADER. The UK Government has had nearly two years to get its act together on Brexit, so it had better start coming up with answers—and it had better start coming up with them fast.

17:34

Colin Smyth (South Scotland) (Lab): I thank Mairi Gougeon for lodging her motion and Tom Arthur for explaining the LEADER acronym, which has saved me from doing it badly. This debate provides a great opportunity to highlight the excellent community-led work that is supported by LEADER programmes across Scotland, but I hope that it will also begin the discussion on how we ensure that that work—and the best possible rural development support—is maintained whatever the final outcome of Brexit is.

As we have heard, LEADER funding provides support for a host of vital work in all our constituencies and regions and, crucially, it is led at a local level. That means that the specific nature of the projects can vary widely, but LEADER provides local solutions to local problems

and opportunities. That is the key to its success, as I have seen in my South Scotland region.

In the current round of funding, almost £23 million has been allocated to local action groups in Ayrshire, Dumfries and Galloway, the Scottish Borders, Tyne Esk and South Lanarkshire. As a councillor and chair of Dumfries and Galloway Council's economy committee, I had the privilege of being a member of the LEADER programme local action group and I saw at first hand the real difference that the programme made in my home region.

The programme supports a host of innovative community projects in Dumfries and Galloway such as the exercise to happiness project, which is working with local football club Greystone Rovers to create a service for people with mental health problems, and the care campus initiative at the Crichton campus in Dumfries, where a new model to provide housing, social and community support with access to care for older people will be tested and developed.

Rural enterprise projects are also being supported. The Crafty Distillery in Galloway has a project working across the food and tourism sectors to create a Galloway menu and gin tour, and support for the "Hold the front page!" initiative created a multimedia community interest company to ensure that the *Eskdale & Liddesdale Advertiser* continues to deliver news to the local community for many years to come.

In the Scottish Borders, the LEADER project funds projects ranging from youth work to tourism and skills development. For example, the musik shak project has allowed young people to learn, play and record music together, and the 7stanes marketing project promotes the hugely important mountain biking opportunities in the region.

In Ayrshire, LEADER funding enabled the Ayrshire rural transport network to employ a community transport co-ordinator to develop transport in Carrick, and the Drongan challenge us project, a community and employability initiative that was targeted at unemployed young people, used arts to develop self-esteem and teach transferable employment skills.

In South Lanarkshire, support from LEADER for Castlebank horticultural and environmental training centre helped Lanark Community Development Trust to convert derelict buildings into community hubs from which training and volunteering opportunities can be delivered.

In Tyne Esk, the LEADER programme includes work to transform Gullane village hall into a hub for cultural, leisure, sporting and educational activities, and a project called seed to soup, which enables young people to develop horticultural skills.

I could spend the next hour highlighting the way that LEADER-funded projects are working across South Scotland to strengthen rural communities, boost their economies and improve the wellbeing and the opportunities of the people who live there, and I would still not scratch the surface. That begs a question. How do we ensure that this invaluable work continues?

There is no doubt that Brexit is creating huge uncertainty for many communities across rural Scotland, and it is vital to develop a replacement for the LEADER programme. It is essential not only that the funding that is currently provided through the LEADER programme is matched, but that the character and focus of the programme is largely replicated. Improvements can be made to the processes, but the overall principle must be maintained.

As the motion notes, a report by the National Council of Rural Advisers highlighted how effectively the programme targets and allocates resources. The approach that is taken by the LEADER programme is incredibly effective, and the emphasis on promoting community-led development and enabling local partnerships must not be lost.

The clock is ticking, and so far there has been very limited progress. Rural Scotland is not interested in the UK and Scottish Governments arguing. It wants the two Governments to work together to develop the support that is so important to Scotland's rural communities.

The Deputy Presiding Officer: Before we move on, I note that there are still a few members who wish to speak, and I am happy to accept a motion without notice, under rule 8.14.3, to extend the debate by up to 30 minutes. I invite Mairi Gougeon to move that motion.

Motion moved,

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

Motion agreed to.

17:39

Stuart McMillan (Greenock and Inverclyde) (SNP): I congratulate Mairi Gougeon on securing this members' business debate. I will not go back over the ground that has already been covered about the LEADER programme. Suffice it to say that it has been hugely beneficial to all of Scotland, including my Greenock and Inverclyde constituency.

Before I go on to talk about my constituency, I want to make one point to Peter Chapman. He spoke about the money for the programme being guaranteed until the end of the current session of Parliament, but what guarantees has his UK

Government offered to protect his cherished UK single market post the current session of Parliament? I think that we all know that the answer to that is zero.

Two projects in my constituency have benefited from the LEADER programme so far. The first is the Ardgowan distillery, which received £25,000 as part of a funding package and which will, it is hoped, deliver 50 new jobs in Inverkip. The second is the Gourrock golf club, which received £80,600.

I will talk about the Ardgowan distillery first. It also received just under £1 million from the Scottish Government through the food processing, marketing and co-operation grant scheme last November, and it was the cabinet secretary who awarded that sum. It will be Inverclyde's first new distillery in decades. As well as creating up to 50 jobs locally, it is certain to be a huge tourist attraction.

The Ardgowan distillery will be situated in the village of Inverkip on the historic Ardgowan estate, which has links to both King Robert the Bruce and Pocahontas. My colleague Graeme Dey is having a wee chuckle, so I will explain why. Sir Michael Shaw Stewart, who was the fifth baronet, married Eliza Farquhar, who was a direct descendant of the Native American princess Pocahontas, who was one of the most significant figures in the early colonial history of America.

The project will help many of the cruise ship tourists who disembark in Greenock. Last year, just over 106,000 people disembarked in Greenock, and over the course of the next 10 years that figure is going to increase to up to 200,000. At the moment many of them leave Inverclyde and go on distillery tours elsewhere. When we have our own distillery, which is due to open in 2020, many of those people will stay, and the money that they spend will be regenerated within the Inverclyde economy. That can only be a good thing.

The second example is Gourrock golf club, which I recently visited to see its state-of-the-art development studio. Its total cost was £184,000, so LEADER funding paid for half of that facility. The Gourrock golf club is performing well, but the new facility will bring in more people, including many from outside Inverclyde, who will spend money in the local community. That investment will provide for an all-year-round facility for the local community. Children under 18 and community groups such as the scouts, the Girls Brigade, the Boys Brigade and others will be able to use it for free. The club has a partnership with the Inverclyde active schools programme, through which it can be used for free as well. Recently it has also begun partnerships with local groups that

work with adults with learning disabilities, which will benefit many people in the community.

The EU LEADER programme is beneficial to many communities. The two projects that I have just highlighted prove that it is for my constituency. I echo Mairi Gougeon by saying that I hope that, when Brexit happens, a similar fund will exist.

17:43

Liam Kerr (North East Scotland) (Con): I congratulate Mairi Gougeon on securing the debate, not least because she has achieved her endgame. During a conversation last week, when I said that I wished to speak in the debate, she made clear to me how important it is to highlight this funding stream, acknowledge the good work and the types of work that it supports and ensure that all who need it can access it. I am pleased to help in that regard.

At the outset, the motion calls for the Parliament to acknowledge “the excellent high-quality projects” that the LEADER programme currently delivers. Many members have done just that for their own areas, noting that its funding is vital to their constituencies. Some people have supplied us with concrete evidence, such as the useful infographic that was supplied by the Cairngorms LEADER project to highlight the value of its funding to community-led local development in the Cairngorms.

For my own region of the north-east, I specifically highlight the funds given to the Strathorn Riding School to develop and build an indoor horse riding and driving arena, which will provide facilities for a disabled group and an area for people in the community who share an interest in horses. There are also funds to enable Aberdeenshire Highland Beef, which is an already successful local business, to expand by setting up an on-farm butchery and an online shop to produce and market local beef, which means jobs and money going into the local economy.

The motion goes on to ask Parliament to note “the solid and unique framework provided by LEADER, which creates local partnerships between individuals, rural-based enterprises and communities, enabling them to innovate, diversify and become more sustainable”.

It is true that LEADER does that, as is demonstrated by the refurbishment of Drumoak church project. Using LEADER funds, the community will provide basic utilities for the building such as drainage, kitchen facilities, toilets and broadband. That will create a multi-purpose open-plan area for the community groups that currently use it, including beavers, cubs, mother and toddler groups, a music group, a youth cafe, an over-60s club and yoga classes. That is what

community and partnership are all about—and that is what LEADER is all about.

In its conclusion, the motion calls for

“urgent clarity ... on what will replace this funding once the UK is no longer a member of the EU, including how money will be allocated”.

That is a fair point, as these vital funds achieve a very specific and important purpose. However, I am genuinely confused by the motion’s call for

“clarity from the UK Government”.

The funds are distributed by the EU under pillar 2 of the CAP, under which the Scottish Government decides which projects it is spent on. The UK Government has made it absolutely clear that, until at least 2022, the same level of funding will be provided by the UK as we have received from the EU under the CAP. Michael Gove has been clear that how that money is spent is the responsibility of the SNP Government, so it is surely for the cabinet secretary to get his act together—to use Tom Arthur’s rather overblown rhetoric—and provide the clarity that is sought by the motion as to whether the SNP wants to carry on with a LEADER scheme. The issue is one of people’s livelihoods, venture and projects. Indeed, many aspects of the rural economy are at stake.

Tom Arthur: Will the member give way?

Liam Kerr: Not in the time that I have left, thank you.

Our rural communities and enterprises need assurances on what comes next for them. The motion is therefore correct to demand clarity, but I cannot help but conclude that that clarity should be demanded from the Scottish Government, on which the onus lies.

The Deputy Presiding Officer: The last of the speeches in the open debate is from David Torrance.

17:47

David Torrance (Kirkcaldy) (SNP): I, too, thank Mairi Gougeon for lodging the motion to recognise the success of the LEADER programme. The debate is an important one to have in the chamber, as it relates to the welfare of our rural communities in the wake of Brexit. Community-led local development in rural areas is an important factor in the continued wellbeing and development of Scotland as a whole. That is why we recognise the LEADER programme for its great success in facilitating community-led development via partnerships among individuals, businesses and communities to produce projects that contribute to local prosperity.

Our communities across Scotland have benefited as a result of the programme. According

to the Scottish Parliament information centre, the LEADER programme is worth roughly £86 million over the current 2014-20 period. Half of that funding is from pillar 2 of the CAP and the other half is from Scottish Government co-financing. Millions of pounds have been provided to each of our 21 local action groups—funding that is the fuel of the projects that benefit our communities.

In Fife, the LEADER programme has funded more than 14 projects since 2014. Those include the restoration of three ecologically and economically important estuaries; a programme that aims to equip young people with knowledge, skills and support in the creation of microbusinesses and employment; a park with a campsite along the Fife coastal path, creating new green space and new jobs; the expansion and renovation of a busy working harbour; and the creation of a new long-distance road that connects hamlets and enhances existing paths. Those are only a few of the projects that have been funded in Fife out of many that have seen success or that are currently in the pipeline, and 20 other local action groups across Scotland are experiencing the same success in local, bottom-up improvements to rural communities, enhancing the lives of everyone involved.

The LEADER programme has provided extensive accomplishments in increasing support to our local rural communities and business networks, building knowledge and skills and encouraging innovation and co-operation to achieve local development objectives. The projects produced from programme funding also attract people into an area as well as visitors who utilise the developments. Such a grass-roots approach empowers people to improve their own lives and the lives of others.

However, this unique programme faces challenges as the United Kingdom secedes from the European Union and the substantive funding that the programme receives through the rural development policy of the CAP disappears. As Brexit looms ever closer, we must look into the future to gain a sense of the implications that leaving the EU has for the LEADER programme, and we must act on that knowledge.

Over the current 2014-20 period, LEADER is expected to create more than 550 jobs in rural areas. It has already resulted in more than 400 projects benefiting rural communities across Scotland. When the CAP pillar 2 funding disappears, the LEADER programme will lose 50 per cent of its funding. Looking into the future, we see the potential for additional accomplishments through the LEADER programme—projects that manifest jobs and improve the quality of life in our rural communities. We can see Scotland continue to prosper by empowering rural communities and

giving the people who live there the opportunity to enrich their lives and those of anyone who visits. However, that is an option only if we maintain the LEADER programme with the same level of funding and support that it has at present.

The UK Government must continue to support the LEADER programme and provide clarity about how funding will be replaced after the United Kingdom leaves the EU. The social, economic and cultural benefits of the programme cannot be understated. Rural communities have been empowered to enrich local wellbeing and have developed innovative projects that benefit the lives of the community while building knowledge, skills and relationships between local businesses and individuals. We must sustain the programme to ensure further success in our rural communities.

I once again thank Mairi Gougeon for securing the debate, and I thank the volunteers and participants in the LEADER programme for making the wellbeing of our rural communities a priority. We must continue to support the LEADER programme. Building up rural communities via a grass-roots approach is beneficial to those communities and to Scotland as a whole.

17:51

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): I warmly congratulate Mairi Gougeon on initiating the debate and for the lively and informative way in which she spoke to the motion.

I have always believed that France can lay claim to being the architect of much of the world's civilisation that we all enjoy. However, I had not known that the French were also responsible for the LEADER programme, so for that knowledge I am indebted to Mairi Gougeon—who has, of course, forged her own auld alliance, as it were.

It is interesting to note that LEADER is a French concept. It is an excellent one. The debate has featured interesting contributions from across the chamber, with many examples being given of how LEADER has helped communities across Scotland. It has been a sort of extended version of "Tales of the Unexpected", with a host of unlikely, vibrant and diverse examples from various communities. How many people of my generation—I am just on the wrong side of 60, sadly—would have thought that Scotland would be famous now for tea, or for vodka, which Graeme Dey mentioned? That is not something that one immediately associates with the county of Angus. Who would have thought that Inverclyde would be famous for its distilleries? Similarly, I was surprised when Pocahontas made an appearance in the debate, and I suspect that I am not alone in that.

The point is that, across Scotland, people are doing different things, and the beauty of LEADER is that, as Peter Chapman said, it is a bottom-up programme. That is the whole point. It is not my duty to say what communities should do; it is for them to decide. Were I to try to do that, communities would not be interested, would they? The whole point is to empower communities through a fund that enables that to happen.

I do not think that it has been mentioned that the LEADER programmes occur over a long period. There was a LEADER programme from 2007 to 2013, and then one from 2014 to 2020—both seven-year programmes. I do not want to be political, because members' business debates are not meant to be political—at least, that is what I understand from the ancient days when I was making my first remarks in Parliament—but I say that we must think long-term about the issue. People do not want political argy-bargy. They want the knowledge that, when the current programme ends in 2020, there will be a subsequent programme from 2020 to 2027.

The programme needs to be long term because it takes a long time to build up projects. I am acutely aware of that, having recently visited one of the local teams in Morayshire and met many of the people who are employed or volunteer there. My goodness! We have a lot to thank the 200 volunteers across Scotland for. Many of them are here tonight—you admonished them earlier, Presiding Officer, as no doubt you have to do in your role. As Mairi Gougeon and others said, the local action groups perform a terrific amount of work on behalf of their communities.

I do not want to get involved in the political arguments. All I will say is that we must find a way to ensure that when the current LEADER programme comes to an end, it is replaced by another one. So far as I know, there has been no funding clarity on that from the UK Government, which is why I have written to Mr Gove and why, when I met Mr Gove and representatives of the other devolved Administrations in Cardiff last Monday, I sought further funding clarity. I hope that once the UK Government's travails over the Brexit negotiations are eventually over, we will have that clarity.

LEADER is a fundamental part of local delivery and empowerment of communities. As we have heard, it forms part of the Scottish rural development programme, which helps rural communities. I was aware of that at 7 o'clock yesterday morning at the Fraserburgh fish market and, later that day, in Inverurie, when I awarded a food processing, marketing and co-operation grant of £4 million to help Scotbeef to set up a new abattoir. This afternoon, I hosted a venison summit in Perth, at which it was clear that venison will play

an increasingly important part in the diet of the nation because—as, I am sure, members know—it is the most nutritious meat available.

Pillar 2 of the CAP is designed in part to encourage all the other things. Although Peter Chapman is right that pillar 1 is for farmers—I am a great supporter of continued support for our hill farmers and others who require it—pillar 2 is designed to look at the wider community, and there is plainly a continuing need to do that.

In LEADER, we have introduced targets for farm diversification and rural enterprise, alongside the co-operation target. Colin Smyth and Peter Chapman both gave good examples of worthy diversification projects. The aim is to encourage more diversified support to our rural communities.

There are many examples around the country of different types of LEADER projects, but I will not run through them in the time that I have. I will say that it is absolutely vital that we direct attention to supporting young people. Young people with additional needs should, and I hope will, receive additional support in LEADER projects.

The statistics about LEADER are pretty impressive. It results in an enormous amount of funding being invested in Scottish rural communities, which is a good thing. As several members pointed out, the funding generates additional support through matched funding. For every £1, there has been an additional £1.43 in matched funding. In that sense, LEADER has been a highly successful programme.

Liam McArthur: The cabinet secretary started off by telling us that this has been a debate littered with tales of the unexpected, and he is absolutely right. One of those tales was about to emerge as a result of Mairi Gougeon's invitation to the cabinet secretary to attend an AC/DC-inspired music festival. I hope that, before he concludes, he will put members out of their collective misery by informing us that he will indeed be taking up that kind offer.

The Deputy Presiding Officer: The cabinet secretary has a wicked look in his eye.

Fergus Ewing: I must admit that AC/DC is not my cup of tea, but perhaps you and I could enjoy listening to some Leonard Cohen together, Presiding Officer. I think that that might be better for the soul.

We need LEADER, or something like it, to continue; I think that we are all committed to that. I hope that if we all work together in Scotland, in years to come we will build on the success that LEADER has delivered for communities all over the land.

Meeting closed at 18:00.

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