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Official Report

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Wednesday 28 March 2012

Session 4

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Scottish Parliament

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

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business is time for reflection. Our time for reflection leaders are Angela Shapiro and Claire Singerman from the gathering the voices project, a partnership including the Glasgow Jewish community, Glasgow Caledonian University and sense over sectarianism.

Angela Shapiro (Gathering the Voices): Good afternoon, Presiding Officer, members of the Parliament, ladies and gentlemen.

We would like to give you a message about remembrance and hope. A memorial service called Yizkor—meaning “remember”—is recited as part of the Jewish prayer service, four times during the year, including the festival of Passover, which begins on Friday 6 April. It is based on the Jewish belief in the eternity of the soul. Although a soul can no longer do good deeds after death, it can gain merit through the positive actions of the living.

In many congregations, the following prayer is included. It refers to those who died in the Holocaust.

“May the Lord remember the souls of the holy and pure ones who were killed, murdered, slaughtered, burned, drowned, and strangled for the sanctification of the Name ... may their souls be bound in the Bond of Life, together with the souls of Abraham, Isaac, and Jacob; Sarah, Rebecca, Rachel, and Leah; and together with the other righteous men and women in the Garden of Eden.”

As well as serving as a memorial to the dead, the Yizkor prayers incorporate an undertaking to give a donation to charity in memory of our loved ones.

Our own response to that has been twofold. We wish to remember those who died as a result of Nazi racism and educate the young so that such terrible things can never happen again. We also want to celebrate those who survived and flourished, despite their past, and highlight their contribution to Scottish society. For those reasons, we have commenced the project gathering the voices, the aim of which is to gather testimonies from Holocaust survivors.

Claire Singerman (Gathering the Voices): We have learned much from listening to the survivors and would like to share some of those lessons with you.

First, that we are very lucky to be citizens of Scotland and must never take for granted our freedoms and our many good and compassionate friends and neighbours.

Second, that it is possible to move forward, however bleak and distressing life has been. My late mother-in-law, a survivor of Auschwitz and slave labour, encapsulated that for us. When asked in old age how she occupied herself, she invariably answered, “Thinking beautiful thoughts.”

Third, that asylum seekers can come to Scotland without family, friends, money or even a word of English yet grow up to be valuable and honourable Scots men and women.

And surely that is worth celebrating.

Planning Reform

The Presiding Officer (Tricia Marwick): The next item of business is a statement by Derek Mackay on planning reform: next steps. The minister will take questions at the end of his statement. There should therefore be no interventions or interruptions.

14:04

The Minister for Local Government and Planning (Derek Mackay): The Planning etc (Scotland) Act 2006 contained the most significant changes to the system in 60 years and has bedded down well. An Audit Scotland review at the end of last year confirmed that and acknowledged the Scottish Government's leadership role, and progress that Government agencies and planning authorities had made on working together. However, it also raised concerns about performance and that the gap between planning authority income and expenditure would become unsustainable.

Since my appointment in December as the minister responsible for planning, I have spoken to a wide variety of stakeholders about their experiences of the planning system. Three main themes have emerged. First, economic circumstances have changed and the planning system has a vital role to play in supporting economic recovery and growth. Secondly, leadership and culture change are the key areas on which we should focus in the next stage of planning reform. Thirdly, we should improve the system without having to go through another fundamental review of the legislative framework for planning. I will, however, pursue legislative options when and if they are required to secure the necessary improvements and outcomes.

Today, I am announcing a package of measures that provide a clear road map for planning reform. Central to that is the statement on planning reform, the next steps, which builds on the 2006 act and focuses on four key areas: the promotion of a plan-led system; driving improved performance; simplifying and streamlining processes; and delivering development. I am not seeking to reopen earlier debates on the structure of the planning system; I am looking to challenge processes and practices that add little or no value. I am not proposing change for change's sake. The proposals are about taking action, working with a range of stakeholders, to support an approach to planning that is based on place and pragmatism.

The approach is not about dispensing with essential procedures or appraisals; it is about ensuring that those that are in place add value, are proportionate and are an aid, not a barrier, to

better-informed discussions, including with individuals and communities, on the impact that development projects will have on each area. I firmly believe that quality of place should take precedence over purity of process, but our processes must be fit for purpose. The key to making them so is less about legislation and more about leadership that drives changes in culture and behaviour.

The national planning framework set out our long-term spatial development strategy. Today, I am pleased to publish the monitoring report for the second national planning framework and to commit to starting work on the third national planning framework in the autumn. I share the aspirations for a plan-led system that promotes confidence and brings certainty for investors and communities. However, it is clear that we need to do more to realise what I believe are shared aspirations. We will take forward a series of initiatives to deliver better results in local development planning, including using the charrette approach to better involve communities and using informal gateway review processes to keep plan preparation on track.

I have become increasingly aware of concerns about the local development plan examination process taking longer than expected and costing very substantial sums of money in addition to significant staff costs. Some local authorities have concerns about the impact on their ownership of the plan of the binding recommendations from reporters. Therefore, I am today launching a consultation on the options for those examinations.

At present, planning performance is measured solely by speed of decision making. Although I am in no doubt that speed matters to investors and communities, certainty of timescales and predictability of outcomes are important. Last year's Audit Scotland report recognised that, too. I am delighted that Heads of Planning Scotland and the Convention of Scottish Local Authorities have been developing a new performance framework, which I am pleased to announce has been launched today. It embraces key issues such as speed, customer relationships and outcomes and is focused on driving a culture of continuous improvement across the planning service. The framework has the Scottish Government's support, along with endorsements by several business groups and the Royal Town Planning Institute.

I accept the case for better resourcing of the planning service. Audit Scotland made clear in its report that the current situation is unsustainable. Planning fees do not meet planning costs. We have been working with Heads of Planning Scotland on a new fee structure that will reflect more accurately the costs of handling planning

applications, particularly complex or controversial ones, and which will ensure that applicants have to pay only one fee to cover all costs. A consultation on that is also launched today.

The Government has consistently emphasised the inextricable link between higher fees and guarantees over improved performance. In discussions with stakeholders, many in the development industry have made the point to me that, if higher fees result in a guarantee of improved performance, they would support that. My intention is to consult on a proposition that, if an authority fails to deliver improved performance, steps can be taken to have the fees that are paid in that authority revert back to the current lower level. I am clear that increased fees and increased performance must go hand in hand.

In my discussions with stakeholders, it is clear that there is a shared view of the need to streamline and simplify a range of procedures and practices. Over the next few months, we will work with HOPS, agencies, Planning Aid for Scotland and the development industry on a number of areas.

Although the focus is on non-legislative change, I launch today a consultation on legislative changes that stakeholders anticipate. They include further changes to the arrangements for permitted developments that focus on identifying areas for non-householder developments where planning control adds little value and taking them out of the system. On pre-application discussion and consultation, we propose to remove the 12-week pre-application requirement when permission is sought to make minor or technical changes to a planning condition on a major development. Other changes include amending the management of consultations, increasing the scope of schemes of delegation and extending the types of cases with which local review bodies deal.

I want to explore new approaches to appraisals and assessments, the costs of which can be excessive with no guarantee of a positive outcome. An essential part of the process is to consider the impact that a development would have, but we must ensure that the inputs to that process are fit for purpose, easily understood and do not result in abortive costs. I also want to promote a more joined-up approach to development consents.

That will deliver improvements to the timeframes and the costs that planning authorities, agencies and developers face, as well as providing major benefits for individuals and communities in accessing, understanding and responding to planning applications. It is about promoting a more effective approach that maintains the quality of decision making.

The current economic situation has resulted in fewer applications being submitted, and even projects with consent may have stalled. The reasons for that go far beyond the planning system, but I am determined that the system should not present unnecessary obstacles to delivery. That is why, today, I am taking a range of measures to consolidate and revise the circular on planning agreements and obligations, as well as launching a consultation on innovative approaches to delivering development.

I am determined to maintain our focus on place making and building sustainable communities with the launch of our website highlighting good examples of housing design. We will be actively engaged in the follow-up to some of the more recent and successful charrettes.

Future reform is not the sole responsibility of the planning authorities. We all need to play our part in delivering an effective planning system that meets our needs. Leadership and culture change are at the heart of that, and the Scottish Government will play its part in promoting the relevance of planning and the important role that it plays in shaping the future of Scotland's cities, towns and rural areas.

I publish today a comprehensive overview of how we are taking forward planning reform. Consultations will not come out piecemeal; we will take the same efficient and focused approach to planning reform that we expect others to take to planning itself. I intend to reach final views on the package later this year. Over the next few months, I hope to take part in a lively debate about planning reform—not to go over old arguments again or to air well-known issues, but to find solutions so that planning plays its full part in supporting sustainable economic growth.

The Presiding Officer: I apologise, minister, if my coughing fit disturbed you, but I congratulate you on carrying on regardless.

The minister will take questions on issues that were raised in his statement. I will allow around 20 minutes for those questions. Time is pretty tight and, if I am to get everybody in, questions and answers should be short.

Sarah Boyack (Lothian) (Lab): I thank the minister for the courtesy of providing an advance copy of his statement today and for the package of documents that accompanied it. I have not managed to read through them all in the past hour, but we should come back to them.

The minister referred to the fact that economic circumstances have changed since the 2006 act was passed. I note in passing that he did not refer to the Climate Change (Scotland) Act 2009, which placed pretty substantial policy demands on development planning, the consideration of

planning applications and enforcement. Will the minister comment on the centrality of the planning system to the major policy objective of reducing our CO₂ emissions by 42 per cent?

I welcome the minister's comments on planning fees, but note that Audit Scotland reported that there had been a reduction in the planning staff employed by local authorities. Although I welcome the continued emphasis on better management of the process, I ask the minister to assure me that Scottish Government agencies that are involved in it will abide by the new deadlines as well. Audit Scotland referred to that point in its report. The decision-making processes are not entirely within the scope of local authorities.

With regard to fee levels, is the minister able to put on record the upper limit that he is considering? I note that the maximum fee for applications is around £17,000 in Scotland but £250,000 in England. That is a huge difference and I wonder how fast and how far the minister will want to go with regard to increasing fees.

The minister referred to the increasing number of assessments that are being carried out. Which of those assessments does he now consider to be superfluous? The various transport impact assessments, environmental impact assessments, carbon assessments and other assessments that have been judged appropriate over the past few years might have been required not by local authorities themselves but by Scottish Government policy and our expectations of the planning process.

Finally, at the end of his speech, the minister made a striking comment about not going "over old arguments again". I accept that point but, given its quasi-judicial nature and the need to involve local communities, the planning process raises certain challenges and I hope that, in changing how the system works, the minister does not reduce the impact that local communities can have. As local representatives, we all agree that that is fundamental to the quality of the outcome of the whole process.

Derek Mackay: The member raises a number of issues. First, on the point about the Climate Change (Scotland) Act 2009, I point out that it is incredibly difficult to cover everything in a 10-minute ministerial statement on changes to the planning system. However, the NPF monitoring document contains a great amount of detail on the climate change agenda, the Government's targets, its investment in infrastructure and how the debate has moved on from NPF1. Of course, we have also made a commitment to consult on NPF3 in the work that we have begun and which will progress over the autumn. The climate change agenda remains absolutely central to our considerations of how we achieve sustainable

economic growth—with the emphasis on "sustainable"—and, at this point, we must do everything possible to ensure that, instead of acting as a barrier, the system contributes to such growth.

On the subject of environmental concerns and community empowerment, as the consultations that are being launched today show, the Government's considerations will impinge in no way on communities' embedded engagement with the planning process. We front-load consultations and community engagement; indeed, our approach to place making, outcomes and charrettes demonstrates that communities will be at the heart of the planning system in a very proportionate way.

Similarly, the environmental agenda is in no way affected by what we are considering in the consultations. However, there should be a more proportionate and streamlined approach to assessments to ensure that, instead of making applicants jump through a range of hoops, we combine assessments and make them more relevant to an application, thereby safeguarding environmental considerations.

In such an agenda, key agencies will be important. Having met the leaders of those agencies and emphasised our message with regard to performance and engagement in this agenda, I know that they are very much up for that. They all have their specific tasks, but nevertheless they want to play their part in achieving sustainable economic growth and they will continue to have a role in that respect. As with local government through Heads of Planning Scotland, they are up for the task of delivering improved performance.

With regard to fee levels, it is important to establish the link between the cost of an application to local authority planning departments and the application fee itself. Of course, the service remains subsidised but, as the consultation document makes clear, we are moving towards a maximum cap of £100,000 for larger, more complex applications. As the member is aware, that compares very favourably with the English cap of £250,000. That additional fee income should support planning departments further in their economic development and planning functions but, of course, it will be tied to performance.

The thrust of all this is to ensure that we do not have to revisit the primary legislation, which is working fairly well—members should not take just my word for that; Audit Scotland and others have said so—but the 2006 act requires further streamlining to ensure that it is fit for purpose as we try to increase the pace of recovery in Scotland's economy.

Margaret Mitchell (Central Scotland) (Con): I thank the minister for the early sight of his statement. To say that the Planning etc (Scotland) Act 2006 reforms have bedded down well is overstating the case. Audit Scotland merely comments that progress has been made and identifies some worrying issues. Why has so little time been allocated for the discussion of these issues today?

What is the minister doing to address the totally inadequate enforcement of planning regulations, which was not mentioned at all in his statement, and the inability of the new system to cope with major planning applications, which is resulting in an increasing number of major planning applications that should be determined at a local level being decided centrally by the Scottish Government?

The SNP Government clearly considers that there is a requirement for reform of the planning system's funding structure to meet the additional costs of local authorities' implementation of the 2006 act. Will the minister confirm that that will involve more than just looking at the fees structure?

Derek Mackay: Once Opposition members have had a bit more time to read the documents, they will perhaps have a fuller understanding of what has been proposed. There is a great deal of information about the regulations that have been changed, and a range of actions will follow from today's statement.

We are trying to create a performance culture in partnership with all parts of the planning system and all those who are involved with it, including the key stakeholders. Legislative change may also be required, and there may be statutory instruments and regulation change. All that is outlined in the consultation documents and follows the theme of ensuring that we streamline and refine the process while accepting that the fundamental legislation is sound. None of the key partners that I have visited—including those in the private sector—has asked us to consider an overhaul of the planning system. They understand that, given the time, effort and energy that would be needed for that, we would lose the opportunity that we have now to refine the process and get the best out of it.

I am struck by what Margaret Mitchell says about appeals and some decisions being taken centrally. Even local government has not argued that there should not be an appeals system in which some decisions can be reviewed by the reporters in determining whether the decisions are proportionate and fair. There is an issue around local development plans being determined more locally and not being binding—that debate is certainly alive—but I have never heard before from

any member that there should not be an appeals structure in the planning system.

The progress that we are making is perhaps the reason why, apart from in some of the language that is being used, Westminster is now following our lead on planning work, which was taken in the 2006 act—an act that predates my time in the Scottish Parliament. The principle of sustainable economic development already exists in Scottish planning law, and many of the best changes that are proposed by the Government south of the border emulate those that were made by the Scottish Parliament.

The direction that we are taking is proportionate, will encourage improved performance and should result in improved statistics on the number of applications that are determined in an acceptable timeframe. That number has been disappointing, hence the Government's action in taking steps to improve the planning system.

The Presiding Officer: I have 10 minutes in which to allow 10 back-bench questions and answers. I therefore ask members to cut out the preambles and ask one question, so that we can get through everybody who wants to ask a question.

Maureen Watt (Aberdeen South and North Kincardine) (SNP): The minister mentioned leadership and cultural change. With those things in mind, he will be aware how important it is to bring together private and public sector representatives to get to know each other's problems. Having met the Trinity Group in Aberdeen, he will agree that it is setting an excellent example. Does he agree that that kind of forum is something from which other parts of Scotland could benefit, and will he consider ways in which best practice of that kind can be shared around the country?

Derek Mackay: Yes.

The Presiding Officer: Thank you, minister.

Mark Griffin (Central Scotland) (Lab): How many local development plans have been amended by reporters since the 2006 act was passed? Does the minister believe that the process is open and democratic when a local plan that has gone through numerous rounds of public consultation can be significantly amended by a reporter carrying out limited neighbour notification? Does he believe that the consultation on the examination process will address such issues of accountability?

Derek Mackay: I think that the consultation that we are launching today on the examination process will fairly bring out the concerns that Mark Griffin raised. We will consider them in due course and report back and take decisions. I hear the

message that Mark Griffin is giving as part of that consultation.

Mark McDonald (North East Scotland) (SNP): Can the minister elaborate on work that is under way to identify blockages in the system, particularly in relation to moving forward on local development plans? Aberdeen City Council has led the way in getting its local development plan in place; other local authorities are perhaps not getting the work done as quickly as possible. What is being done in that regard?

Derek Mackay: Some difficulties with local development plans might be to do with legitimate differences of opinion about what sites can be developed, where and how. It is important that people have confidence in the development plan examinations, which is why we are consulting on how they should operate in future, to take the best practice, such as has been outlined in the context of Aberdeen. Timescales are an issue, and some authorities have been taking too long.

Elaine Smith (Coatbridge and Chryston) (Lab): The ministerial statement was relevant to two major planning cases in my constituency. North Lanarkshire Council listened to local communities and said no to an incinerator in Coatbridge and no to building on green-belt land in Chryston, but a Scottish Government reporter then said yes to both developments. Will the proposed reforms mean that in future people will be put before private profit, or will the emphasis be on helping developers rather than on local democracy?

Derek Mackay: I think that I comprehensively covered the binding nature of reporters' findings in examinations of local development plans. I encourage any member who has a strong view to submit their view to the consultation. We will consider submissions in due course and report back later in the parliamentary session.

Sandra White (Glasgow Kelvin) (SNP): The minister mentioned using charrettes to involve communities better. What progress has been made in that regard? Will the changes that the minister outlined apply to small-scale developments?

Derek Mackay: Three charrettes have been undertaken by the Scottish Government, in partnership with communities. The approach is successful in putting place at the centre of the planning agenda and has been productive. I look forward to on-going work. Further charrettes will be planned and will put place at the heart of planning.

Liam McArthur (Orkney Islands) (LD): I thank the minister for advance sight of his statement. It is unfortunate, although perhaps inevitable, that a statement on streamlining the planning system

should be accompanied by such a welter of paperwork.

I was heavily involved in the development of the white paper that led to the 2006 act, so I thank the minister for his comments on the act. During that time, leadership, culture change and better resourcing of planning were regarded as key challenges. What steps can the minister take to ensure that the resources from increased fees go into delivering the improved performance in the planning system that he talked about?

Derek Mackay: The issue is discussed in the consultation papers. I do not intend to ring fence resources, but there is a clear expectation on performance as it relates to fees. We expect better performance, and if that is not achieved the fees will be considered, in line with what is set out in the consultation.

On the number of documents that have been produced, I am trying to unwind some of the unnecessary regulation and legislation that others have created. In some cases, the impact assessment is larger than the consultation document, which is just a virtue of the impact assessment. The Government and parliamentarians in previous sessions of the Parliament have helped to reduce planning guidance by about 80 per cent, so we are moving in the right direction.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Reference has been made to a maximum cap. What is currently the average gap between planning fees and the cost of planning to local authorities? What assurances can be given to developers and other users of the planning system that better performance will be provided for the higher fees that will potentially be imposed?

Derek Mackay: The gap between the cost of applications and the fees is significant and is growing. In the words of Audit Scotland, the model "is becoming unsustainable". Applicants will have the guarantee that there will be improved performance. The figures range from authority to authority, but there is a clear expectation of improvement as time goes on. If a planning authority does not perform, we will revisit the fees structure that operates in the area.

Good work is being done, and Heads of Planning Scotland's performance framework, which is launched today, begins the process of improving performance. Fees will lever in new investment to ensure that resources are adequate to enhance our planning and economic development system.

Neil Findlay (Lothian) (Lab): Nowhere in the minister's statement is mention made of planning enforcement. Given that the failure of developers to adhere to planning conditions and the

significant cuts to local government are issues that affect all areas of Scotland and all members, when will we see action to ensure that we have co-ordinated enforcement action that protects communities and ensures that developers play by the rules?

Derek Mackay: I believe that the current legislation on enforcement action is adequate and a matter for local authorities to enforce. There is a further issue around building standards that the Government is considering, but in essence planning enforcement is a matter for local enforcement.

Patrick Harvie (Glasgow) (Green): Does the phrase in the minister's statement

"not to go over old arguments again"

and the complete lack of any reference to a democratic and locally accountable planning system confirm that the SNP has formally dropped its support for any form of community appeal rights in the planning system and in fact has no proposals to democratise the planning system?

Derek Mackay: Again, I refer Patrick Harvie to the range of consultation papers that we have produced. He is more than welcome to contribute to them. We have protected and completely support the community empowerment agenda and the environmental agenda that is enshrined in the 2006 act. We completely support local people in considering planning applications, but the current system is about contributing to sustainable economic growth and development.

On the issue of third-party right of appeal, we believe in front-loading consultations so that there is proper consideration of applications before application and before determination. From that point of view, the community empowerment agenda is absolutely fine.

Mike MacKenzie (Highlands and Islands) (SNP): How will the changes ensure that we have the right balance between speeding up planning applications and ensuring that the views and requirements of communities are taken on board?

Derek Mackay: I have made a number of references to programmes such as the charrette approach, in which communities come together and help design their local community. Planning should be about place first and foremost. There is good community engagement within the planning system, and we believe in a plan-led system. That means that local, democratically elected councils develop their plans along the lines that some members have suggested. Such a plan is then endorsed and accepted.

There is a debate about whether the reporter should be able to change the plan in a binding way. If, as the consultation document suggests,

we hold to the principle that local communities can help to define their local plan, that should ensure that planning applications and decisions are in line with the wishes of local people through their development plan.

The Presiding Officer: That ends all the questions and answers. I thank the minister and members for their co-operation. It shows that we can do it when we try.

Agricultural Holdings (Amendment) (Scotland) Bill: Stage 1

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-02495, in the name of Richard Lochhead, on the Agricultural Holdings (Amendment) (Scotland) Bill. I call Richard Lochhead, the Cabinet Secretary for Rural Affairs and the Environment, to speak to and move the motion. You have 10 minutes, Mr Lochhead.

14:33

The Cabinet Secretary for Rural Affairs and the Environment (Richard Lochhead): Thank you, Presiding Officer.

This Government has two key policy objectives for tenant farming in Scotland: first, to ensure that tenant farmers have legislative protection; and, secondly, to have a vibrant tenant farming sector in Scottish agriculture so that the sector can continue to put food on our tables and help to care for Scotland's environments.

I think that all members recognise the important role played by all our diverse agriculture in Scotland, and I am sure that members agree that Scottish agriculture continues to punch above its weight in our economy. That is underlined by the incredible success of our food and drink sectors that was announced only yesterday, with overseas exports of Scottish food and drink increasing by a massive 19 per cent in 2011 alone. Those exports are now worth around £5.5 billion to the Scottish economy and are achieving our national targets about six years early—that is just an illustration of the booming success in recent years of our food and drink sectors.

Our tenant farmers are of course an integral part of Scottish agriculture. Prior to 1883, the relationship between tenant farmers and their landlords was determined by freedom of contract. Since then, farming leasing arrangements between landlords and their tenant farmers, and their relationships, have been regulated by a series of acts of Parliament.

Before the Agricultural Holdings (Scotland) Act 2003 was passed, the only formal leasing arrangements that legislation permitted were a seasonal let of less than one year—my notes refer in brackets to a lease of 364 days, not 365 days, in the legislation—or secure tenancies, such as those in the Agricultural Holdings (Scotland) Act 1991, with which we are all familiar. When a tenant farmer has a long-term protected lease that is heritable, it can now be broken only by non-payment of rent or a material breach of the lease.

Many factors—not just legislation—influence the trends in agricultural tenancies. Economic factors, the availability of land and labour, our farming systems, the health of the marketplace and changing rural communities all influence the sector's health.

The purposes of agricultural holdings legislation are to protect the rights of the tenant and the landlord and to do what we can to enhance the productiveness of our land in Scotland. The legislation achieves that by encouraging tenant farmers to maintain proper husbandry of the land until the end of their lease while enabling them to receive value for the improvements that they have made to the land. The aim has been to ensure that neither party is disadvantaged by a tenancy agreement, and the bill has the same aim.

For some, tenant farming provides the first foothold on the farming ladder. It is a family tradition for some and it provides for others the opportunity and flexibility to farm in a way that suits their needs.

I am well aware that some tenant farmers face extreme hardship or economic difficulties, because they tell me that when I travel the length and breadth of Scotland. I know that there are difficult landlords and unscrupulous land agents, and we all wish that that was not the case. I know that tenant farmers provide some of our best produce and are dynamic businessmen. Many have contracts with leading retailers and provide some of the best beef and lamb that can be got anywhere. It is important to recognise that there are also excellent proactive landlords and fair-minded agents.

It is not easy to achieve growth and dynamism in an industry that is based primarily on the relationship between two individuals, in a country in which available land is limited. Balancing the needs of both parties is often challenging. It would be easy to sidestep some of the difficult issues that need to be addressed. I expect that I speak for many members when I say that we in the Scottish Government do not wish to take the easy option. The Government and I are committed to tenant farmers and to a vibrant tenant farming sector. The bill is one of the many tools that we are using to achieve that.

The bill marks the final stage in implementing the package of recommendations that were made to the Government by the Scottish tenant farming forum, with which we have worked closely in recent years to achieve our aims. I was disappointed when we could not include in the Public Services Reform (Agricultural Holdings) (Scotland) Order 2011 the two main amendments that are in the bill, but we could not abuse the power to make that order. I introduced the bill to enable the Government to complete its

commitment to implement the final two parts of the package of measures that our key tenant farming stakeholders proposed and to implement a further recommendation from the industry on VAT.

Section 1 of the bill amends part III of schedule 2 to the 1991 act to extend the definition of a “near relative” to include grandchildren. The current definition includes a surviving spouse or civil partner and a natural or adopted child of the deceased tenant farmer. The amendment will help to meet our objective of widening the class of people who are entitled to a degree of protection when succeeding to a secure 1991 act tenancy. It should also make it easier for grandchildren to inherit farm tenancies and should help new and younger entrants to get a start in tenant farming, which will be a key benefit to the agricultural sector.

Section 2 will amend section 9 of the 2003 act to nullify lease terms in limited duration tenancies that provide for upward-only and landlord-only initiated rent reviews. In a limited duration tenancy under the 2003 act, the tenant and the landlord enjoy freedom to contract and are not restricted in any way when agreeing the contractual provisions on rent review that appear in the lease. It is therefore possible at present for parties to agree to upward-only rent reviews or to a provision whereby only the landlord and not the tenant farmer can instigate a rent review. Our amendment will help to prevent landlords from burdening their tenants with limited duration tenancies that have uneconomically high rents. Our proposals will ensure that, when such clauses appear in leases in the future, any such terms should be struck out.

We do not propose to make the provision retrospective in order not to interfere with the contractual position of parties who have already entered into leases that contain such terms. Agreements between landlords and their tenant farmers that are already in place will continue to be unaffected by the provision until their expiry.

Section 3 contains the third provision, which will amend section 13 of the 1991 act, which relates to VAT and rent reviews. Under section 13 of that act, rent reviews take place in a three-year cycle, and any variation in rent prevents the parties from having a rent review for a further three years. The amendment simply clarifies that, if the VAT rate changes or the landlord chooses to change the VAT treatment of the rents, that will not qualify as a variation of rent. The amendment therefore avoids the situation in which a landlord and a tenant are unable to go to the Scottish Land Court for a rent review. Again, that has been agreed by the tenant farming forum and it mirrors a recent amendment to English legislation that arose from a recent court case. An agreed and carefully

negotiated set of proposals has been provided that commands the support of the tenant farming forum, which includes all the main stakeholders in tenant farming in Scotland.

I know that the sector faces many other challenges and that many of those difficult issues have featured in the debate on the bill, but I also know from speaking to many tenant farmers and others that they wish their legislators to tread quite carefully, given the deep complexity that we are dealing with. Stakeholders have certainly said to me that they wish to avoid embarking on a further round of rushed changes to the legislation that may be well intentioned but which those with the necessary expertise to ensure that the changes will work have not been able to fully think through and analyse at this stage. I for one wish to heed their advice.

That is why, following my consideration of all the background information and the stage 1 evidence and committee reports, I will lodge only one of the amendments that the Rural Affairs, Climate Change and Environment Committee proposed. There will be a stage 2 Government-led amendment to the transition provision that is contained in section 4 so that the changes to the definition of “near relative” will apply in cases in which a tenant has died before the bill comes into force but notification has not yet been given to the landlord under the relevant provisions.

I have also considered the recent decision of the Court of Session in the Moonzie rent review case. As I indicated to the committee yesterday in writing, I will not lodge a stage 2 amendment to amend section 13 of the 1991 act. Some stakeholders may take the view that the Moonzie case highlights deficiencies in the formula for undertaking rent reviews in 1991 act tenancies, but all stakeholder groups agree that the rent review system is a complex topic and that any legislative change should be carefully considered to allow full consideration of potential impacts. We need detailed consultation on and discussion of that issue with the industry. Indeed, we have met the TFF to discuss the way forward on it, and I will hold a summit meeting with the TFF on 4 April in Inverness, at which we will discuss such issues. Let me be clear: I recognise that we need a system for determining rents that is fit for purpose. In that forthcoming meeting, we will consider whether an independent panel should be set up to assist in the process and to enable progress to be made in a much shorter timescale than might otherwise be the case.

Members will be aware of the recent Court of Session decision in the Salvesen v Riddell case. That case is still before the courts, so I am quite limited in what I can say about it, but we are

considering all our options, including the option of appeal.

I am only too aware that there are other important tenant farming issues that need to be addressed and to be acted on within a realistic timescale. At the summit that we will hold in a few days' time with the tenant farming forum, we will discuss many of those issues, which cover rent reviews, dispute resolutions, broader succession issues, waygo arrangements and issues to do with fixed equipment. I do not want to pre-empt the TFF work plan, but I want a strict timetable that we can stick to.

Members will be aware that we have given a commitment that we will have a full review of all the legislation within 18 months of the bill becoming law. We will then take any action that requires to be taken in the Parliament, provided that the opportunity arises.

Given the complexity of the issues that we are considering, ours is the right course of action. The Government believes that it is important that the bill, which has been developed in close partnership with the key stakeholders, deserves members' support, which I urge all members to deliver.

I move,

That the Parliament agrees to the general principles of the Agricultural Holdings (Amendment) (Scotland) Bill.

The Presiding Officer: I call Rob Gibson to speak on behalf of the Rural Affairs, Climate Change and Environment Committee.

14:44

Rob Gibson (Caithness, Sutherland and Ross) (SNP): There is an old Highland joke about a croft being a small piece of land surrounded entirely by large amounts of legislation. Given the amount of legislation on agricultural tenancies that has come forward in recent years and the time that such tenancies have taken up in the Scottish Land Court—and, sometimes, the Court of Session—we can be forgiven for thinking that the same joke can now be told about tenant farming.

Scrutinising the Agricultural Holdings (Amendment) (Scotland) Bill has been a process of two halves for the Rural Affairs, Climate Change and Environment Committee. On the one hand, we looked at the three modest, albeit necessary, changes that the bill proposes to agricultural tenancy law. On the other, we considered many other issues that are not directly covered by the bill, but which were raised by stakeholders, often anonymously, and which are fundamental to the policy behind the bill.

During our scrutiny of the bill, the Scottish Government published statistics that show that,

between 2005 and 2011, there was a decline of almost 10 per cent in the number of agricultural tenancies in Scotland. There were 727 fewer holdings with tenancy agreements in 2011 than there were in 2005. That is a significant reduction, and we need to know what is leading to that trend. Those statistics focused the minds of the entire committee and led us to consider the fundamental issue that is at stake, which is how best to address the balance between landlords' rights and tenants' rights so that Scotland can, at last, have a healthy tenant farming sector to pass on to successors.

Alex Fergusson (Galloway and West Dumfries) (Con): Will the member take an intervention?

Rob Gibson: I will take a brief one. I have a lot to say.

Alex Fergusson: Given that the tax regime is the same throughout the United Kingdom and that farm business tenancies south of the border are similar to limited duration tenancies in Scotland, would the member care to speculate on why the number of tenancies has fallen in Scotland at a time when the number of tenancies has significantly increased south of the border?

Rob Gibson: I think that there has been enough speculation, but I suppose that, even in the member's devo plus proposals, there might be a decision to take forward these kind of things in Scotland.

Our scrutiny showed that there are significant gaps in the data that is required to make informed, evidence-based decisions on how to address the challenges that are facing tenant farming. We simply do not have a full picture of what is happening in tenant farming across Scotland to underpin the decisions that we need to make. I welcome the Scottish Government's commitment to review the questions that are posed in the agricultural census to ensure that the most beneficial questions are being asked, with a minimum of bureaucracy.

I turn to the three specific provisions in the bill, which correct anomalies in the law. The committee unanimously supports all of them in principle and hopes that they will lead to more land being made available to let and the creation of a more conducive environment that will encourage new entrants to join the industry.

The bill follows many years of protracted debate in the tenant farming forum. It aims to achieve compromise between landlords and tenants in order to make progress on tenancy law. It is important to note that it was intended that two of the three provisions would be included in a 2011 order, but they were delayed due to the need for primary legislation, as the cabinet secretary said. That prevented them from being included in earlier

instruments. Those provisions are long overdue, and the changes will complete the first phase of the tenant farming forum's consideration.

The committee unanimously supports the extension of the category of tenants who can serve a counter-notice to a notice to quit that is issued by a landlord on the death of a tenant. The current definition of what constitutes a "near relative" in such circumstances is too restrictive, as it includes only the spouse or civil partner and any children, and it should be widened. The bill extends the definition to include grandchildren, which we welcome.

Many farmers made a case to the committee that the definition should be further extended to include, say, nieces and nephews. The committee was not unsympathetic to that call, but it was aware of possible unintended consequences of a further extension to the definition. We asked the Scottish Government to consult the TFF to see whether there was any appetite in that group for extending the definition to include other relatives. The TFF says that it does not support a further extension at this stage—although it will keep the matter under review—primarily because, as Scottish Land & Estates states:

"it would effectively extend tenant rights and send another negative message to landlords."

There was also a debate in the committee about when the change in definition should come into force and how the transitional arrangements should work. Some of my colleagues will discuss those aspects in greater detail.

The other two provisions were unanimously backed by the committee—first, the changes that will see upward-only and landlord-only initiated rent reviews prohibited in future limited duration tenancies; and, secondly, the disapplication of VAT rate changes and options to tax from being variations in rent that prevent rent reviews. The TFF agrees to those changes, as does the Scottish Government, and the committee supports them unanimously.

That brings me to the other issues that the committee received evidence on. We had a significant number of submissions, including anonymous and private submissions, from landlords and tenants, which gave the committee a startling insight into the challenges facing the tenant farming community in Scotland. Those included issues of wider land reform; how to attract more new entrants into farming and how best to support them; how to create the best environment for investment in holdings by landlords and tenants; how to make it clear beyond any doubt who is responsible for paying for what; and how tenants will be compensated for that investment when they move on or retire.

We called on the Scottish Government to consider establishing a register for prospective new entrants and also to work with the TFF in re-examining the issues of investment responsibility and appropriate compensation. Thankfully, the TFF is to produce a work plan setting out those priorities. I hope that that will not take another seven years and I am also pleased to learn that the industry is to take forward the idea of a new entrants register.

We heard evidence on the practices of land agents, and we support the development of a code of practice, which would, we hope, ensure greater consistency of practice and behaviour among all those providing land-agent services.

Members need to be aware of the legal disputes surrounding agricultural tenancies, which sadly end up in the Land Court and the Court of Session. The committee heard evidence on the establishment of a more effective system of dispute resolution and called on the Government to urgently look at arbitration.

In my speech during the stage 1 debate on the Land Registration etc (Scotland) Bill, I spoke about the need to dovetail that bill with the Agricultural Holdings (Amendment) (Scotland) Bill and the Long Leases (Scotland) Bill, which the Rural Affairs, Climate Change and Environment Committee is also scrutinising, and I stress that need again. We must develop a comprehensive picture of land use and ownership in Scotland, with better mapping.

The Agricultural Holdings (Amendment) (Scotland) Bill is not the solution to the many challenges facing the tenant farming community. Further legislation will be needed and we should not rule it out for fear of overregulation. The important thing is that the legislation does what we want it to do and helps those whom we intend it to help.

The fundamental question behind the bill still remains that of how we can improve the lot of tenants in the balance between the rights of agricultural landlords and the rights of agricultural tenants to ensure that Scotland can look forward to a healthy and vibrant tenant farming sector.

14:52

Claire Baker (Mid Scotland and Fife) (Lab): I am pleased to be speaking in this afternoon's debate. As an MSP who is not on the Rural Affairs, Climate Change and Environment Committee, I thank the committee for an informative, well-argued and interesting report. I thank all the stakeholders who responded to the consultation and improved and challenged our understanding of the issues. I particularly thank the tenant farming forum. Its work on improving

agricultural holdings legislation to encourage the release of land to rent has been invaluable, and the bill responds to its concerns.

The bill is a narrow piece of legislation that discusses only three areas, yet it has highlighted the wider arrangements in Scotland and the need to improve the system for current farmers and future generations. This slim bill is recognised as a move in the right direction. Although no one is denying that there is more to be done, it is fair that we use this focused bill to bring the measures into law as quickly as possible. Labour will support the bill at stage 1.

At the heart of the debate around tenant farming is how we secure a sustainable future. We must question why we have seen a fall in the total number of holdings with tenancy agreements while, at the same time, there seems to be a rise in contract farming. The landmark land reform programme produced the Agricultural Holdings (Scotland) Act 2003 and, among other measures, introduced limited duration tenancies and short limited duration tenancies. There has been an increase in both of those, although there are perhaps still not as many as we would like there to be. However, the number of 1991 act tenancies and limited partnerships has declined and overall, as Rob Gibson pointed out, there has been a reduction of 10 per cent in the number of tenancy agreements.

By contrast, England's tenanted sector has developed differently, with the decline in rented land being halted and even reversed. However, that is a complex comparison. In England, there is little security of tenure, and there is little evidence that any increase is due to new entrants. In Scotland, our tenanted sector must encourage long-term investment from the tenant and the landlord and ensure that they feel confident that their investment will be recognised. It must also support new entrants not just through the availability of land but through investment and other support.

The answer is not simple. We should recognise, as the cabinet secretary pointed out, that there is a lot of good practice in the sector and that there are good relationships. However, there is also an ageing population in farming, and we must make new opportunities easier to find.

The better the evidence, the easier it is to provide the correct policy response and, as the committee identified in its report, there are concerns about the lack of reliable data. We can assume that a number of the tenancies under the 1991 act are historical but, as the Government identified, we do not really know what happens when such a tenancy comes to an end. That gap is contributing to falling numbers, so the Scottish

Government must take measures to improve data collection.

The bill looks to expand the options that are available when a 1991 tenancy comes to an end by extending the meaning of "near relative", where the person concerned is a successor, to include grandchildren. In principle, we very much agree with extending the definition of who qualifies as a near relative, but I expect that it is an issue that will be returned to at stage 2. The Scottish Tenant Farmers Association and NFU Scotland question the difference in the interpretation of a near relative, depending on whether an assignation or a succession is involved, and the STFA, in particular, would like to include nephews and nieces. Others have expressed concerns about getting the right balance between landlords and tenants, and I agree with the committee that the Scottish Government needs to look at the issue again. Consensus is a good thing and events are moving along, albeit slowly, but we are continuing to see a decrease in tenant farming. If a further extension of the definition of a "near relative" would play a part in addressing that decline, we should consider that.

In relation to transitional provisions, I am pleased that the Scottish Government has responded to the committee and has indicated that it will lodge an amendment at stage 2. That is a sensible move that will capture those people who are in the middle of the process at the time of the bill's passing.

Section 2 addresses rent reviews and prevents upward-only and landlord-only initiated rent reviews in a limited duration tenancy. I welcome the widespread support for that sensible measure, which I believe will be a positive move for future contracts.

The committee helpfully considered wider tenancy issues. The progress that has been made through devolution should be recognised, but we can make further improvements. The Government has an opportunity in this session of Parliament to make progress on tenant farming through legislation, if necessary, but also through policy direction. We can improve conditions for new entrants. Although starter units, a new entrants register and the introduction of mentoring are all positive, the common agricultural policy subsidy system does not support new entrants, whose needs must be central to discussions. I would like to see a more level playing field for new entrants when it comes to accessing subsidy support.

The RSPB proposal for conservation tenancies is worth further consideration. The RSPB argues that such tenancies could solve the current limitations that it and other non-governmental organisations face in letting land.

The committee identified another area that can act as a barrier to successful tenancies: the lack of clarity on investment in holdings and waygo payments. If a tenant does not feel secure in their current farming interests or in what will happen to their investment in the future, they will be reluctant to invest, while the landlord may not be convinced that investment will give them a return. It would be good to hear more from the Government on what it thinks the extent of the problem might be and how it could improve the present system.

From my discussions with the tenant farming forum and other stakeholders, I am aware of the work that they are doing on a code of practice for land agents and on proposals for dispute resolution. The recent decision by the Court of Session in the Moonzie case must raise questions about the effectiveness of the current legislation. I understand that 18 applications for rent review are still in the process, and the outcome of the Moonzie case will have an impact on those. Although the cabinet secretary has indicated that he does not intend to use the bill to address that issue, I welcome his announcement that a summit is to be held and his recognition of the significance of the decision to how we make progress.

This Parliament has been ambitious in addressing the historic legacy of Scotland's land. That reflects the importance of access to our land in our culture and in our identity, and of modernising our relationship—working and leisure—with this great Scottish resource. The bill is narrow, but it goes to the heart of concerns about ownership and fairness, and although it will receive support today, I am sure that the bigger debate will continue.

14:59

John Lamont (Ettrick, Roxburgh and Berwickshire) (Con): The Scottish Conservatives are pleased to support the bill's general principles. A vibrant tenanted sector is vital to Scottish farming. As a Parliament, we should do all that we can to create a better environment for the letting of farmland to tenant farmers and to encourage new entrants to tenant farming. I believe that the bill goes some way towards achieving that.

The Scottish Conservatives are happy to support a number of proposals in the bill, such as the extension of the definition of "near relative" to include grandchildren and the prohibition of upward-only rent reviews. However, I remain concerned about a number of issues, on which I will focus today.

On the suggestion that the definition of "near relative" should be extended, it became clear during scrutiny of the bill that some members of the Rural Affairs, Climate Change and

Environment Committee—particularly those from the Scottish National Party—would like the definition to be widened to include not only grandchildren, but nieces and nephews. The logic behind that is that some tenant farmers may not have children or grandchildren, and so the tenancy could be forfeited on their passing. However, if the tenancy rights were conferred on nephews and nieces, the tenancy could be carried on in the wider family, which would restrict the landlord's ability to retake possession of the property.

On that point, I fully agree with the Cabinet Secretary for Rural Affairs and the Environment, who in his evidence to the committee cautioned that any extension of the succession rights could have unintended consequences. An overly broad definition could further limit the landlord's confidence and create even more uncertainty in the tenanted sector. If such a definition was implemented in an attempt to protect the tenant's rights, the landlord's rights could be seriously undermined, which would make it more unlikely that a landlord would lease his land in the future in order to avoid the effective loss of his property.

Annabelle Ewing (Mid Scotland and Fife) (SNP): John Lamont will obviously have read the committee's wonderful report, which he was involved in producing. Paragraph 37, which refers to the oral evidence that was taken, mentions that not only the Scottish Tenant Farmers Association but the NFU Scotland indicated support for a broader definition. I felt that it would be helpful if I pointed that out.

John Lamont: That was very helpful, but it does not necessarily mean that I have to agree with that view. I agree with the cabinet secretary's view that there could be unintended consequences. We must think very carefully before further reforming the definition.

I raised in committee the issue of the bill's impact on the ability of landowners and prospective tenants to freely negotiate their tenancy agreements, and the impact that that has on new entrants. There is a view that the freedom to contract is being undermined. That is having an impact on the supply of land, which in turn has an impact on new entrants' ability to come into farming.

Tenant farmers and landowners have told me that, because they are unable to negotiate freely, they are entering into short-term arrangements rather than secure tenancies. As a consequence, tenant farmers are not prepared to invest in the land and the farm steadings in the way that they would have done if they had the benefit of a more secure tenancy.

Given the drop in the number of tenancies, which we have heard about already, we should be

concerned that, by further interfering with the parties' contractual freedom, we could be indirectly undermining the parties' ability to enter into arrangements as they wish to. I know that that is not the Government's intention, but we must keep the unintended consequences of such changes in mind when we consider further reform.

In the brief time that is available to me, I will focus on the lack of data. In January, the Government released figures that showed a 10 per cent drop in the number of holdings with tenancy agreements between 2005 and 2011. However, it became apparent during the committee's scrutiny of the bill that there is an issue around the lack of accurate data in a number of areas, including rented land, which makes it much more difficult to understand fully the extent of the implications of the bill or of any possible future reform.

The briefing note from Scottish Land & Estates states that there is scepticism about those numbers, which show only a snapshot of the issue and fail to take into account that there are a number of destinations for the land once the tenancy comes to an end. Some of the land is bought back by the tenant, some is taken back to be farmed by the landowner and some is split to support existing businesses and current tenants. I agree with the committee report that the Scottish Government must, as a matter of urgency, work with the relevant parties to ensure that more accurate data is collected.

The fundamental issue is that we must get the balance right between the rights of the tenant and those of the landlord. The relationship between the two parties must be based on mutual respect and confidence in the other party, rather than leave those involved fearful of letting their land or unwilling to invest in their tenanted property.

The bill will make progress in the right direction, and we are happy to support it, but we must be careful about further reform.

15:05

Annabelle Ewing (Mid Scotland and Fife) (SNP): Although I have the privilege of being the deputy convener of the Rural Affairs, Climate Change and Environment Committee, I speak not on behalf of the committee but as an individual MSP. As the convener said, however, there is considerable common ground in the committee on both the narrowly framed bill and the need to look at the wider issues concerning agricultural tenancy law in Scotland. I refer members to paragraph 80 of the report, which states:

"The Committee recommends that, following the completion of this Bill, the Scottish Government continue to work with the TFF and other stakeholders, landowners and

tenants across Scotland, to review the operation of agricultural legislation and address the other challenges facing the tenant farming community in Scotland as soon as possible."

In the short time that is available to me, I will focus on a matter on which some progress on the detail is already being made: succession—which we have already heard a bit about—and, specifically, persons who would have putative rights to a tenancy on the death of the tenant. Currently, although the tenant can assign the tenancy to a wider group of people, upon the tenant's death it is only "near relatives" who will be afforded protection as successor tenants, in that they can serve a counter notice following a notice to quit being served by the landlord. As we have heard, the phrase "near relative" is narrowly defined and does not currently include grandchildren of the tenant, but the bill proposes to extend that protection to grandchildren of the tenant. In doing so, it acknowledges the consensus that was reached in the tenant farming forum, which is the industry body that was set up *inter alia* to consider improvements in the operation of agricultural tenancy law and practice.

As I said in my intervention on Mr Lamont, others also spoke in favour of there being a wider definition when they gave evidence to the committee, including the Scottish Tenant Farmers Association and the National Farmers Union Scotland. Although the committee had sympathy with those who support a wider definition, it felt nonetheless that, in accordance with the very delicate compromise that was achieved by the TFF, we should forge ahead with the approach as it stands.

It is a matter of some disappointment to me that matters cannot progress more quickly, but taking into account the hard work that has been done to get us where we are, on balance it is more important to respect the consensus and hope that it spurs people in the TFF on to more speedy work and the creation of more consensus on the broader issues that have been alluded to.

We have also heard about the important issue of lack of data. In order to inform our debate on the way forward, we must secure accurate and meaningful data. Otherwise, we will have a debate that is based on assertions and speculative figures, which would be no help to anybody.

On a conciliatory note, I believe that Scottish Land & Estates is to be commended for its change of heart during the committee process—which the cabinet secretary mentioned—on when the extended succession provisions should apply. The matter is not expected to affect too many people in practice but, nonetheless, Scottish Land & Estates showed willingness to compromise on the issue, so it should be given the credit that it is due. I

hope that that signals a willingness to engage on the wider issues in the same spirit of consensus, because it is the wider issues to which we now need to turn.

I commend all the committee members for their hard work in producing a consensual report.

15:09

David Stewart (Highlands and Islands) (Lab):

It might seem to be a great leap of imagination to compare this consensual stage 1 debate on the Agricultural Holdings (Amendment) (Scotland) Bill with the radical, pioneering and tempestuous work of the Highland Land League of the 1880s, but I will show that there is a link, if members are patient.

As members will know, the Highland Land League was the radical crofters' movement that won a clutch of Westminster seats, including my home city of Inverness, in the 1885 general election. Members will probably know that the Highland Land League was instrumental in the passage of the Crofters' Holdings (Scotland) Act 1886, which gave tenants—mainly crofters—security of tenure, rights and compensation for improvements, which survive today. I understand that the league's best-known slogan was:

"The people are mightier than a lord".

It has a contemporary ring to it, and would not be out of place in this week's edition of the *West Highland Free Press*.

The relationship between landlords and tenants, access to land, security of tenure and the role of community ownership have all radically changed since the days of the battle of the braes, when the famous dispute between crofters and landlords on Skye in the 1880s culminated in that battle between the police and crofters. As members may know, that led to the Napier commission, which radically changed crofting legislation. Coming to the present day, one of the great successes of devolution has been community land buyouts, from the island of Eigg to Eriskay in the Western Isles.

I agree with other members that the bill is not, on the surface, contentious, but there are deeper and wider issues, which many members have raised. That was touched on in particular by the Scottish Tenant Farmers Association, which I will come to later.

I congratulate Rob Gibson—who, unfortunately, is not in the chamber—and his committee for their thorough work on the stage 1 report. As we have heard, the committee has asked the Scottish Government to re-examine the definition of "near relative" to consider including, for example, nieces and nephews.

As for rent reviews, the committee is right to support the removal of upward-only rent reviews. The other main substantive area in the bill is the disapplication of VAT-rate changes from being variations in rent that prevent rent reviews.

I welcome the theme that emerged in the committee's evidence sessions that the bill will not end the need for further reform of agricultural tenancy law. However, a number of fundamental issues need to be resolved in future legislation—dispute resolution being the main one. As members will know, until 2003 arbitration was a statutory requirement. The Scottish Land Court is—outwith the Court of Session appeal powers—the only body that is able to rule on disputes, but that is not a very practical option for most tenants. There has been only one order setting the rent in one rent review since the 2003 act came into force. Clearly, expense and time are huge barriers to tenant farmers.

What is needed? I believe that alternative cheaper methods of dispute resolution are required, including facilitated dispute resolution and mediation. Perhaps the minister could say whether other opportunities that could be helpful are available under the Arbitration (Scotland) Act 2010.

I am also concerned about the current tenancy laws. We have heard about the Court of Session ruling in the case of *Salvesen v Riddell*. Lord Gill ruled that section 72 of the Agricultural Holdings (Scotland) Act 2003 was not compatible with the European convention on human rights. The STFA's chairman, Angus McCall, has said that the mood among farm tenants is now one of despondency. That is not surprising, given how the law has failed them and is sending out the wrong messages to wealthy and powerful landlords. It is of great concern that talented and able young tenant farmers are being lost to the sector.

I support the bill, but it is a work in progress. Future legislation is required to deal with the issues of new entrants, access to land and dispute resolution.

15:13

Graeme Dey (Angus South) (SNP): One issue that came through loud and clear in the committee's inquires on the bill was that of land agents and their practices. In his evidence, NFUS chief executive Scott Walker summed up the situation when he said that

"it is extremely rare for the land agent to be breaking the law ... but we tend to find that some of their practices might leave a little to be desired".

He called for the introduction of

“a strongly enforced code of practice”

that would be signed up to and—more important—adhered to by all sides of the industry.

Andrew Wood of the Royal Institution of Chartered Surveyors advised the committee that the RICS already has rigorous guidance in place for chartered surveyors, but suggested that the problem is that

“not all agents are chartered surveyors.”

He also pointed out that sharp practice does not happen solely among landlords, but that tenants’ agents can be equally guilty of it. Mr Wood undertook to work up and present a code of conduct to the TFF, with consideration being given to what he termed

“the wider range of people who are involved in advising landlords and tenants and how they might deal with issues.”—[*Official Report, Rural Affairs, Climate Change and Environment Committee*, 18 January 2012; c 538, 539.]

It was the unanimous view of the committee that greater consistency in practice and behaviour among people who provide land-agency services—whether they act on behalf of landlords or agents, and irrespective of whether or not they hold membership of the RICS—is desirable; that the code must have teeth; and that the Scottish Government should monitor development of the code to ensure that it is fit for purpose. The commitment from the Government to work in partnership with the TFF during the development phase and then to assess the need for further strengthening once it is being utilised is therefore welcome.

It is also positive that Scottish Land & Estates has indicated a willingness to explore proposals to improve relations between tenants, agents and landlords. However, it should be said that that commitment might sit better were it not for the organisation’s other recent pronouncement on the subject. According to its chief executive officer, there is little evidence to support the recent claims regarding the behaviour of landlords and agents. In the organisation’s in-house magazine, he said:

“It is clear to us that there is a determined campaign by those with a land reform agenda to hijack the current constructive discussions around the tenanted sector. The reality is the vast majority of tenants and landlords enjoy healthy working relationships. It is therefore apparent that those generating this propaganda simply want to see the break-up of Scotland’s estates.”

Of course, not all landlords, or those who act for them, behave poorly, but it is to be regretted that SLE appears to adopt that view on such an important issue. The majority of landlord-tenant relationships might function adequately or even well, so to claim that things are almost entirely hunky-dory is somewhat wide of the mark.

The negative influence that individuals or organisations acting as land agents can have on landlord-tenant relationships should not be underestimated. I am aware of one situation in the north-east of Scotland in which a tenant family and their landlord enjoyed a first-class and problem-free relationship for many years. The landlord then changed land agents, after which plans by the tenants to install a wind turbine on their land were met by a demand from the new agent for a cut of the profits from the turbine, which created resentment and mistrust where none had existed. Perhaps more concerning for the wider rural community was that a halt was then called to plans for further diversification that had the potential to create new jobs in the community.

Better regulation of land agents is a must, as is consideration of dispute resolution, which the TFF identified as a priority. The Scottish Government’s commitment to consider the outcome of the work that is being undertaken by TFF member the Scottish Agricultural Arbiters and Valuers Association on developing a short-form rent arbitration system, is also welcome. As the stage 1 report makes clear, there is a need for an appropriate, fast and cost-effective dispute resolution mechanism.

The changes that were brought in by the Agricultural Holdings (Scotland) Act 2003 were widely supported at the time on the grounds that the existing set-up was too costly and overly bureaucratic. However, the situation today is that the Scottish Land Court is the only body that can rule on disputes, which is not a viable state of affairs, particularly for people in the tenanted sector. I understand that the Scottish Land Court has settled just one rent-review case since the act came into existence, which is proof—were it needed—that the present arrangements are not fit for purpose.

The Deputy Presiding Officer (John Scott): You must close now, please.

Graeme Dey: The TFF is looking to arbitration as a way in which to resolve that issue. I suggest that that is the way forward.

15:17

Angus MacDonald (Falkirk East) (SNP): I am pleased to speak in this stage 1 debate. Although I am not a member of the Rural Affairs, Climate Change and Environment Committee, my Economy, Energy and Tourism Committee is working on the Land Registration etc (Scotland) Bill, and I have an interest in the agricultural sector, as I originally hail from a farming family from the Isle of Lewis, although that feels like a lifetime ago.

I am particularly pleased that the SNP Government is committed to supporting Scotland's tenant farmers and to having a vibrant tenant farming sector in Scottish agriculture. Those of us who have followed the Scottish Government's plans from day 1 in 2007 are heartened by the success to date of the measures to encourage new entrants into farming. In 2007, the SNP Administration was the first Administration to introduce a dedicated new-entrant scheme, which so far has resulted in 63 new entrants securing funding totalling more than £1.1 million. The funding can include interest-rate relief of up to £40,000, plus an establishment grant of up to £30,000, which is the maximum support that is allowable under European Union rules. The work of the tenant farming forum and the recommendations in its report "Assisting New Entrants into Scottish Farming" must also be acknowledged and appreciated.

I was extremely encouraged by the announcement last week that the Scottish Agricultural College is to deliver a new programme of activities, funded by the Scottish Government, to address concerns about the lack of new entrants to farming. I believe that the Scottish Government is aware of the calls for the development of a broader range of opportunities and the creation of new opportunities for the next generation of farmers. The Scottish Agricultural College will help to deliver the skills that are required to ensure that new entrants have the capability and confidence to develop and build successful businesses. That will enable new entrants to grasp the opportunities that are created by related initiatives that are run by other sector stakeholders.

Attracting and assisting new entrants to agriculture are seen as key components in ensuring that Scottish agriculture continues to be a dynamic and competitive industry. That is acknowledged by a number of organisations, including the NFUS, Forestry Commission Scotland, Scottish Land & Estates and the Crown Estate.

The Scottish Agricultural College's senior business consultant Douglas Bell, who will manage the new programme, has said:

"It is important that potential new entrants are aware of possible opportunities, including industry initiatives and that they have the knowledge and skills to take advantage of them. They need encouragement and an awareness of their supply chain as well as the skills to identify and capitalise on business opportunities."

The new programme will be available to new entrants from April this year and, this autumn, the potential new entrants will be invited to a starter workshop, which will be delivered in four locations in Scotland. That collaborative workshop will offer

an overview of support measures and knowledge of the issues that are involved in getting started.

Next year, there are to be a series of guidance notes and a dedicated website for new entrants. Throughout the project, a number of case studies will be developed to illustrate the range of entrant opportunities, show how barriers were overcome and identify key success factors. We wish the SAC well with it. It is

"a project which will help to contribute to the long term viability of rural communities ... It offers an opportunity for a new generation of farmers ... to play their full part in achieving sustainable growth through food production and the environmental management of agricultural land".

I congratulate the Scottish Government on introducing the initiative.

I am pleased to note that members of the Rural Affairs, Climate Change and Environment Committee have highlighted the urgency of the situation and the need to reverse the current trend of falling numbers of agricultural tenancies, which requires long-term policy making. I note that the committee highlighted issues that Scottish Land & Estates raised regarding possible negative consequences of provisions in the Land Registration (Scotland) Bill—which is currently going through the Economy, Energy and Tourism Committee—on landlords and tenants who enter limited-duration tenancies of longer than 20 years, and I note the cabinet secretary's response. The Economy, Energy and Tourism Committee will take note of that—in particular, the request from the Rural Affairs, Climate Change and Environment Committee that there be regular communication between officials.

15:21

Jim Hume (South Scotland) (LD): I declare a farming interest.

The provisions in the Agricultural Holdings (Scotland) Bill are overdue. It is important that trust between tenants and landlords be restored in order to ensure that more land is let to farmers. It is worrying that the Government publication that the minister mentioned revealed that there are 10 per cent fewer holdings in Scotland now than there were six years ago. Indeed, the Rural Affairs, Climate Change and Environment Committee's stage 1 report on the bill stated that the Government still has much work to do to attract new entrants.

The policy memorandum for the bill states that it is intended

"to create a better environment for the letting of farmland".

I will speak briefly about the first two of the three provisions, because the third provision, which concerns VAT, is mainly consensual.

The first provision concerns extension of the definition of “near relative” from a spouse, civil partner or child to include grandchildren. Although the tenant farming forum has endorsed that provision, it is clear from the evidence that the committee received that there are diverging opinions. The Scottish Tenant Farmers Association and NFU Scotland would like the definition to be extended to include, perhaps, nieces and nephews, whereas Scottish Land & Estates draws a line in the sand after the inclusion of grandchildren. I acknowledge the committee’s recommendation that the Government re-examine extending the definition, but I recognise the compromise provision that is outlined in the bill and the importance of injecting trust back into land letting. As the committee has said, any movement on that could risk destabilising the consensus.

There is also a divergence of opinion on when the changes to the definition of “near relative” should come into force. As it stands, the new succession provisions will not come into force until two months after royal assent, but most TFF members believe that the changes should apply if a tenant has died before the act comes into force but the acquirer of the lease is still to give notice. I do not believe that to permit that would be an example of retrospective legislation, and I support the committee’s call for the Government to reconsider the issue at stage 2. I would be grateful if the cabinet secretary could shed some more light on that today.

The second provision concerns the prevention of upward-only and landlord-only initiated rent reviews. I was surprised to learn that a number of upward-only rental agreements are in place, but that fact is not sufficient to prevent Parliament from legislating against such agreements being used in the future. Holdings agreements need to be market led, and there should be scope for tenants to request a rent review and to negotiate the price down if there are legitimate business reasons for doing so.

The available data on the amount of land that is rented was highlighted during the committee’s scrutiny of the bill. In committee, I highlighted the agricultural censuses that come out in June and December, which could be used to gather that information. I welcome the cabinet secretary’s admission that there is a problem with the data, and I look forward to the Government addressing it in the future.

Like the Government and the TFF, I am keen for the measures in the bill to become law as soon as possible. I was disappointed when they were not introduced in last year’s order, but the bill has been shaped by the sector and I acknowledge the good work of the TFF that has brought us to this point.

The Scottish Liberal Democrats will vote for the bill to progress to stage 2. As for the Salvesen v Riddell case, which the cabinet secretary mentioned, obviously it is sub judice, but a judgment is about to be made on it. If the decision goes against the Government, I would support it in any move to appeal.

15:25

Dennis Robertson (Aberdeenshire West) (SNP): As many members have already discussed the “near relatives” provision in the bill, I will not go down that route. Instead, I want to focus not on the legislation itself but on attitudes. In its briefing, Scottish Land & Estates paints a picture of itself as being ruthless. It is not for me to say whether landlords on estates in Scotland are ruthless but, as Jim Hume pointed out at the start of his speech, we need to consider the issue of trust. It is very important that landlords and tenants trust each other, but the fact is that such trust does not seem to exist at the moment; indeed, there is a degree of mistrust, with tenants feeling that they do not have the say that they should have.

I welcome TFF’s work. I certainly think that it is the right body to progress the agenda and so I urge it to examine attitudes and the relationships between our landlords and tenants. After all, if we are to move forward and if the legislation is to have the hoped-for impact, we must ensure that the attitudes of both parties are more agreeable than they are at the moment.

David Stewart: Does the member share my view that tenants are concerned about Lord Gill’s decision in the Court of Session, which effectively says that the Scottish Parliament’s first civil act was actually outwith its legislative competence? In other words, the 2003 act needs to be remedied—and soon.

Dennis Robertson: We are moving forward and the bill and amendments to it will try to address what happened in 2003.

We certainly need to consider the arbitration provisions in the 2003 act. There is a voluntary code of arbitration, but I am not sure that our tenants know about the process and about how to enter into it, so they need to be given more information in that respect.

We must encourage more people into our vibrant and world-class farming community. As the cabinet secretary said, there is no doubt that Scotland’s produce is the finest and the best; produce from nowhere else in the world can compare. However, we must ensure that, through the legislation, we protect the future of tenants in farming.

I endorse Claire Baker's comments and welcome the RSPB's proposal for conservation tenancies. That kind of diversity is part of the future for our tenant farmers and I hope that the cabinet secretary will encourage such an approach in his discussions with the TFF.

15:29

Margaret McDougall (West Scotland) (Lab):

The bill aims to create a better environment for the letting of farmland to the tenant farming sector of the agricultural industry and to encourage new entrants into the sector by making three main changes to the existing legislation. First, it seeks to amend the definition of "near relative"; secondly, it will prevent certain restrictions with regard to rent reviews in limited duration tenancies; and thirdly, it will disapply VAT-rate changes and options to tax as being variations in rent that prevent rent reviews. I will discuss those three changes individually.

The bill aims to expand the definition of "near relative" to include grandchildren; the definition currently covers only a surviving spouse, a civil partner or a natural or adopted child. Although the committee agreed unanimously on the need to widen the definition, there was debate about whether the bill goes far enough. I agree with the Scottish Tenant Farmers Association and the NFUS, which want the definition to be widened further. In its evidence to the Rural Affairs, Climate Change and Environment Committee, the STFA stated that it wants the definition

"to be extended beyond a grandchild to include nephews and nieces."

The NFUS noted:

"It seems a little bit strange that, during your lifetime, you can assign a tenancy to a wider class of people, yet, at the point of your death, it is restricted to certain categories."—*[Official Report, Rural Affairs, Climate Change and Environment Committee, 18 January 2012; c 520, 522.]*

I see no practical reason why the definition of "near relative" cannot be extended. Fears were expressed by Scottish Land & Estates that extension could destabilise the balance between the rights of landlords and the rights of tenants, but that would be unlikely if the definition were extended just to nephews and nieces. That part of the bill needs to be explored further.

We must be careful in applying transitional provisions retrospectively. Applying legislation retrospectively seems to be a bad idea, and if the bill were to be applied retrospectively it would need to be extremely clear about whom it would and would not affect, in order to avoid any confusion. I welcome the Government's commitment to lodge an amendment to clarify that at stage 2.

There is widespread support for the provision on rent reviews. In its written submission, the STFA argued that

"This proposal will remove the disadvantage felt by tenants finding themselves in a position of weakness when negotiating the terms of a lease in a sellers' market and having to agree to such conditions."

Although there is no empirical evidence of any such upward-only or landlord-only rent review clauses, it is known that such leases exist. They may be only small in number, but they need to be tackled. Although the provision might restrict some freedoms in negotiating contracts, it should have no unforeseen negative effects. Therefore, the committee welcomes the change for now, as long as it is not retrospective.

The provision that disqualifies VAT-rate changes and options to tax from being variations in rent that prevent rent reviews was supported in almost all the evidence that was submitted to the committee. The STFA notes that the changes will

"bring Scotland in line with England",

and the committee fully supports the changes, and sees no issues with them.

There are still some issues with the bill, and certain aspects need to be refined. However, the committee currently agrees with the provisions, although more evidence needs to be taken on what some of them would mean in practice and whether further changes need to be made. I welcome the cabinet secretary's meeting with the TFF next week and hope that it will be fruitful in relation to land availability and support for new tenants.

15:33

Mark McDonald (North East Scotland) (SNP):

Presiding Officer, as a former member of the Rural Affairs, Climate Change and Environment Committee—although, to be frank, if you had blinked, you would have missed me—I always take great pleasure in contributing to rural affairs debates, especially because I represent North East Scotland, which has a vibrant farming sector.

I will focus on the issue of new entrants, which has come up quite a lot in the debate and is vital to the emphasis behind the bill. The point was made by Dennis Robertson that in no way should the bill, or any attempts to improve the situation for tenants, be viewed as a threat to landlords. In improving the situation for tenants and new entrants, we also have the opportunity to improve the situation for landlords. Given the decline in the number of tenancies, anything that we can do to boost that will improve the situation for many landlords.

It is fair to say that there is wide recognition among parties and stakeholders that something needs to be done to improve the situation and encourage new entrants. I note with interest that the committee said in its report, at paragraph 87, that

“attempting to reverse the current trend of falling numbers of agricultural tenancies will require long-term policy making, using a range of tools, including legislation.”

The committee’s comments acknowledge that although the bill will make a welcome contribution, other aspects will need to be looked at if we are to encourage new entrants into the tenant farming sector. I do not think that any member disagrees with that.

David Stewart: The Court of Session overturned the Scottish Land Court in relation to the role of single farm payments and argued that they are a factor in open-market rents. Does the member share my concern that that will affect new entrants’ ability to get into the market?

Mark McDonald: A number of factors prevent new entrants from coming into the sector—I certainly do not think that there is just a single contributory factor in that regard. I will come on to that.

Ideas will no doubt come forward from many places on how to encourage new entrants and on how to encourage landlords to take on tenants and give them land. I will throw out what I hope is a constructive suggestion from the NFU in my area—North East Scotland—which is that priority be given by landlords to new starts in relation to rural priorities, as part of the Scotland rural development programme. That approach would be attractive to landlords, because there would be more likelihood of investment if they leased to a new-start tenant. The potential for a new-starts category could be looked at, as part of the wider picture.

Dave Stewart and Alex Fergusson—in intervening on Rob Gibson—raised the parity of tax regime but disparity of outcome that exists north and south of the border. There is no silver bullet. I have heard complaints from farmers in my region about the difficulty of obtaining finance from the banking sector. Where we can apply specific Scottish solutions, we should consider doing so. I look forward to that debate taking place.

15:37

Alex Fergusson (Galloway and West Dumfries) (Con): This has been a welcome debate on the general principles of the Agricultural Holdings (Amendment) (Scotland) Bill.

I am happy to welcome the three changes to the current law that the Government is seeking to

introduce through the bill. As we heard, the Government proposes, first, to amend the definition of a “near relative” who may succeed to a secure agricultural tenancy, to include grandchildren; secondly, to prevent certain restrictions for rent reviews; and thirdly, to disapply VAT rate changes and options to tax as variations in rent that prevent rent reviews. The proposals are to be broadly welcomed and there will be no argument or opposition to them from the Conservative benches.

There is much to be applauded in the committee’s stage 1 report, but I have reservations about some of the committee’s thoughts and recommendations, on which I will concentrate. In doing that, I am transported back to the heady days of the previous Agricultural Holdings (Scotland) Bill—those halcyon days when I convened the Rural Development Committee and the cabinet secretary and indeed the Minister for Environment and Climate Change were but enthusiastic members of it—[*Interruption.*] Oh, they were happy days, Mr Gibson.

During the debate on the previous bill, which was somewhat hijacked by the current Minister for Energy, Enterprise and Tourism’s enthusiastic advocacy of the absolute right to buy for agricultural tenants, I warned that, although no one wanted a reinvigorated, vibrant and effective tenanted sector more than I did, Ross Finnie’s genuine attempts to bring that about would be more likely to have the opposite effect. All these years later, it gives me no pleasure to say that I appear to have been proved right. The number of let farms has fallen dramatically. That has happened for a number of reasons, but I think that I can safely say that a principal reason is the suspicion of the right to buy that still exists, which has stifled an important sector for the past decade.

However, there is good news. There is at long last a glimmer of light at the end of a particularly long and dark tunnel. Through sitting together in the tenant farming forum, all parties are slowly but surely achieving agreement and trust—several members have rightly mentioned trust—and are finally beginning to break the deadlock that has existed for the past 10 years. The prize is immense because, if we allow the tenanted sector truly to flourish, then we solve the new entrants problem, or much of it, at the same time.

For generations the tenanted sector has provided the door into agriculture, but we politicians have done a lot to close that door. I think that it is up to us politicians to try to open that door again. That is why I shudder at the thought of any attempt to extend the definition of “near relative” and why there is still a degree of nervousness among those who have land to let

that, if they let it, it could be lost to them for ever through the introduction of a right to buy.

I heartily commend the cabinet secretary's efforts to resist those possibilities. If he, too, genuinely wishes to bring about a reinvigorated, sustainable and vibrant tenanted sector, he must continue to resist. If he does, he will have our solid support. The way to success is surely through agreement in and through the tenant farming forum. Anything that is imposed from outside, be it by Government, by Parliament, by committee or by any other body, will simply extend the current difficult situation. Frankly, that would do nobody any good at all.

15:41

Claudia Beamish (South Scotland) (Lab): I am pleased to speak in this debate, which is so significant for Scotland's vibrant agriculture sector. I thank the cabinet secretary for setting the context and Dave Stewart for giving us an historical update. I commend the tenant farming forum for working towards a consensus on these challenging issues from a wide range of perspectives. As has been highlighted by a number of members, the committee broadly welcomes the three proposals in the bill and Scottish Labour will support the bill at stage 1.

Section 1, "Succession by near relatives", defines "near relative". Margaret McDougall and other members dealt in some detail with the issue, on which there are differing views. I stress that, although the committee wishes to show respect for the TFF consensus wherever possible and is keenly aware of the need to support a fair way forward for landlords and tenants, Scottish Labour finds it disappointing that the Scottish Government is unable to support the committee's recommendation that the Government re-examine the issue and seek further comment from the TFF and its individual members ahead of stage 2.

Alex Fergusson: Why does the member feel that disharmony would be a good thing in an area—that is, the TFF—where harmony exists?

Claudia Beamish: That is certainly not what I am saying. Whenever consensus is possible, it is an excellent idea. However, a range of perspectives must be taken into account, which is what the committee has done, listening very carefully. The consensus is important, but it is also important that we take account of views as a committee, which is what we did. We simply ask the Scottish Government to look again at the issue of the definition of "near relative" at stage 2.

On a more positive note, the committee believes that it is good that the Scottish Government will introduce a stage 2 amendment on the transitional provisions.

The committee notes the widespread support for the provision on rent reviews and supports the removal of upward-only rent reviews and landlord-only initiation of rent reviews in a limited duration tenancy, believing that to be a positive and welcome measure. I note the cabinet secretary's announcement of the meeting on 4 April, and I wish him and all those involved well in their deliberations.

The committee notes the unanimous support for section 3, "Effect of VAT changes on determination of rent". As the cabinet secretary stressed in his opening remarks, the provision is in the interests of both landlords and tenants.

The committee received evidence on and discussed a number of important issues that lie beyond the scope of the bill, which my colleague Claire Baker and other members have highlighted. Annabelle Ewing emphasised the committee's unanimous view in recommendation 80 that it is important that we continue to look at the issues from all perspectives to try to resolve them in the fairest way possible. I share the concern that our convener, Rob Gibson, expressed about the fact that some of those who submitted evidence felt the need to withhold their name. I would simply like that noted in this debate.

I welcome the Scottish Government's acknowledgement of the committee's concern about the lack of available data on many issues. It is essential that that situation is addressed. The committee suggests that the Scottish Government and the TFF should re-examine the issue of investment in holdings in order to clarify who is responsible and find the most appropriate balance for the creation of a vibrant and healthy tenant farming sector, while of course taking landlords into account.

As I live in rural Clydesdale, I am keenly aware of the barriers that are faced by new entrants to farming—by relatives of farmers and totally new farmers. The committee believes that the bill makes a modest contribution in relation to new entrants but is concerned about the decline in the number of agricultural tenancies in that regard and for broader reasons.

Along with others, I have spoken in support of a register of new tenants, and I am pleased that that will be taken forward. I welcome the Scottish Government's commitment to plans to develop the new advisory service for new entrants in April. I hope that the Government will find funding for that.

The committee supports further examination of conservation tenancies, which Dennis Robertson and my colleague Claire Baker highlighted. They are vital if we are to have new tenants and new entrants on environmentally supported land.

The committee wants a code of practice to apply to all land agents, whether or not they are members of the Royal Institution of Chartered Surveyors. As Graeme Dey emphasised, greater consistency of practice is essential.

SLE's concerns about the break-up of estates seem misplaced but, as a way forward, the committee needs to assess the on-going scrutiny and change and to take all sides into account.

The committee believes that clarity is needed on waygo compensation as a matter of urgency. I hope that the Scottish Government will progress that.

The committee suggests that more legislation might well be needed on landlord and tenancy issues. The Scottish Government acknowledges that but says that that legislation is unlikely in this parliamentary session. That might well be acceptable for the consolidation of legislation but, in view of the uncertainty that the recent Scottish Land Court and appeal court cases have created, it is essential for the Scottish Government to look at the issue again, in order to clarify the position in relation to the 2003 act.

Dennis Robertson asked for information on disputes to be available to all parties. Any disputes that can be kept out of the courts should be kept out of them, given the time that court cases take from the lives of all concerned and given the cost.

The Deputy Presiding Officer: I ask you to close now, please.

Claudia Beamish: The committee supports calls for disputes to be looked at again. The Scottish Government expects the issue to feature in the new work plan, and the outcome will be looked at in future work.

The Deputy Presiding Officer: Thank you very much. That is excellent.

15:47

Richard Lochhead: The debate has been good. Many issues have been discussed that have been discussed for decades. David Stewart even took us back to the 1880s—a period that he remembers well. That indicates that some of the difficult and complex debates that we have had have been going on for more than a hundred years.

David Stewart: As he kindly compared me to someone from the 1880s, will the cabinet secretary give way?

Richard Lochhead: I will give way as a one-off.

David Stewart: Will the cabinet secretary clarify the position on Lord Gill's judgment? I take it that the cabinet secretary is reluctant to make

decisions about on-going court cases, but Lord Gill has made a ruling, so the case is not sub judice. Is the cabinet secretary looking to correct the 2003 act so that it is compatible with the ECHR and still protects tenants who are in limited partnerships?

Richard Lochhead: As the member knows, Lord Gill made a judgment on one element of the 2003 act. The member might have given the impression that the judgment related to the whole act, which I am sure he knows is not the case. We are considering our options. As I said in my opening speech, one option is seeking leave to appeal. We will keep Parliament updated on the course of action that we decide to take.

I congratulate the Rural Affairs, Climate Change and Environment Committee on its stage 1 report. The committee handled a lot of difficult and complex issues. The report was useful, particularly as it raised many issues that are outwith the bill's scope but which the committee feels that the Government and the Parliament should look at. In my opening speech, I gave the commitment that we will look in the near future at many of the issues that the committee raised.

Like others, I commend the tenant farming forum. It involves many people and organisations that have different perspectives and backgrounds. It has been good that they have been willing to get round the table in the past few years to discuss many difficult issues that involve many vested interests. That helped the Government to conclude that it should introduce the measures that it brought forward in 2010 and those that are in the bill.

I remind members that we introduced a number of measures in 2010 that should help by giving more flexibility. They should help landlords to reach the conclusion that they should make more tenancies available and give tenants more security of tenure, given some of the issues that they face with their tenancy agreements. We replaced the two-man rule with a requirement for a viable unit, which the tenant farmers required; annulled post-lease agreements; reduced the minimum length of limited duration tenancies from 15 years to 10; allowed conversions of short limited duration tenancies to limited duration tenancies; and, of course, amended some of the fixed equipment provisions. On top of what we are debating, I hope that those measures give more comfort to tenants and landlords and will help to create more tenancies in the future and make both sides feel more comfortable with the current legislation.

It is key that we do everything that we can to increase the availability of land, as many members have mentioned, and to increase the number of tenancies that are available to help new entrants to get on the first rung of the ladder. At the moment, if a person's family is not already

involved in farming or if they are not from a very rich family, it will be difficult for them to get hold of land other than by means of a tenancy to enter farming. That is a challenge, as we all recognise that we want to attract new blood into agriculture in Scotland. Various issues impact on people's ability to get involved in agriculture, but the availability of tenancies and therefore land is a key issue. I appeal to everyone who has influence on the matter, particularly landowners, to look at what they can do to make more land available. I have met landowners who are 100 per cent behind the aim of ensuring that more tenancies are made available on their land—that represents proactive and forward thinking—but, unfortunately, I have also met landowners in Scotland who are 100 per cent behind the opposite direction. They want less land to be made available for tenants on their own holdings, and they want to clear their land of tenants. That is not healthy, and it is clear that we want to discourage that.

Alex Fergusson: Does the minister accept the broad principle that one is entitled to do as one wishes with one's own property, whether it is a house or land for let or otherwise? As members have said, what is needed is a degree of trust that will allow people to let land as they might wish to do, and as the cabinet secretary and I would wish people to do.

Richard Lochhead: I agree that a degree of trust is needed. Of course, we recognise that we are often talking about commercial relationships, in which there are two contracting parties, both of which must feel that there is a benefit from it. However, land ownership clearly brings extra responsibilities, and I think that most members recognise that it brings a social responsibility, if not also a moral responsibility, to help to make that land available and ensure that it is used productively for the benefit of the nation. That is an important principle to which many members would adhere, and that is why the issue that we are debating is important.

I am pleased that the Scottish Government is meeting its commitment to make more land available. As many members are aware, Forestry Commission Scotland is seeking applications for new entrants to farm small units of land on the national forest estate and—to give credit where credit is due—the Crown Estate has put four farms on the open market for let under a mixture of different types of tenancy. I hope that that will be a positive development for the rural communities concerned in Dumfries and Moray. Indeed, some estates in the private sector have also stepped up their efforts—I alluded to that before. We welcome the decision by Buccleuch Estates to let out 17 lots of farming land on its Queensberry estate in Dumfriesshire, and we hope that others will follow its example and that it will lead to positive

developments. We want such arrangements to provide greater security for tenant farmers and to encourage long-term investment.

As many members have said, the availability of land is not the only obstacle for new entrants to agriculture. There is also the common agricultural policy, which is currently being renegotiated. CAP support is based on historical levels of payments, of course, so if farmers did not farm prior to 2002-03, they do not receive any support. They will have no access to land and tenancies or to support through the CAP.

The Scottish Tenant Farmers Association proposes to strengthen the double gate link to 2011 under the new CAP proposals. That suggests a possible way of dealing with the new entrant situation. I should explain to members that the double gate ruling means that, to qualify for new support under the new CAP, a person must have claimed at least one single farm payment entitlement in 2011, and they must put in a claim under the new system in 2014. That is known as double gate provision. As things stand, there will be little provision in the new proposals for anyone who enters farming after 2014. We want a policy that provides support to everyone who is farming, irrespective of when they entered farming.

We are taking many more steps to help new entrants. We have given support to the Scottish Agricultural College to provide a broader package of advisory support to new entrants, which will help to attract new blood into the industry. In addition, the Scottish Government is working with the industry to create a register of new entrants. Rob Gibson mentioned the need for that. A matchmaking service is perhaps required so that landowners who feel that they can make tenancies available will know who is looking for a tenancy. If we can help to support that, that will be a good thing as well.

In my opening speech, I touched on many of the issues that members raised. There are many other outstanding issues that are not addressed in the bill, but I have given a commitment that they will be addressed in the current five-year session of Parliament. We are at the beginning of a journey through the five-year session. Today, we have debated some measures that will help with the situation, but there is a lot more work to do. I accept that, and I know that the Parliament accepts it, too. However, at the heart of everything that we do in connection with improving tenancies and the tenancy sector in Scotland must be justice and fairness, as some members mentioned.

The Deputy Presiding Officer: I would be grateful if you would close now, please.

Richard Lochhead: We should recognise that many landlord and tenant relationships are ticking

along just nicely, but many are not, and those are the ones that we have to address. I thank members for their comments and their constructive support, and I commend the motion to the Parliament.

UK Government Budget

The Deputy Presiding Officer (John Scott):

The next item of business is a debate on motion S4M-02494, in the name of John Swinney, on the United Kingdom Government budget.

15:57

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):

The Chancellor of the Exchequer's budget and the broadly unchanged economic forecast by the Office for Budget Responsibility confirm the fragile state of the United Kingdom economy and the extent to which the outlook has deteriorated since the chancellor set out his deficit reduction and growth plans two years ago. In June 2010, the OBR forecast that the UK economy would grow by 2.8 per cent in 2012. It now expects growth of just 0.8 per cent. At that time, the OBR believed that UK unemployment had peaked at 8.1 per cent but, two years later, the rate is still rising and is not expected to reach its peak of 8.7 per cent until the end of this year.

Against that backdrop, there was a need for the chancellor to set out a compelling vision of how the UK Government was going to kick-start the economy and support households, which have seen their incomes squeezed. That is emphasised by the news today of the downgrading of growth in gross domestic product in quarter 4 of last year, which shows that GDP growth in 2011 was only 0.7 per cent. Unfortunately, the chancellor did not grasp that opportunity, and the measures that he announced in the budget will provide little benefit to the households and businesses that are facing a financial squeeze.

Gavin Brown (Lothian) (Con): Does the cabinet secretary seriously believe that the increase in the income tax threshold will not help families and households up and down the country?

John Swinney: If we consider that on its own, with no other factor taken into account, Mr Brown perhaps has a point but, as I will discuss later, we must also take into account the increases in VAT, national insurance and fuel duty and the cuts to tax credits, child benefit and housing benefit. Those things will all have an effect on household incomes. It might suit Mr Brown's agenda to look at these questions in a little bubble but, unfortunately, there are wider issues that have to be taken into account, which is what we appealed to the chancellor to do in his budget statement.

The chancellor's determination to cut the top rate of income tax will benefit the richest 1 per cent of the country, which includes 15,000 people in Scotland, but it is being paid for by a £1 billion a

year tax raid on the elderly. The withdrawal of the more generous personal allowances for the over-65s will affect 330,000 existing pensioners in Scotland. By 2016-17, the number of pensioners affected will have risen to 500,000, each paying up to £220 extra a year in income tax.

Willie Rennie (Mid Scotland and Fife) (LD): The cabinet secretary has just talked about not looking at things in isolation, so surely he should look at the triple lock on pensions that has been delivered by the Government.

John Swinney: I would encourage Mr Rennie to think twice about his analogies. The triple lock looks as though it is the triple lock of giving people an increase in the state pension—which seems to be the only defence that has been put forward—at a time of high and significant inflation as well as increases in other costs, such as VAT and fuel duty, that will have an effect on the household income of the elderly. When it comes to triple locks, I suspect that there is a triple lock on the financial prospects of elderly citizens in our society.

I am sure that few people in the country or the chamber—with the exception, perhaps, of Mr Rennie and Mr Brown—would consider that cutting the tax that is paid by the wealthiest in society while simultaneously increasing the tax that is paid by pensioners would be either fair or equitable. I would have thought that a cut in the top rate of income tax might be something that people would want to take a stand on and vote against in order to ensure that there was no doubt about their position on the matter. However, when given the opportunity to do so, the Labour Party did not manage to turn up for the vote.

Ken Macintosh (Eastwood) (Lab): Is Mr Swinney aware of the Labour Party's stance on the 50p rate before the budget, during the budget and now?

John Swinney: I heard what the stance was before the budget and I heard about it during the debate on the budget but, when it came to the vote—the point at which they could do something about it—the Labour members were posted absent. Where were they all?

Of course, courtesy of Guido Fawkes, we get the marvellous e-mail trail that shows the level of transparency that the Labour Party presides over. We read:

"We should probably hold off releasing line in Scotland just yet, in the hope that it is ignored, but will probably have to do it later."

That is the first time that the Labour Party has been shy about putting out its press lines to the media, but there we are. It is better than any freedom of information request that I have ever

had to authorise, and it did not even cost us any money.

The Chief Secretary to the Treasury has been keen to take the credit for the increase in personal allowances for working-age adults but—this is the point that I would make to Mr Rennie and Mr Brown—he must also take responsibility for the impact of the tax rises and benefit cuts that have already been implemented by the coalition. Over the past two years, we have seen increases in VAT, national insurance and fuel duty. We have also seen cuts to tax credits, child benefit and housing benefit. The Institute for Fiscal Studies estimates that, taken as a whole, the tax and benefit reforms of the coalition will cost the average Scottish household almost £800 in 2012-13.

It is the very poorest in society who are being affected the most. The Treasury's own analysis shows that the bottom two income deciles—that is, the poorest 20 per cent of households—will experience some of the largest reductions as a proportion of their income as a result of the coalition Government's benefit cuts and tax increases. They will undergo a fall in net income of close to 2 per cent, compared with falls of around 1 per cent for the population as a whole.

The chancellor has repeatedly said that we are all in this together, but I am sure that few households in Scotland would see it that way.

In Scotland, we have taken a different approach. The Scottish Government has taken all the measures at its disposal to support households. By extending the council tax freeze for the lifetime of this Parliament, we have ensured that the average band D household will benefit by around £1,200 in total. It is households in the bottom half of the income distribution scale that are estimated to see the greatest benefit as a proportion of household income. By maintaining free university education in Scotland, we are saving students around £23,000, compared with the cost of studying in England. By scrapping prescription fees, freezing water charges and abolishing toll charges, we are providing support for households throughout Scotland. That support stands in stark contrast to the reforms of the UK Government.

The key priority for the budget was to get the economy moving. At a time when growth is fragile, short-term support is urgently required. However, the chancellor allocated next to no additional resources to support the economy; indeed, the OBR has stated that the measures that were announced in the budget would have only

"a limited impact on our economic forecast".

For Scotland, the consequentials from the chancellor's statement amount to £4 million in each of the next three years. That will do little to

offset the 33 per cent real-terms cut to our capital budget during the current spending review period. Nevertheless, we are pleased that the UK Government has listened to the Scottish Government's proposals on the economy.

First, on the oil and gas industry, which is a key component of the Scottish economy, we have argued that the correct support needs to be in place for decades to come. That is why we have repeatedly called for the UK Government to provide long-term certainty on decommissioning tax relief and to introduce more generous field allowances. The measures that were announced last week should go some way to mitigating the damage that was caused by the chancellor's £2 billion tax raid on the industry last year.

Secondly, I welcome the fact that the UK Government has accepted our case for the provision of enhanced capital allowances in three of the Scottish enterprise areas that we created, at Irvine, Nigg and Dundee. In that regard, I am delighted that, in recent days, GlaxoSmithKline has announced the expansion of its sites in Irvine and Montrose, and that Gamesa has announced a £125 million investment in offshore wind farm manufacturing in the port of Leith, which will create 800 permanent jobs.

Thirdly, the chancellor's decision to reverse his opposition to providing tax breaks for the computer games industry is a welcome conversion. That is a measure that we have long pressed the UK Government to adopt. The games sector is a growing and dynamic industry. Figures that were released last week show that UK sales of computer games, which were worth close to £2 billion, surpassed those of DVDs last year. The games industry in Scotland is a global success and employs 1,500 people. The budget measure should help to level the playing field and let Scotland's computer games industry compete internationally to reach its full potential.

Gavin Brown: Two minutes ago, the cabinet secretary was saying that the budget would do nothing for the economy. He is now on to the third part of the budget that he says will make a difference to the economy of Scotland. Does that fact not rather defeat his own argument?

John Swinney: It just demonstrates that I am an entirely fair man, in that I tell it as it is.

The budget included three welcome measures: a measure to repair the damage that the UK Government did to the oil and gas industry last year; a measure to repair the damage that the UK Government did to the computer games industry last year; and, on enterprise areas, the UK Government's acceptance of our proposition on enhanced capital allowances. Who can say fairer than that?

Willie Rennie: If the cabinet secretary is a fair man, why does his motion not include a single mention of the substantial increase in the tax threshold? If he is a fair man, surely his motion should have included mention of that.

John Swinney: I have talked at length about the increase in personal tax allowances, and I have also talked at length about the cost at which that comes and the damage that is being done to household incomes and to pensioners in our society. Mr Rennie bemoans the fact that I have not mentioned personal tax allowance changes. He should forgive me for pointing out that the chancellor did not mention that particular uprating in his budget statement to the House of Commons. It was all good news, good news, good news. To be fair—as I always am—to *The Daily Telegraph*, the fact that it said that that was a dodge of which Gordon Brown would have been proud summed up the extent of the budget failure. I do not think that Mr Rennie can question my credentials on fairness, but we can certainly question the credentials of the chancellor in delivering fairness in his budget.

I have two final points. We argued for a substantial increase in capital investment in the budget, to enable us to kick-start the Scottish economy. That is what is required at this stage to create employment and to deliver growth in all our communities, and we regret that the chancellor did not take that step.

Secondly, the UK Government has set up the national loan guarantee scheme, which is designed to provide lending to small and medium-sized enterprises across the UK. We are seeking assurances from the UK Government that that scheme will deliver on the ground. Too few companies in Scotland have been positively affected by project merlin. Given the data that we now have, the budget needed to stimulate the economy. It patently did not do so, and neither did it pass the test of fairness against which any budget should be judged.

The Government has set out its response in the motion, which I commend to Parliament.

I move,

That the Parliament is disappointed that the UK Budget is a missed opportunity to promote growth and deliver greater fairness; notes that the Treasury's analysis shows that those on the lowest incomes have been hit disproportionately hard by the deficit reduction plans and that over 300,000 pensioners in Scotland will be adversely affected by the decision to abolish age-related income tax allowances in order to pay for tax breaks for the wealthy; welcomes the UK Government's response to the Scottish Government's calls for a package of measures to support the oil and gas sector, the provision of enhanced capital allowances for three of Scotland's enterprise zones, funding for Edinburgh to become a super-connected city and the introduction of tax relief for the video games

industry; disagrees however with the Chancellor's decision not to provide funding for £300 million worth of shovel-ready capital projects, which could be taken forward immediately to support jobs, and notes that the Chancellor's failure to deliver for Scotland demonstrates the importance of the Scottish Parliament having the full range of economic levers to deliver jobs, growth and fairness for the people of Scotland.

16:10

Ken Macintosh (Eastwood) (Lab): I do not normally feel sorry for the Tories, and I suspect that charity will be in short supply in today's debate, but Conservatives must have winced with each successive headline that they read this past week. The budget was the most trailed in living memory, with leaks about a package of measures specifically for Scotland and help for the oil and gas industry—a lot of supposedly good news stories. The days of strict budget purdah seem to be far behind us.

The chancellor failed, however, to mention that his headline measure, the much-heralded tax break for top-rate taxpayers, was to be subsidised by freezing the personal allowances of pensioners. Nearly everything in the budget was well publicised, except for the granny tax.

I suspect that some members on the Tory side of the chamber think that, with a little more political savvy, a bit of better news management and a bit of political spin, the budget could have been handled better—those on our own side could perhaps learn from recent days too, but that misses the point. The granny tax sums up for most people what is wrong not only with the Tory budget, but with the Tory Government.

The budget is fundamentally unfair and is failing in its prime objective of getting the economy going. No one understands why giving more money to millionaires will improve our country's economic prospects, whereas most understand that it is not right to punish those on fixed incomes who are entering retirement.

Gavin Brown: Just to get rid of the hyperbole, is it Ken Macintosh's view that somebody who earns £151,000 a year is a millionaire?

Ken Macintosh: No, but the point is that someone on £150,000 is in the top earning bracket, and it is not right for a Government that says that we are all in it together to give to those in the top 1 per cent handouts that are paid for by the vast majority of working people. That is fundamentally unfair.

The tax break that someone on £150,000 is getting is actually greater than the salaries—and pensions—of some of the people I am talking about.

All those stories remind us that we are talking about the same old Tories: a cabinet full of public school millionaires who introduced a budget in which those who earn more than £150,000 become £10,000 a year better off.

Just for good measure, in case people missed it, the day after the budget we discovered in the Treasury red book that the chancellor plans some extra help in retirement and on inheritance tax for non-domiciled individuals too. Who pays for all that? Families with children, pensioners and working people.

Mary Scanlon (Highlands and Islands) (Con): If Labour is so fond of high taxation, why did it put the highest rate of tax up to 50p only one month before it lost the 2010 election? Would Ken Macintosh agree that increasing the level of personal allowance before people pay tax is worthy? Will he, unlike the finance secretary, welcome the reduction in corporation tax from 28 per cent to 24 per cent?

Ken Macintosh: That is a series of questions. We introduced the top rate of tax as a temporary measure. We are not in favour of high taxes per se but, in a recession, if one believes in progressive policies, one should expect those who earn more to pay more. That is the principle that is lacking in the Conservative budget, which does not have a progressive heart.

Willie Rennie: Will Ken Macintosh confirm that if it came to power in 2015, the Labour Party would take the tax rate back up to 50p?

Ken Macintosh: The 50p tax rate was introduced to pay for public services and to get the economy going. The simple answer is that we will make that assessment on its merits in 2015. I can tell Willie Rennie that we do not support the rate coming down now, because it is the wrong measure at the wrong time.

Who is paying for it? The answer is families with children, pensioners and the working people of this country. If I may borrow a phrase, it is being paid for by the squeezed middle. They are the ones who are losing out because of increased VAT and fuel charges and they are losing child benefits and child tax credits. Perhaps those who lose out most of all are the 2.6 million unemployed people in this country. We are losing a whole new generation of youth to unemployment, because we have a Government that is obsessed—

Stuart McMillan (West Scotland) (SNP): We have heard much of what the member has to say, we have read the proposals in Labour's amendment and we have seen what has happened since the Welfare Reform Act 2012 was passed. Does Ken Macintosh agree that it is shortsighted and will have a detrimental impact on the people of Inverclyde for the Labour-Tory

Inverclyde Council to cut the number of welfare rights officers from 18 full-time officers and one part-time officer to 13 at a time when even more demand will be placed on them by those who seek their advice?

Ken Macintosh: I appreciate the subject that Mr McMillan has raised, but it is outrageous for a member of the SNP to question Inverclyde Council when 89 per cent of the cuts proposed by this Government fall on local authorities. Decisions by the SNP Scottish Government are forcing cuts in local authorities, in education and in the voluntary sector. The SNP always looks to pin blame for the cuts elsewhere.

The Minister for Local Government and Planning (Derek Mackay): Can the member explain why it is that, under the SNP Government, the spending share that goes to local government is higher than the one we inherited from the previous Administration?

Ken Macintosh: I am sorry, but talking about the spending share disguises the fact that 89 per cent of the cuts fall on local councils. I suggest that Mr Mackay should argue more strongly in the Cabinet and in his party for the local authorities that he used to represent to stop these cuts falling on the services that are provided to people in Scotland.

The Cabinet Secretary for Parliamentary Business and Government Strategy (Bruce Crawford): Will the member give way?

Ken Macintosh: I had better make some progress, Presiding Officer.

The Deputy Presiding Officer: You have two minutes.

Ken Macintosh: My goodness.

I was going to say that there is much common ground between Labour and the SNP on the economic agenda, because we agree that the budget is both unfair and does not stimulate growth, but my difficulty with the SNP motion and the SNP submission to the budget is that there is a list of demands and cuts but no statement of how the chancellor would pay for the demands and cuts that the SNP asks for.

When he sums up, will the minister say whether he supports Labour's measures? Does the SNP support a cut in VAT? Does it support the bankers' bonus? In particular, does the SNP support a cut in corporation tax? The chancellor has cut corporation tax to 24 per cent, will cut it to 22 per cent and possibly aims to cut it further. My understanding of the SNP's position is that it wants to cut corporation tax still further. What services do the SNP intend to cut to pay for that?

I do not believe that competing with the rest of the UK on corporation tax is a policy that will work for Scotland. It will clearly have a detrimental effect on services in this country. I particularly do not like the idea that we will cut corporation tax so that we can attract companies such as News International to set up their headquarters in Scotland. The leadership of that company is morally bankrupt and the only reason why it would come to Scotland is to treat us as a tax haven. In all honesty and all seriousness, is it the SNP's policy to cut corporation tax further than the UK Government is doing? That is my understanding of its policy.

The difficulty with the Government's motion is that it refers to giving Scotland

"the full range of economic levers"

and powers, but the Government refuses to say what it would do with those economic levers. If the Government intends to cut corporation tax, I do not believe that that will be progressive or fair.

I move amendment S4M-02494.4, to leave out from "welcomes" to end and insert:

"believes that the Chancellor should be doing more to create jobs across the UK; is disappointed that working families with children are still set to lose tax credits and child benefit as well as being hit by increases in VAT; believes that, rather than reducing taxes on those earning more than £150,000, measures such as a cut in VAT would be fairer on hard-pressed families and working people and would do more to stimulate the economy, and calls on the Scottish Government to do more using the powers and spending at its disposal to tackle unemployment, which is higher in Scotland than the rest of the UK, and to help local businesses including through the use of community benefit clauses for public sector contracts."

16:20

Gavin Brown (Lothian) (Con): What a typically ungenerous, uncharitable, ungracious set of contributions to start the debate. The contributors could not even bring themselves to welcome the increase in the threshold for income tax, merely saying, "Mr Brown may have a point." They could not bring themselves to welcome the cut in corporation tax—the SNP claims to be in favour of it, yet when Mr Osborne doubled the cut down to 24p last week, it could not mention it or welcome it. How pathetic is that?

This is a budget that does a number of good things for Scotland. To be fair to Mr Swinney—he is fairness personified—he welcomed the moves in the oil and gas sector, the enhanced capital allowances and the tax relief for the video games industry. In his motion he welcomed Edinburgh becoming a super-connected city. Those are four big initiatives that can help the economy in different parts of Scotland, which rather

undermines his argument that the budget did nothing at all for growth or the economy.

This is a budget that focuses very much on the economy. It also focuses on stability and, with the increase in the tax threshold, on trying to help low and middle-income earners in particular.

Ken Macintosh: Why, therefore, has the OBR revised downwards its forecast for growth from more than 2.5 per cent to 0.8 per cent?

Gavin Brown: Just as I am attacking the SNP, Mr Macintosh steps in to their defence and tries to pull together the unholy alliance that has formed today—a very shaky alliance in many respects. He will know that since the OBR published its initial reports back in 2010, a number of things have happened in the global economy, including the euro zone crisis, the increase in the cost of fuel globally and instability in the middle east. It is not just the UK that has had downgraded forecasts; Mr Macintosh will be aware that most of the western world—worse so in the rest of Europe than here—has had downgraded forecasts.

At least the coalition Government had the courage to have an independent body overseeing the budget process and independent forecasts that were not influenced by the hand of the chancellor or any other minister. We are not afraid of bad news. We believe in the coalition Government and in putting the facts on the economy out there for all to see and challenge.

The deficit reduction plan is a central plank of the Government's progress and it ensures that we have the best possible chance of maintaining our AAA status. This year we see in the red book that we are paying—

Stuart McMillan: Will the member take an intervention?

Gavin Brown: As long as it is not about Inverclyde.

Stuart McMillan: I am sorry but it is about Inverclyde.

Gavin Brown was talking about whatever it is he was talking about, because I got lost—

The Deputy Presiding Officer: Cut to the chase, please.

Stuart McMillan: Ken Macintosh sideswiped my question earlier. Is Gavin Brown delighted that as a result of the deficit reduction policies of his party in power in London, there will be fewer welfare rights officers in Inverclyde to deal with the effects of the deficit reduction policies?

Gavin Brown: I think that the phrase “cut to the chase” means hurry up and not go into a mini speech on a point that has already been made.

Mr McMillan said that he was not paying attention. That does not astonish me. It would not surprise me if he had not read the red book, just as it would not surprise me if he did not even listen to the budget on the day.

The deficit reduction plan will ensure that we maintain our AAA status. As it stands, we are paying £46 billion in debt interest alone. Any diminution of the AAA status could put that figure far higher. As the International Monetary Fund said recently:

“The pace of the Government's planned fiscal consolidation is in line with international practice, given the UK's high budget deficit.”

The increase in the income tax threshold gives a greater reward for work, especially for those on low or middle incomes. The personal allowance was £6,475 a year when the Government took office, but it will be £9,205 by April of next year, which is a staggering increase that gives a big boost to families and households across the country and puts more money in people's pockets.

Kezia Dugdale (Lothian) (Lab): Will the member give way?

Gavin Brown: I have only 12 seconds left, so I am afraid that I cannot give way.

Over a period, we will have the biggest cut in corporation tax, which will make our tax system the most competitive of the G20 countries. The budget is good for families, good for business and good for the country.

I move amendment S4M-02494.2, to leave out from “is disappointed” to end and insert:

“welcomes the UK Budget, which includes the largest increase in the personal tax allowance in 30 years, an increase of £1,100 in April 2013, which will lift an additional 73,000 people out of income tax and benefit over two million people in Scotland; welcomes the cut in corporation tax, which will mean that by April 2014 the UK will have a 22% main corporation tax rate, the lowest in the G7 and a sign to the rest of the world that the UK is open for business; welcomes the reduction in the top rate of income tax to 45p so that the UK no longer has the highest rate of income tax in the G20; supports the UK Government's commitment to stick to the plan to deal with the deficit and notes that in 2012-13 the UK will pay £46 billion in debt interest payments alone; welcomes the UK Government's package of measures to support the oil and gas sector, the provision of enhanced capital allowances for three of Scotland's enterprise zones, funding for Edinburgh to become a super-connected city and the introduction of tax relief for the video games industry; welcomes the move to allow small unincorporated businesses to calculate their tax on a cash basis, the improvements to the Enterprise Management Incentive, the Business Finance Partnership and the Enterprise Finance Guarantee scheme, which will all support growth, and notes that this budget builds on previous positive incentives announced by the UK Government, including the National Loan Guarantee Scheme and the Youth Contract.”

16:26

Willie Rennie (Mid Scotland and Fife) (LD):

To rebalance the debate a little, we need to major on one of the significant developments in the budget, which is the major advance in delivering the Liberal Democrat commitment to raising the income tax threshold to £10,000. The budget will raise the personal allowance to £9,205 by next April. Across the UK, 21 million basic rate taxpayers will get an extra £221 cut in their income tax bills and a further 840,000 people will be taken out of paying income tax altogether. The budget brings the total tax cut for basic rate taxpayers to £550 and the total number of people who have been lifted out of paying tax to 2 million.

Ken Macintosh: Will the member give way?

Willie Rennie: I will in a second.

As a result of our budget, people who are working full time on the minimum wage have had their income tax bill cut in half. That significant development helps to make work pay and it helps millions of people on low and middle incomes who are striving to improve their lives through work. That commitment was on the front page of our manifesto, and I am very proud that we are delivering it.

I give way to Mr Macintosh.

Ken Macintosh: Mr Rennie has answered my question. I was going to ask whether, despite that list of achievements, he can genuinely say that he is proud of the budget, particularly given that Vince Cable said that we should not lower the top rate of income tax from 50p to 45p.

Willie Rennie: I am proud of the budget, because it delivers a significant cut to those who are on low and middle incomes. I thought that the Labour Party would welcome that, too, but hardly any of Mr Macintosh's speech was devoted to that, and the same is true of Mr Swinney's.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Will the member give way?

Willie Rennie: Go on, then.

Jamie Hepburn: Is Mr Rennie proud of the fact that the Institute for Fiscal Studies estimates that, in Scotland, those in the bottom 20 per cent of income distribution will lose the most as a proportion of their income on average as a result of the budget?

Willie Rennie: We have to make choices in government. The member seems to ignore the fact that people on low and middle incomes will benefit significantly from the change. The budget is progressive. It has helped to make work pay and has incentivised people to work. I would have thought that the SNP would want to encourage

people into work, but that does not seem to be the case.

The budget continued down the path of fiscal responsibility that we set when we came to power in 2010. Those who argue that much more should be spent ignore the consequences of that. The challenge is to spend enough to stimulate the economy without spending too much and losing the confidence of the markets. There is a direct consequence. Despite the buffeting from the euro zone and elsewhere, we have successfully protected our credit rating, which keeps borrowing costs low. That affects not only Government borrowing, but personal borrowing and mortgages, the cost of which would shoot up if we did not keep spending under control. People who pretend that there are easy choices and that we can spend money with no consequences are living in cloud-cuckoo-land.

Until today's debate, I thought that Labour understood the need to live within our means and to keep the finances under control. However, it appears to have adopted the same approach as the SNP, which seems to have the single transferable billion. Wherever one looks, the SNP promises a billion or two on whatever people want—it makes promises on almost anything. If people want higher welfare payments, they have got them. If they want 50p off a litre of fuel, they have got it. If they want an oil fund, they have got it. If they want extra spending on capital, they have it. If Sir Rupert Murdoch wants corporation tax halved, the SNP will see what it can do.

That billion has been spent numerous times, and people will eventually ask how hard worked it is and what the choices are. It is the hardest-working billion in Scottish politics. Despite the rhetoric on financial responsibility—there was even more today from Mr Swinney, criticising all sorts of other changes—the SNP is not fiscally responsible. In government, one has to make choices, even if that is difficult.

Mike MacKenzie (Highlands and Islands) (SNP): Will Willie Rennie give way?

Willie Rennie: No, I am coming to the end.

The budget helped not only working people but businesses. Let us go through some of the changes, because SNP and Labour members do not seem to give credit for some of them.

Corporation tax will be cut to 22 per cent from April 2014. That is a big change. It will be the lowest rate of corporation tax in the G7 and the fourth lowest in the G20.

Our measures on credit easing will also help money get into businesses, and the coalition Government is delivering 100 per cent capital allowances for plant machinery in Irvine, Nigg and

Dundee. The Scottish Government has admitted that 4,000 jobs could come from that. It is a great development.

Edinburgh will receive £11 million to deliver ultra-fast broadband and high-speed wireless connectivity. There will also be £50 million for which other cities can bid. Those are major improvements.

There are also the corporation tax reliefs for the video games industry and the changes to oil industry taxation.

The moves are significant, but one would not think it to judge by the comments from SNP members. Despite the challenges, the budget has delivered tax cuts for those on low and middle incomes, continued along the path of fiscal responsibility and provided support for businesses to help the country grow.

I move amendment S4M-02494.3, to leave out from "is disappointed" to end and insert:

"welcomes the measures in the recent UK Budget that will raise the income tax threshold to £9,205, meaning that 165,000 Scots will have been taken out of income tax since 2010 and more than two million working people on low and middle incomes in Scotland will have seen their tax bill fall by £550; welcomes the measures on tax avoidance and stamp duty that mean that the tax burden on the wealthiest increases fivefold, especially the steps that discourage the use of offshore tax havens by the well-off to avoid paying their fair share of tax in this country; notes that pensioners will enjoy the biggest ever cash increase in the state pension, leaving pensioners better off this year, next year and in future years thanks to the restoration of the link to average earnings as part of the triple-lock guarantee for pensioners, and also welcomes the package of measures to support the oil and gas sector, the provision of enhanced capital allowances for three of Scotland's enterprise zones, funding for Edinburgh to become a super-connected city, a boost for Scottish ski centres through VAT changes, the National Loan Guarantee Scheme to help smaller businesses in Scotland receive cheaper loans, the introduction of tax relief for the video games industry and the introduction of a Patent Box from April 2013, which will apply a reduced 10% rate of corporation tax for profits attributed to patents and similar types of intellectual property."

16:32

Kenneth Gibson (Cunninghame North) (SNP): Willie Rennie said that the SNP Government was not financially responsible, which makes me wonder why he supported our budget only a few weeks ago.

I welcome the opportunity to participate in a debate in which the dismissal of Scotland and its interests in last week's regressive UK budget can be exposed.

The Tory budget failed to provide a fair balance of economic security to families and opportunity for growth in Scotland. The fact is that the Tories in the Parliament are themselves not very

impressed by the budget, as shown by the fact that only two of them have bothered to turn up for the debate, compared with 55 SNP members.

The announcements of enhanced capital allowances for enterprise zones in Dundee, Irvine and Nigg, the tax credit for the video games industry and the new field allowance for North Sea oil extraction west of Shetland are positive achievements, although the latter simply makes up for the ham-fisted attack on the oil industry last year. I also welcome the raising of personal tax thresholds.

Willie Rennie: If Kenneth Gibson welcomes those initiatives, why did SNP MPs at Westminster vote against them?

Kenneth Gibson: We must look at the budget in the round. If Mr Rennie listens to the rest of my speech, he might hear that.

The chancellor's decision to reduce the top rate of tax to 45p and his inability to recognise the growth potential and needs of Scotland mitigate against the announcements that I welcomed.

The Labour Party's appalling and cowardly response in Monday's vote to abolish the 50p tax rate highlights its inability to respect its promises and obligations. Despite the fact that Ed Balls enthusiastically assured us that Labour would

"vote against the higher rate tax cut",

the party abstained simply because the vote was forced by the SNP and Plaid Cymru, which was a clear case of focusing on the singer rather than the song and destroys Labour's credibility.

Of course, Labour's incompetence when in power in announcing the 50p tax rate months before its implementation allowed some of those affected by the tax to arrange to dodge it, as Robert Chote—the chair of the Office for Budget Responsibility—made clear only this morning in evidence to the Finance Committee.

I point out to Mr Rennie that the tax rate drop benefits only 15,000 people in Scotland, whereas the decision to freeze and remove the age-related personal allowance on pensioner incomes will affect more than 327,000 Scottish pensioners. Mr Hepburn has already pointed out that the 20 per cent poorest people in our society will be the most adversely affected by the budget.

Gil Paterson (Clydebank and Milngavie) (SNP): Will the member take an intervention? We are quite close so the member will hear me.

The Deputy Presiding Officer (Elaine Smith): Can we have Gil Paterson's mike on?

Gil Paterson: Thanks very much for that, Presiding Officer.

What impact does the member think the increase in postage will have and who will that affect?

Kenneth Gibson: It will affect people who depend on the post, and not only small businesses that cannot always get the best contracts, but pensioners who, for example, may not be online. The most socially excluded people in our society are the ones who will be most adversely affected by that regressive move.

The chancellor promised to deliver a just budget to benefit families, yet tax credits will no longer be available to more than 84,000 Scottish households and 119,000 children will be adversely affected. The chancellor has not considered the impact of his severe cuts on the people of Scotland. The Institute of Fiscal Studies estimated that the UK Government policy will cost households an average of £790 a year. As we have heard already, he does not seem interested in improving the UK's sluggish growth rate by putting in place measures to stimulate it.

The chancellor failed to resource 36 shovel-ready projects in Scotland with £302 million of capital investment to begin projects, including the construction of a new centre of virology research in Glasgow, two projects at Hunterston and the A737 in my constituency. Those would have generated more than 4,200 jobs.

Gavin Brown: Will the member take an intervention?

Kenneth Gibson: I am really sorry, Gavin, but I have taken two interventions and I am running out of time.

Investing in our infrastructure is essential to generate jobs and boost economic growth but the chancellor deemed that unimportant through his willingness to delay the projects.

The chancellor's lack of concern for small businesses has created many concerns and reduced business confidence in the UK Government. He has not considered the combined effect of rising fuel duty and VAT on small businesses. John Walker, the national chairman of the Federation of Small Businesses, stated that the increase in fuel duty—when VAT is added—by 3.63p in August

“will still hit businesses and households hard and so we need to see a long term solution to address high and volatile fuel prices.”

That solution was promised by the Tories and Liberals before the 2010 election, but it was not delivered. Scots will continue to pay high levels of fuel duty and that will undermine competitiveness, reduce the money in people's pockets and cost jobs.

Worries about the high levels of VAT were emphasised by Brian Berry, chief executive of the Federation of Master Builders, who said:

“The chancellor also missed an opportunity when streamlining VAT to include a lower rate of VAT for Green Deal, which would be a useful incentive.”

The FMB estimates that 2,103 new Scottish construction jobs would have been created by such a cut in VAT.

The Deputy Presiding Officer: The member must finish.

Kenneth Gibson: Thank you, Presiding Officer.

16:37

Anne McTaggart (Glasgow) (Lab): We learned last week that the going rate for an audience with the Prime Minister is £250,000, a sum which Boris Johnson once described as “chicken feed.” That gives a startling insight into just how out of touch the Westminster Government is, so we should not really be surprised by the contents of last week's budget.

The budget pillaged the pockets of the elderly, the unemployed, the disabled and those on low incomes, so that Cameron, Clegg, Osborne and their chums in the banking and financial sectors could maintain their stocks of champagne and caviar, for the next episode of “Come Dine with Dave at Downing Street.”

For the 14,000 people earning £1 million or more who are getting a tax cut of more than £40,000 each, it is “Guid yin, Gideon”. Back in the real world, a family with children that earns just £20,000 is losing £253 a year from April. That is on top of the VAT rise, which is costing a family an average of £450 per year. It hardly sounds like we are all in this together.

Stuart McMillan: Will the member take an intervention?

Anne McTaggart: I am sorry, no.

We know what the chancellor's budget does for those in society who are more than just better off. What about those who need some extra support in these difficult times? The Institute for Fiscal Studies has shown that the Con-Dem coalition's policies will see an increase of 100,000 a year in the number of people in poverty across the UK. Only last month, we heard about more than 200 women a day losing their job in Scotland, at a time when female unemployment is at its highest for more than 23 years in the UK.

In the past fortnight, members have had the opportunity to discuss children's issues in the chamber, in particular childcare. The opportunity was welcomed because even before the budget was delivered, we knew what the Westminster

Government was doing to the lives of thousands of children across Scotland. Attacks on working tax credits will hit hardest 4,500 children across the city of Glasgow, and pressures such as that are taking their toll on hard-working families not just in Glasgow but across the country.

Mary Scanlon: Will the member give way?

Anne McTaggart: I am sorry, but I have not got time.

What is more, the Tory budget failed to help out those hard-working families by not tackling the rise in the price of fuel—a move that could have helped small businesses.

I find it all the more galling that the chancellor billed his budget as one that rewards work when, as the Scottish Trades Union Congress stated in its budget submission,

“it is now indisputable that government policy is hitting wages much harder than profits”.

What are we getting in return? More people are being moved out of the tax range, but that is not a solution for people who are not in work. We need more investment in creating jobs, not tax cuts for those on the highest pay. The STUC has calculated that more than 500,000 people in Scotland are either unemployed or underemployed. For those people, tax and benefit changes do not bring new jobs.

Every budget is an opportunity and last week should have been about delivering a stimulus for economic growth and job creation. Instead, the opportunity was seized to give the rich a massive tax break. George Osborne’s budget gave the rich prosperity and the rest austerity. Scottish Labour’s amendment recognises that and recognises the priorities of job creation and economic growth. I hope that all members will share those priorities at decision time by supporting our amendment.

16:41

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): Gavin Brown is upset that SNP members seem reluctant to welcome any measure in the UK budget, but some of those measures have been welcomed. I will reiterate what could be described as the positive aspects of the budget. There was an acceptance of the Scottish Government’s case for enhanced capital allowances for enterprise areas in Nigg, Dundee and Irvine. The increase in the threshold for personal income tax allowance, which one might have thought went along with the UK Government’s stated objective to reward those on low and middle incomes and to reward work, could have been a positive aspect. However, it was undermined by the removal of tax credits for many of those families. That strikes me as giving with one hand and taking away with the other.

There were many negatives in the budget, and I will list a few of them. There has been no action in response to the Scottish Government’s request for help in supporting the shovel-ready projects of which it has provided a list to the UK Government. The change to the regional pay policy is squeezing the incomes of those who can least afford it and is creating a false dichotomy between the private and public sectors. There has also been a freeze in state pension age-related allowances from April 2013 and a change to the 50p tax rate, which I will come to a little later. It was a mixed budget, but it had more negatives than positives in it.

Let us look at some of the impacts of the UK Government’s budget agenda. As I said to Willie Rennie, the IFS estimates that those in the bottom 20 per cent of the income distribution in Scotland will, on average, lose the most as a proportion of their income. Willie Rennie suggested that that ignores the benefits of the change to taxation for one-income families, but I suggest that he is ignoring the evidence of the IFS to the contrary. It is also estimated that families with children will lose £530 a year, on average, as a result of the tax and benefits reforms that will be introduced in 2012-13. Those are the practical effects on people up and down Scotland in the communities that we represent, and Mr Rennie would do well to reflect on that. All of that stands in stark contrast to the Scottish Government’s agenda of doing what it can to support hard-pressed families at this time through the council tax freeze, the freeze on household water charges and its prescription charges policy.

I turn to the change in the 50p tax rate. It is interesting that the change was predicated on the basis that the tax was not bringing in as much money as had been forecast when it was still an income generator that was bringing in revenue for the public purse. On that basis, we cannot justify getting rid of the 50p rate.

Willie Rennie: Will the member give way?

Jamie Hepburn: I will let Mr Rennie in after I have made my point.

The 50p tax rate sent the important signal that people who can afford to pay more towards the public finances do so. It was interesting that Mr Rennie suggested that people who express concern about the budget are in cloud-cuckoo-land. Danny Alexander himself said that the idea of cutting the 50p rate was “in cloud-cuckoo-land”. We know who is living in cloud-cuckoo-land.

Willie Rennie: I do not think that the member has realised that, as a result of the budget changes, five times as much will be brought in as the 50p rate was bringing in. Surely the approach is progressive. Surely it is the right thing to do.

Jamie Hepburn: That remains to be seen. Mr Rennie does not recognise the impact on the poorest in society, as is forecast by the IFS.

As Ken Macintosh said, there is much common ground between the SNP and the Labour Party on the UK Government's budget. I was disappointed that when Labour members had a chance to vote against the change to the 50p tax rate, they were posted absent, as John Swinney noted. We can ask where they were. Willie Bain MP said on Twitter:

"There is a long-standing PLP convention that we do not support SNP motions".

That is unfortunate in two regards. First, the vote was on not an SNP motion but a procedural motion of the UK Government. Secondly, even if there had been an SNP motion, so what? Surely doing what is right for the people whom we represent is better than base partisanship. The Labour Party needs to do more to explain its position. I hope that there is no Labour convention against voting for SNP motions in the Scottish Parliament and I hope that Labour will back the Government's motion in this debate.

The Deputy Presiding Officer: I had intended to call Malcolm Chisholm next. Who to call in debates and in what order is up to the Presiding Officers. However, it has been intimated to me that Malcolm Chisholm would rather speak later in the debate, so I call Margaret McCulloch, who will be followed by John Mason.

16:47

Margaret McCulloch (Central Scotland) (Lab): When the chancellor set out his budget a year ago, he said that he had

"put fuel into the tank of the British economy."—[*Official Report, House of Commons*, 23 Mar 2011; Vol 525, c 966.]

However, the economy has stalled since then. Unemployment has gone up month by month and the chancellor is borrowing £150 billion more than he planned to do. All the experts tell us that the increased borrowing that was announced in November is a consequence of the chancellor's failure to create growth and secure jobs. The pressure that his fiscal policy has put on our economy and our society also puts a strain on our people.

We need a budget that stimulates demand, restores confidence and—this is crucial—creates jobs. I will focus on jobs and employment. When I made my maiden speech last year, I said that if we are to accomplish anything during this parliamentary session, we must give hope and opportunity to all people who are experiencing unemployment.

I know from my work in Central Scotland and from my previous career as a training consultant that there are initiatives out there to help people to find jobs and training. Some initiatives are successful—at least, they are as successful as they can be given their limited resources or geographical coverage—such as Routes to Work South in Lanarkshire. Others could be more successful if they were better resourced through job subsidies and employer incentives. However, since May, I have been unable to find a single Government initiative that matches the scale of the unemployment problem—not the work programme, not the community jobs Scotland programme and not even the draft youth employment strategy.

The claimant count in my region is not coming down but going up. In my area, more businesses are closing down than are opening, and levels of poverty, which were falling for much of the past decade, are increasing. When we look at those trends, we find human stories, which are often lost in the cut and thrust of the budget debate. It is frustrating to hear from organisations such as Scottish Enterprise and Jobcentre Plus that people who are doing everything that can reasonably be expected of them are not getting anywhere.

It was reported last week that in some parts of the country 31 Scots are chasing every vacancy. How can jobseekers succeed if the odds are stacked against them like that? What must those jobseekers think of a Government that puts tax cuts for the richest 1 per cent of earners in the country before the prospects of claimants who are struggling to find work and to support a household on a maximum of £67.50 a week?

I have worked with all kinds of unemployed people, from graduates to those who are furthest away from the labour market. I will always remember the case of a man in his late 50s who was on one of my training-for-work programmes. He was under immense pressure to find a job and pay the bills, with threats from the bank to foreclose on his mortgage. I was doing everything that I could to help him apply for job vacancies, including cutting out adverts from newspapers for him. However, when I asked him whether he had applied for any of the vacancies, he would say no. Eventually, I found out why: he just could not handle the constant rejection. For too many people, that is the reality of unemployment.

That is why Government at all levels must make job creation a priority with a better budget. A better budget would have cut VAT to help hard-pressed families and boost employment in key sectors; a better budget would have used Government buying power to create jobs here in Scotland; and a better budget would have brought back the

future jobs fund and helped Scotland get back to work.

16:51

John Mason (Glasgow Shettleston) (SNP): I want to use two concepts in John Swinney's motion as the main part of my speech. The first one is the term "greater fairness", which is in the third line of the motion. We have often heard it said that in difficult times everyone should take some of the pain. I think that most of us would probably agree with that concept, although there is also an argument that those who got us into this financial mess and profited from it in the past should take all of the pain and that those who were innocent in that regard should not take any.

Assuming, however, that all of us should bear some of the pain and that those who are better able to should suffer more than others, how does the UK budget fare? The answer has to be: not very well. First and most obvious, there is the question of income tax. It is perhaps seen by most people as the fairest of all the taxes, because it links tax with the ability to pay. That is why council tax should be replaced by a local income tax.

Of course we welcome the fact that allowances at the bottom of the scale have been increased to £9,205, which will take some people out of paying tax and is in itself positive. However, at the same time we see 300,000 pensioners in Scotland being hit harder, with their allowances frozen. What about those at the top? If we believed that everyone should share some of the pain, that would actually be an argument for increasing the top rate of income tax, even if only temporarily. However, what do we see from the Tories? We see the 50p rate cut to 45p and we see Labour abstaining on the vote on that very point. Did Labour again just abandon principle, which we have become used to? Did Labour fear upsetting middle England, or was it just fear of supporting anything that the SNP does, be it good or bad? Perhaps it was just incompetence. Let us remember that Labour introduced the 50p rate just before the most recent general election and has said that it will not reintroduce the rate; it also abolished the 10p rate of tax.

I do not think that anyone is saying that we should return to the 83 per cent rate of income tax, or even the 98 per cent rate, which I remember. However, surely the 50p rate is not so drastic. Jamie Hepburn and Willie Rennie in particular addressed whether the 50p rate was bringing in enough money. One reason for it not bringing in enough money is that the rules are so loose for those at the top, who do not pay under the PAYE system, that they are able to move their income around between tax years. Perhaps that is one of the things that need to be tightened up.

Mary Scanlon: Will the member give way?

Patrick Harvie (Glasgow) (Green): Will the member give way?

John Mason: I will take Patrick Harvie's intervention first.

Patrick Harvie: Is it not absurd to start from the position that the rich are not paying enough tax at the 50p rate and to end up with the conclusion that we should charge them less?

John Mason: Absolutely. That is the point that I was trying to make.

Mary Scanlon: If 50p is not a drastic top rate of income tax, why do the majority of European countries have a top rate of income tax that is considerably lower?

John Mason: We could move on to discuss a number of European countries. The Nordic countries—which many of us aspire to be like—often have higher taxation than we do. We need to have a more progressive rate all the way through. Jumping from a rate of 20p to 40p strikes me as a little odd, so the whole thing needs a good shake.

There were signs in the budget of welfare spending going up, because more people are unemployed, yet something like £16 billion has already been taken out of welfare spending. In his budget statement, George Osborne talked about taking out a further £10 billion by 2016. Who that will affect is pretty clear. If he really wanted to cut welfare spending, he could do that by creating jobs—the SNP and Labour would support that. However, taking out funding without creating jobs will hurt those who are at the poorest end of society.

The acting chief executive of Citizens Advice Scotland, Susan McPhee, said:

"There is nothing in the budget that will seriously relieve the pressure on those who are suffering the most ... Today ... the government has missed a real opportunity to support low income"

households

"and instead increased the financial support of high earners. The government need to provide more support for those who really need it."

We all have a lot of choices to make. One choice that Labour must make is whether it prefers to continue in the UK with a Tory Government every few years or to have an independent Scotland with an SNP Government or even a Labour Government.

16:56

Mary Scanlon (Highlands and Islands) (Con): I am pleased to speak in the debate. It will come as no surprise that we will not support the

Government's motion. We can assume from the criticism in SNP members' speeches that, if Scotland ever became an independent country, tax rates would rise, debts would be unpaid and borrowing would certainly increase. [*Interruption.*] If SNP members are not sure about that, they should listen to their own rhetoric.

If we want to attract the brightest and the best and to increase economic growth and the number of businesses that come to our country, we certainly cannot have the highest rate of personal income tax in the G20, which we have had. The coalition Government inherited the highest top tax rate in the G20 in 2010, when Labour implemented the 50p tax rate one month before leaving office.

Many people and companies are internationally mobile. The highest rate in the G20 provides no incentive to choose the UK rather than other countries as a place of work. At 40p, our rate will be in about the mid-range of G20 countries.

The effects on tax revenues of varying tax rates are well represented by the Laffer curve, which highlights that the highest tax rates never yield the highest revenue. The 50p rate that Labour introduced was expected to raise £2.5 billion in revenue, but it raised about £1 billion at most, according to HM Revenue and Customs.

The new lower rates of corporation tax will mean that 16 of the G20 countries have higher corporation tax rates than us—only the rates in Saudi Arabia, Russia and Turkey will be lower. A corporation tax rate of 28 per cent was inherited from Labour in 2010. That will be down to 24 per cent next month and 22 per cent in April 2014. Given that John Swinney ran out of time before he could welcome that reduction and the coalition Government's ambition to reduce the tax further to 20 per cent, I am sure that he will now welcome that.

The fiscal forum, which the coalition Government established in September 2011, has improved engagement between ministers, the oil and gas industry, the Treasury and the Department of Energy and Climate Change. That closer working will produce longer-term certainty, especially for the £34 billion of work from decommissioning North Sea oil rigs. With the industry, the Government is also considering the case for introducing a new category of field that would qualify for the field allowance.

I very much welcome the work that is being done in Shetland. It is incumbent on all of us to ensure that as much as possible of the £34 billion of contracts is done in Scotland.

The raising of the personal allowance to more than £9,200, which a Tory chancellor has delivered, will take 73,000 people in Scotland out

of tax, so more of their earnings will be in their pockets. I am pleased that the coalition Government has been able to deliver on its long-held promise to raise the personal allowance, and I look forward to the achievement of a £10,000 threshold. In terms of supply economics, there is no greater incentive for a person to work than to get more of their earnings in their own pocket.

Chic Brodie (South Scotland) (SNP): The member goes on about the low level of tax. What about the proposed reduction in the 40p tax rate threshold? What implications does that have for sucking more people into paying more tax?

Mary Scanlon: I explained that around five minutes ago; obviously, the member was not listening. That is well explained in the OBR's and the Treasury's Laffer curve. Taxes exist to bring in revenue, and the member needs to look more closely at that. It is important. The days are long gone when it could be assumed that higher taxes bring higher revenue.

The enhanced capital allowances for Irvine, Nigg and Dundee are welcome—as others have said, they will deliver more than 4,000 jobs—and the pension rise, which is worth more than £5.30 a week, is the highest in 30 years.

I am sure that we all agree that the chancellor has again shown his determination to tackle tax avoidance by introducing a new general anti-abuse rule to tackle artificial and abusive tax avoidance schemes. Tax evasion is illegal and wholly unacceptable, and I hope that all members welcome the clampdown on it and on the avoidance of stamp duty. I also welcome the £325 million for the Department for Work and Pensions to tackle fraud and error. The budget encourages honest, decent people to get out to work.

I also welcome the £26,000 welfare benefits cap.

17:01

Mark McDonald (North East Scotland) (SNP): Let us knock on the head a false dichotomy—the claim that somehow we do not support certain measures in the budget. We have recognised that there are some welcome measures contained deep within the budget that relate to, for example, the computer games industry and the offshore sector in my region. Admittedly, they reverse damage that was done before. It is a bit like a person thanking the man who has turned up at their door with a couple of buckets of water, but who had set fire to their house in the first place. Nonetheless, I am a charitable man and welcome the fact that the UK Government has seen the error of its ways in that regard.

The problem is that we cannot simply extract a couple of welcome gestures in the budget and ignore what is happening more widely. SNP members have emphasised that point throughout the debate. It would be good if, just occasionally, the Conservatives and the Liberal Democrats showed a little bit of self-awareness and humility and admitted the damage that some of the budget will do, particularly to some of the lowest-paid in society. My colleague Jamie Hepburn made that point eloquently. He pointed out—he did not use our own figures or party-political spin, but rather the Treasury's and the IFS's figures—that the lowest paid 20 per cent will suffer the most hardship as a result of the measures in the budget. That is equivalent to double the average impact on their personal income.

We can talk about taking people out of paying tax, but all that does is present a panacea, whereas the measure is a fig leaf behind which are hidden the pressures that will be borne by the lowest-paid in society. As a result of the hikes in VAT and fuel duty and the taking away of tax credits, money is being put in people's pockets with one hand while the other hand is reaching round to take money out of their other pocket. That is exactly what the UK Government is doing to the lowest-paid in society; it is nothing to do with improving their lot.

We have heard about what Citizens Advice Scotland has said. The chief executive of Citizens Advice at the UK level, Gillian Guy, has said:

"Raising the personal tax allowance is an empty gesture to struggling families on low wages. Poorer working families who get housing and council tax benefits will not get all of the money in their pocket, because as their income goes up, their benefits will go down."

People are being given with one hand, but it is being taken away with the other.

There were opportunities for growth that could have been pursued as part of the budget, but they were ignored. There is nothing in the budget about improving growth, getting the economy moving and getting people back into work. Brendan Barber, the general secretary of the Trades Union Congress, said:

"We needed a budget that looked to the future and made jobs—particularly for young people—the national priority. Instead we have got a budget for the rich by the rich."

That is exactly what it is. Even Charles Moore, that well-known socialist, made that point, writing in *The Daily Telegraph*:

"I did notice an interesting reply that Mr Osborne gave when challenged on the Today programme about his own income. 'My salary is less than the £150,000 threshold,' he said. 'I am not a big winner from this Budget.'"

By his own admission, those who earn more than £150,000 are the big winners from the budget. It is

the rich who are the big beneficiaries as a result of the budget. Simply by employing a clever piece of accountancy trickery, the richest have been able to dictate the level of the highest rate of tax in the country. That is extremely unfortunate. Instead of kowtowing to the highest paid in the country, the Government could have done so much more to get the economy moving.

Gavin Brown: Will the member take an intervention?

Mark McDonald: I will give Mr Brown an opportunity to redeem himself.

Gavin Brown: This is tedious stuff, Presiding Officer. I do not know whether the member has taken the trouble to read the red book, but is he aware that the biggest single measure in monetary terms is the increase in the threshold for income tax? That dwarfs every other thing that happens in the budget.

Mark McDonald: Oh dear. I have made quite clear the actual equalisation impact that the UK Government has put in place. In fact, it is not just an equalisation impact. It is a regressive impact, because of all the other pressures that the UK Government is applying to people. Mr Brown can talk about raising the income tax threshold, but the fact is that the UK Government is taking money away from people at the same time as it is pretending to them that they will get more.

An example of a tax cut that would have been welcome is a cut in the VAT on small improvements to houses, which would have got the economy moving and increased jobs. Instead, we have a budget for the rich, by the rich.

The Scottish Government is doing what it can within its powers—by increasing capital spend and delivering the living wage, the council tax freeze and the abolition of prescription charges—to get the economy moving and help low-paid families. Low-paid families in Scotland will recognise which Government is working for them.

17:07

Patrick Harvie (Glasgow) (Green): There have been many speeches by SNP and Labour members who have agreed with each other—although that is sometimes hard to tell, because more disagreement is voiced—in their fundamental criticisms of the UK Government's budget. Let me see whether I can join in on neither of their sides.

Before, during and since the recession, there has been growing inequality in this country, which has now reached levels that have not been seen since the 1930s. We have seen the hoarding of wealth not only by the richest individuals, but by the private sector, where reserves have reached

record levels during the period of recession and recovery. Now we have a budget that worsens that inequality by cutting tax for the wealthiest, and we have benefit cuts, which are also deeply socially destructive, yet those things are not even achieving the UK Government's economic objective because public sector borrowing hit £15.2 billion in February.

I was disappointed by the rather underwhelming defence of the 50p tax rate by Ken Macintosh. He talked about the importance of having a principled progressive taxation system, but then he said, "Well, it was only temporary. We weren't going to reintroduce it anyway." If we talk about the principle of progressive taxation, it is essential that we say what we would do with it. Describing it as a temporary measure and then challenging the Scottish Government on the handing on of cuts will not wash. If we are not willing to hand on those cuts, we have to say where we would raise taxation, and neither Labour nor the SNP has been willing to talk about that.

Ken Macintosh: We have to engage in the argument about support for progressive taxation in order to pay for public services, but there is no argument in favour of high taxes by themselves. What we need is an appropriate level of taxation to pay for the public services that we need.

Patrick Harvie: I am afraid that that is a hotel-bill vision of society. There is an argument in principle for levying higher taxes on the wealthy if we want a more equal society. If that is one of our social objectives, taxation is a means to achieve it.

The Tory-Liberal Democrat defence has been predictable. Gavin Brown described some of the opening speeches as "ungenerous". We know exactly to whom the UK Government has been generous in its budget. The Tories and the Liberal Democrats are in denial about the failure of their economic policy and the social harm that it will inflict. When the Liberal Democrats tell us about raising the tax threshold and Gavin Brown tells us that it is the largest element in the budget, we must point out that the majority of it will not go to the poorest people; the bulk of it will be spread throughout the economy. I will benefit from it and Gavin Brown will benefit from it: anybody who is working will benefit from it. People on high salaries, like us, will benefit from it. We are in the top 2 per cent of salaries, for goodness' sake; we should have been hit hard by the budget, as should anyone who earns a high salary. The benefit will not go to the poorest people.

Mary Scanlon tells us that low taxes on the wealthy are important because we have to attract the best people; I have to say that greedy is not best. We have to protect public services because we have to look after our best people. We have to protect salaries in the public sector because we

have to look after our best people. Giving a tax break to the super-rich is not protecting our best people; it is protecting our greediest people.

Mary Scanlon: Is it a good idea to try to attract industry and the best people to the UK with the highest income tax and corporation tax in the G20? Is that an incentive?

Patrick Harvie: I am happy to welcome any business to this country if it wishes to make its fair contribution through the taxation system. Cutting taxes for wealthy executives and the wealthiest shareholders and cutting corporation tax is not going to achieve that social objective.

There are other areas on which Labour and the SNP agree with the UK Government, such as the £3 billion tax bung to the oil and gas industry, which will make it even harder than it already is for the offshore renewables industry to attract the skills from that sector. The offshore renewables sector is where we should be deploying incentives, because we need to give it the ability to attract the people who have the necessary skills. We should be reducing incentives for additional and reckless oil drilling. There is a business-as-usual agenda in environmental and economic terms, which makes an utter joke of the UK Government's claim to be the greenest ever.

17:12

Joan McAlpine (South Scotland) (SNP): I want to talk specifically about the way the budget will affect one part of the South Scotland region that I represent. Dumfries and Galloway has a significantly higher proportion of older people than the rest of the country: 30 per cent of its population is older people, compared to 23 per cent for Scotland, which represents 45,000 older people in the region. They are not the rich, three-holidays-a-year pensioners of modern mythology. Those who will be affected by the age-related allowance freeze have incomes ranging from £10,000 to £26,000. According to Her Majesty's Revenue and Customs, 4.4 million such pensioners across the UK will lose an average of £83 as a result of the freeze, which might not sound like much, but to people who are living on a fixed income, it is considerable. It is also the most modest estimate of the average cost of the freeze; many people will pay a great deal more.

In my region, pensioners are likely to have to travel further than others and to pay higher fuel costs. They face much higher fuel prices than people anywhere else in the country. The average cost of unleaded petrol in the UK is £1.38 per litre, but in Kirkcudbright this month it is £1.48 a litre. The cabinet secretary talked about an absence of fairness and growth in the budget. The unfair cut to the incomes of 45,000 older people in Dumfries

and Galloway will not only damage those individuals—it will also damage local economic growth.

The Institute of Fiscal Studies calculations that others have mentioned show that each pensioner will lose an average of £83 a year, which amounts to £3.7 million for those 45,000 older people in Dumfries and Galloway. This large rural region, with lower average wages and higher fuel prices than the rest of the country, cannot afford to lose £3.7 million from its economy.

Of course, we are told that there are compensations for the freeze in age-related allowances. The cut in the top rate of income tax will deliver £1 billion to the very rich across the UK, with each person who earns above £150,000 standing to gain a tax bonus of £10,000 a year. Very few such people live in Dumfries and Galloway, but it is a well-established fact that money that is given to those on lower incomes is much more likely to be spent in the local economy, which stimulates it, than is money that is given to the very wealthy, who are more likely to invest in property, for example. I suggest that the £3.7 million that has been taken from the local economy through freezing of allowances will not be compensated for by rich people splashing their extra cash in the streets of Kirkcubbin or Sanquhar.

Mary Scanlon: Does Joan McAlpine welcome the increase of £5.36 a week in the old-age pension, which is the highest increase in 30 years?

Joan McAlpine: As I said, any increase in the pension will be wiped out by the effects of the Government's actions on, for example, VAT. It is the Scottish Government, through its freezing of council tax, that is putting more money into the pockets of pensioners and other low-paid people.

There is one significant thing that the UK Government was asked to do in Dumfries and Galloway that could have delivered growth. In the budget, George Osborne was asked to release the funds that are needed to upgrade the Hardgrove to Kinmount section of the A75, which is the main east-west link in the region. I was pleased that the upgrade was included in the list of shovel-ready projects that the Scottish Government presented to the Prime Minister after he indicated that he would consider capital investment in Scotland that was ready to go, so it was extremely disappointing that it was not mentioned in the budget, and nor were any of the other shovel-ready projects. If those projects had gone ahead, they would have injected £300 million into the Scottish economy and created thousands of jobs. The A75 upgrade would have injected £10 million into the local economy and would have saved lives: there have

been several accidents on that road, in which lives have been lost.

The fact that the Prime Minister raised expectations only to dash hopes illustrates once again why Scotland must have control of its own taxation and spending, so I look forward to the day when the budget that is presented to Parliament by Mr Swinney is the only one that we need to debate.

17:16

Paul Wheelhouse (South Scotland) (SNP): I support the Government motion. The cabinet secretary mentioned that the recovery is fragile; indeed it is. In its green budget news release, which was quoted in evidence at this morning's meeting of the Finance Committee, the IFS states:

"The risks to our central forecast are very much on the downside ... The case for a significant short-term fiscal stimulus to boost the economy is stronger than it was a year ago. There seems little prospect that it would prompt an offsetting monetary tightening in the present climate"—

which is often what the Conservatives argue. Predictably, Mr Brown has risen to his feet.

Gavin Brown: Paul Wheelhouse and I were both there when the IFS gave evidence to the Finance Committee a few weeks ago. The IFS representative did not take a firm view on whether a fiscal stimulus should be provided. Does he accept that that was the IFS's position?

Paul Wheelhouse: I disagree fundamentally with Mr Brown. The IFS made a clear case for a short-term injection, and it cited capital investment as being one of the three key ways in which that could be done. In his oral evidence, Mr Johnson of the IFS suggested that VAT cuts, national insurance changes and, crucially, capital spending—particularly on housing and roads—would have the greatest impact. Spending on roads would not be popular with Mr Harvie, but I am sure that spending on housing is popular with all of us.

As well as failing, as my colleague Joan McAlpine said, to fund shovel-ready projects that would have boosted growth in the construction sector—which, as we all know, has a high multiplier effect and pumps money back through the economy relatively rapidly—the UK Government is to cut consumer spending through the proposed granny tax, which will affect 330,000 pensioners.

In addition, the UK Government's proposed welfare reforms will hit the poorest people in our society and create enormous problems in all our constituencies, to the extent that Helen Forsyth, who is the chief executive of Berwickshire Housing Association, has informed me that it is planning to bring in soup kitchens to deal with the impact of

the Welfare Reform Bill. The Conservatives should be ashamed of that; it is clear that that should not be regarded as a “union dividend” for Scotland.

Gavin Brown talked about the role of the OBR, and I have the greatest respect for Robert Chote, who gave evidence to the Finance Committee today. However, although, as the cabinet secretary identified, the projection is that unemployment as defined by the International Labour Organization will peak in 2012 at 8.7 per cent, Mr Chote could not enlighten the committee on what the regional differential might be in this or other years. In other words, the OBR analysis is not yet sophisticated enough for it to be used to understand the regional impacts of the UK Government’s budget. That is alarming. I am not blaming the OBR—that is not part of its remit—but it is an issue that the UK Government should address and which it has a responsibility to take into account. Indeed, we know that in previous years Eddie George of the Bank of England accepted that unemployment in the north of England and Scotland was a price worth paying to control inflation in the south-east of England.

Willie Rennie said that people who do not accept the need to reduce the deficit live in cloud-cuckoo-land. That is wrong, because it is not only the level of debt, but the ability to sustain the growth that will help to service that debt that is crucial. In its most recent pronouncements on the UK’s credit rating, Moody’s has made it clear that the weak prospects for growth and not just the level of debt are putting the UK’s rating at risk.

We have already heard about the 33 per cent cut in Scotland’s capital budget over the spending review period. Robert Chote confirmed that the projected £1.4 billion cut to the general Government investment figures, which appeared in the paper that was presented to the committee today, reflects the UK Government’s spending plans beyond 2014. The Government is already talking about potentially cutting further. The IFS indicated in evidence to the committee—as Gavin Brown will no doubt remember—that it anticipates more bad news from the UK Government in the next spending review.

On fuel duty, I identify with the comments from colleagues that a Government that pretends to care for rural economies throughout the UK should be ashamed of itself for introducing an increase at the present time.

17:21

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I apologise for seeking to influence the order in which the Presiding Officer calls speakers, and I undertake never to do so again. I

am sure that I will be suitably punished by giving a bad speech this afternoon.

I will start in the safe territory of the respected economist Will Hutton, who always gives a fair and balanced view of budgets. In his Sunday column in *The Observer*, he was moved to say at the very start that

“The budget was a disgrace. The government has washed its hands of any attempt to relieve the worst recession since the 19th century.”

I believe that millions are paying more now so that millionaires can pay less in a year’s time. For the avoidance of any doubt, and for the sake of SNP colleagues, I assure members that the Labour Opposition at Westminster will lodge amendments to the Finance Bill to ensure that the 50p tax is maintained. We probably do not want to hear any more about what happened on Monday night but—as the cabinet secretary will know as a former Westminster member of Parliament—the vote was not specifically about corporation tax, and it would not have been the normal time to register opposition to specific tax changes as distinct from the budget as whole. However, that is enough of that.

What is striking about the budget is not only what is in it, but what is not; one could make a whole speech about the missing elements. I see that Gavin Brown is unfortunately not in his place just now. One of the most significant things in the Office for Budget Responsibility report, to which he referred, is that there is no material adjustment to its economic forecast this week, as compared with two weeks or a month ago. In other words, the budget did not fundamentally change the macroeconomic outlook and was, in that regard, a missed opportunity.

The budget contained some good measures, such as the tax relief for the video games industry, which was first granted by Alistair Darling and then removed by the Conservative Government. Such specific examples can be given, but of far greater importance is the disaster that the budget brings for millions of ordinary people. As the Institute for Fiscal Studies has pointed out, and as the cabinet secretary reminded us, it will be people in the lowest two deciles who will suffer the most—especially families with children.

John Swinney: Will Malcolm Chisholm reflect on the implications of the budget proposals on market-facing pay for some of the people in Scotland and other parts of the United Kingdom about whom he is talking?

Malcolm Chisholm: That is another dimension. The budget not only describes things that are going to happen in the immediate future—in this year and the following year—but points, as I was going to mention, to £10 billion of further cuts to

the welfare budget, which is truly shocking and scandalous.

The budget also intimates—as the cabinet secretary highlighted—a wish to go down the path of regional pay. Public sector pay is the last prop of many local economies. It would perhaps not be described in that way in Edinburgh, for example, but the idea that people cannot get jobs in the private sector because of the level of pay that is received by nurses and teachers is absolutely absurd. There are thousands of well-qualified people who are desperate to get employment in Edinburgh and elsewhere, and we welcome the jobs that are coming, particularly from Gamesa. It is lack of demand, not the pay of public sector workers, that is causing problems in the economy.

I was saying before that intervention that the lowest deciles will suffer the most. To a significant extent, that is because of the raid on tax credits. I was very pleased that Ed Miliband announced in a speech today that Labour would seek to protect working families from the raid on tax credits and would raise the money for that by reversing the Government's pension tax break for those who earn more than £150,000 a year. Labour budgets over the years were fair and progressive and what we are arguing for on tax credits and VAT reductions, given that VAT is a regressive tax, are in that tradition of fairness and progressiveness.

It never ceases to amaze me that lower-paid people are to be made to work harder by getting less, while the rich are to be made to work harder by getting more. According to the red book, they will gain £3 billion, which will rise to £4 billion, from the corporation tax cut.

Mary Scanlon: Will the member give way?

Malcolm Chisholm: I am in my last minute. Otherwise, I would be delighted to take an intervention. I will be guided by the Deputy Presiding Officer.

The Deputy Presiding Officer: I can give you back the time for the intervention.

Mary Scanlon: Would the new progressive Labour regime also reinstate child benefit to people who earn in excess of £60,000 a year?

Malcolm Chisholm: I cannot speak for what Labour at Westminster will say on that issue. It is well known that there are problems with the proposal, in that someone who earns £50,000 could lose money whereas a couple who earn £99,000 would lose nothing. My personal priority is to reverse the raid on tax credits. I thank the Deputy Presiding Officer for giving me that extra time.

One of the few good things to come out of the budget is that the Labour lead over the Conservatives before the budget was 4 per cent,

and it is now 17 per cent. I suggest to SNP colleagues—although they will not agree—that the answer to a bad UK Government is a good UK Government, and the sooner we have one, the better.

17:27

Willie Rennie: We have had commitments on reversing welfare cuts, tax credits, VAT, fuel duty, national insurance contributions, child benefit, postage stamps and shovel-ready projects. The list of commitments is huge and I am sure that I have missed out some of them.

Paul Wheelhouse said that this is not only about spending but about growth; there is an element of truth in that. It is about growth. It is about the balancing act between spending enough to stimulate the economy—which is partly what the youth contract and the extra capital that was accelerated in the autumn statement, were about—without spending too much, which would unsettle the markets. I think that he recognises that we have to consider that part of the equation. In that context, he was probably a bit embarrassed by all the commitments that his colleagues made on a range of issues.

Paul Wheelhouse rose—

Kenneth Gibson: Will the member take an intervention?

Willie Rennie: I will do so shortly.

I hope that Paul Wheelhouse will have a word with his colleagues afterwards, because he said a few wise words and he would probably welcome a bit more control from SNP members on their spending commitments. I will take an intervention from him first.

Paul Wheelhouse: I support the claims that my colleagues made about postage stamps. The increase in their price takes money out of the consumer spending that ultimately feeds through into growth in spending on the high street and in revenue from taxation.

Willie Rennie: I will also take Kenneth Gibson's intervention.

Kenneth Gibson: The UK Government indicated that borrowing is £11 billion less at this stage than was expected: it has dropped from £137 billion to £126 billion. Would it be so wrong to put half of that £11 billion, which was not expected, into shovel-ready projects? That £5.5 billion would create 77,000 jobs and would provide a stimulus. In contrast to what Mr Brown claimed, the IFS said that that would not harm economic prospects at this time, and would help the unemployed people who could take the jobs.

Willie Rennie: It is interesting that Paul Wheelhouse did not disagree with his colleagues on their proposed extra spending. I will return to that shortly. On Kenny Gibson's point, it is about a balancing act; it is about ensuring that we maintain credibility. Members will not have failed to notice that some credit rating agencies have considered our outlook. We must therefore constantly keep our spending under review to ensure that we are not being reckless.

Kenny Gibson and his colleagues have fallen into that trap, which is why I disagree with them so fundamentally on all the commitments. Individually, those things are all worthy and I would love to do them, but we have to live within our means. Perhaps John Swinney and the First Minister have brought in two Nobel prize winners to try to make the sums add up. The sums do not add up just now, so perhaps they need Nobel prize winners to make their budget work for a future independent Scotland, because only Nobel prize winners could do that. That we have to live within our means is an important fact to consider.

Several members said that there are some good things in the budget. I thank them for recognising that. However, they then continued to focus on all the bad and difficult stuff, without making a more balanced contribution. They looked at things in isolation, so let us look at some of the facts. We will raise five times as much as the 50p income tax rate would have raised. We will do that from the tough measures on tax evasion, the higher rates of stamp duty for expensive properties and the tycoon tax.

Jamie Hepburn: Will the member take an intervention?

Willie Rennie: I will not just, now.

I would have preferred to have kept the 50p rate—I think that most Liberal Democrats would—but we have to look at the practical implications. If more can be raised elsewhere, let us do that. It is not how we do it but what we raise that counts.

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): Will the member give way?

John Mason: Will the member give way?

Willie Rennie: As a Liberal, I believe that the most important thing to ensure is that those who have the broadest shoulders bear the greatest burden.

Jamie Hepburn: Will the member give way?

Willie Rennie: That is where the debate comes to pensioners. A lot of tosh has been talked about the situation of pensioners.

Jamie Hepburn: Will the member give way?

The Deputy Presiding Officer: Order. Mr Rennie is not giving way.

Willie Rennie: Pensioners will actually be better off as a result of the measures. I know that members prefer to look at issues in isolation, but I remind them that the triple lock, which the Liberal Democrats in the coalition insisted on, will raise the state pension by average earnings, inflation or at least 2.5 per cent. I have to be a little ungenerous to the Labour Party in doing this, but I compare that with the 75p increase that Gordon Brown delivered. We have to compare that 75p increase with a £5.30 increase. I know that inflation is different now, but £5.30 is a colossal increase compared with 75p, and the budget is delivering it.

We are also moving towards the citizens pension, which combines the state pension and the second pension.

Jamie Hepburn: Will the member give way?

Willie Rennie: No.

At current expectations, £140 will be delivered, so pensioners will not be worse off as a result of this UK Government. We have to live within our means. Things are tough, but that is what we have to do.

Members have been very keen to criticise the budget. I hope that Mark McDonald explains to people in Aberdeen that 99,400 people in Aberdeen will be getting a tax cut. Many other members have criticised a budget that is delivering progress. I wish that they would look at things in a more balanced way.

17:33

Gavin Brown: Getting the barracking from the Government benches this afternoon reminded me of what *The Economist* editorial said last week in response to the budget:

"The politics of this will be rough, but it was the right thing to do."

John Swinney: Oh well then.

Gavin Brown: Those were words of *The Economist*, not mine—and it was indeed the right thing to do. The budget puts the United Kingdom on a stable course, giving us credibility across international markets while trying to promote growth and giving a well-earned boost to low and middle-income earners up and down the country.

Let me pick up on a couple of criticisms of the budget. There was much criticism of the abolition of the 50p rate from April next year. Jamie Hepburn seemed to accept that the 50p rate did not raise a huge amount of money. We will lose about £100 million in moving down to the 45p rate. His view—a perfectly valid one to hold—is that the

50p rate should be kept anyway because it sends a signal. I agree that it sends a signal, but I take a different approach: I think that it sends out the signal that we have the highest rate of personal income tax in the G20 countries.

Jamie Hepburn: To clarify for Mr Brown, I do not accept that the rate raised a small amount—it raised revenue. However, I was intrigued to hear him say that the changes will cost £100 million, whereas Mr Rennie tells us that they will raise revenue. Both cannot be right, so which is it?

Gavin Brown: The member raises a fair point, so let me make the issue clear. The Government will lose £100 million of revenue from income tax by moving to the 45p rate from the 50p rate, but it will gain £490 million through the cap on unlimited tax reliefs; it will gain £65 million from stamp duty land tax in terms of the enveloping into corporations; and it will gain £225 million from the 7 per cent charge on properties that are sold for more than £2 million. Therefore, if the objective is to consider how the budget impacts on the wealthy, the point that Mr Rennie and the coalition Government make is that, although the wealthy will get £100 million back via income tax, if we add together the figures of £490 million, £225 million and £65 million, the total far outweighs the amount that the wealthy will gain. That is why it is not true or correct to say that the change in the rate is being paid for by taking money away from old-age pensioners.

Iain Gray (East Lothian) (Lab): Will the member give way?

Gavin Brown: Not at this time. Actually, as it is Iain Gray—go on.

Iain Gray: I appreciate that.

Surely Mr Brown will admit that the signal that the measure sends is that if someone is rich and does not pay their tax, the Government will remove that taxation, whereas, if someone is poor and pays their tax, the Government will increase their taxation and they will pay more. Does he really believe that that is the right signal to send?

Gavin Brown: If we want to have the most competitive tax environment in the G20, we cannot have the highest top rate of tax. Maybe Mr Gray does not want us to have the most competitive tax regime in the G20—that is his prerogative—but the coalition Government has set that ambition, and rightly so, I think.

Kenneth Gibson commented sparingly on the response to the budget from John Walker of the Federation of Small Businesses. To be fair, it is true that John Walker was disappointed about the level of fuel duty and that there is no dedicated Cabinet-level minister for small businesses.

However, what else did he say in response to the budget? I see that he welcomed

“proposals to cut the burden of red tape”;

he welcomed proposals

“to get young workers into employment”;

he welcomed

“measures to improve access to finance”;

and he welcomed

“moves to simplify the tax system for the country’s smallest companies.”

He also

“commended the fact that the Budget was fiscally neutral which would help reduce the budget deficit and was pleased with the OBR’s positive revision to growth forecasts this year, along with forecasts for falling inflation.”

That is straight from a House of Lords library note. It is incumbent on Mr Gibson to give a balanced view of what the Federation of Small Businesses said.

Neil Findlay (Lothian) (Lab): Will the member give way?

Gavin Brown: Not at this time. I have only one minute to go.

Another issue that has come out relates to capital budgets. We hear that there is no money for the 36 shovel-ready projects that the Scottish Government keeps talking about. However, it completely ignores the fact that, in the autumn statement, almost £0.5 billion of additional capital spend was given over the course of the spending review period. While we are at it, as Mr Swinney will know, the Scottish Government was given £50 million for the financial year 2011-12, but it decided to give that to Scottish Water and did not even consider any of those 36 shovel-ready projects. When Mr Swinney was quizzed at the Finance Committee on whether he had given thought to anything else, the simple answer was no.

John Swinney: Oh, come off it.

Gavin Brown: It is a bit rich for Mr Swinney, who is now putting on the fake and mock laughter to try to hide his embarrassment—

John Swinney: Will the member give way?

Gavin Brown: Presiding Officer, do I have time to take an intervention?

The Presiding Officer (Tricia Marwick): Yes.

John Swinney: I have been utterly fair in the debate this afternoon. If Mr Brown was to be fair in reflecting what I said to the Finance Committee, he would say that I made the point that the UK Government said that the money had to be spent before the end of the financial year 2011-12, which

is the end of this month. If Mr Brown thinks that that degree of expenditure in shovel-ready projects could be delivered, he has not run a Government for a while.

Gavin Brown: So the shovel-ready projects are not quite as shovel ready as Mr Swinney wants to say they are and—here is the important point—he did not even consider anything else. It is no wonder that he shakes his head in embarrassment. He would have done better not to intervene on me and to quit while he and his Government were behind.

17:40

Kezia Dugdale (Lothian) (Lab): Let me be clear: the budget asks millions to pay more so that millionaires can pay less. There are 14,000 people throughout the United Kingdom who earn more than £1 million and are about to get a tax cut of £40,000—a cut that is one and a half times the average salary in Scotland. As Anne McTaggart said, we are not all in it together.

I will take a moment to focus on the 50p tax debacle and what happened late at night in Westminster on Monday. I am sure that the SNP could not resist it. It was actually quite funny when Mr Swinney mentioned it. We appreciated that—I particularly liked the bit when he said that it was the most interesting FOI request that he had ever seen. Perhaps that is because the ones that he signs off have a lot more redactions in them.

However, I find it rather sad when back bencher after back bencher mentions the 50p tax rate vote in their speech because, in choosing to waste precious debating time to gloat about a little bit of clever manoeuvring at Westminster, they lose the opportunity to share the experiences of their constituents. [*Interruption.*]

Jamie Hepburn: Will Kezia Dugdale give way?

Mark McDonald *rose*—

The Presiding Officer: Order. We will hear the member.

Kezia Dugdale: I will not give way to Mr Hepburn on this occasion. Summing up is about answering points and, considering that SNP members have obsessed about the 50p tax rate, I will use my opportunity to reply.

The reality is that Labour's record on the 50p tax rate is consistent. We introduced it and our position is clear. My colleague Malcolm Chisholm outlined how Labour will table amendments at Westminster.

Mary Scanlon: Will Kezia Dugdale give way?

Kezia Dugdale: I ask Ms Scanlon to let me go on for a second. I will let her in if I can.

The First Minister's position is less clear. He has made three big speeches on the economy this year alone, but made not one mention of the 50p tax rate being at the heart of progressive politics. There was no mention of the 50p tax rate in the SNP's manifesto or its submission on the budget process.

I asked the Scottish Parliament information centre to do a LexisNexis search on the terms "SNP" and "50p tax rate". It said that there were no relevant results. I am afraid that the SNP's record is not consistent.

Mary Scanlon: If the 50p tax rate is so wonderful, why did it take the Labour Party 12 years and 11 months of a 13-year Government to introduce it?

Kezia Dugdale: Our view on the 50p tax rate is clear: in difficult economic times, people who have more should be asked to pay more. That is fundamentally what our position was about.

Mary Scanlon managed to say in her speech that the 50p tax rate turned off investment in Scotland at the same time as saying that nobody paid it. It cannot be both.

Not every SNP back bencher chose to make cheap political points.

The Minister for Environment and Climate Change (Stewart Stevenson): Oh, no!

Kezia Dugdale: I will give credit to Joan McAlpine for her speech—if members wheesh it a second, they might hear me. She deserves credit because she talked about the real-life experiences of her constituents.

I was recently in Dumfries, talking to young people about life as an unemployed person in a rural community, and I appreciate that the budget does nothing for them. However, I say gently to Joan McAlpine that front-bench SNP members could do much more to help young unemployed people in rural constituencies.

Willie Rennie said that he was proud of the budget and that people on low incomes would benefit significantly.

Joan McAlpine: Will Kezia Dugdale give way?

Kezia Dugdale: I would like to move on, if that is okay with Ms McAlpine. I think that she might like this.

Is Mr Rennie aware that the Child Poverty Action Group said this week that 100,000 low earners throughout the United Kingdom would gain not the £220 that he claimed but just £33 from the rise in the tax threshold once we take into consideration all the other changes that his Government is making? I worked out that that is

less than 10p a day. Is that really something of which he is proud?

Willie Rennie: Ms Dugdale is considering things in isolation again. The change is substantial, and people on the minimum wage will benefit substantially. I would have thought that Labour would welcome that kind of progressive move.

Kezia Dugdale: Mr Rennie might want to meet the Child Poverty Action Group to ask it about the rigour of its figures. I did not give my position; I gave CPAG's position—and Mr Rennie should consider it carefully.

Stuart McMillan intervened on both Ken Macintosh and Gavin Brown to talk about welfare advisers in Inverclyde. I say to Mr McMillan that Mr Macintosh was right: when local authorities face 90 per cent cuts to their budgets, they face difficult choices. Mr McMillan could consider what the Labour Government in Wales did in giving money directly to local authorities to protect the jobs of welfare advisers. If Mr McMillan is really concerned about cuts to welfare advisers in Inverclyde, he could put that argument to his finance secretary and could argue for the same cash.

Stuart McMillan: Will the member take an intervention?

Kezia Dugdale: I am sorry, but I do not have time. We can talk about it later in the bar, if you like. How about that? It's a date.

Mark McDonald said that it was perfectly okay for his party to like some aspects of the budget but to vote against it overall. I agree with that notion. It is exactly the approach that this party has taken to budgets for years. He might like to reflect on that.

Mr Brown and Mr Rennie are welcome to celebrate their budget, but the stark reality is that 1 million young people in the United Kingdom are unemployed, and the budget contains no national wage subsidy scheme. The economy has stalled and there is no plan for growth. The Government's overarching purpose is to pay down the deficit, and yet it is borrowing £150 billion more in order to deliver the austerity programme that we have heard so much about today. It is hurting but it is not working.

Gavin Brown: Will the member take an intervention?

Kezia Dugdale: I am in my last 30 seconds.

I support the Labour amendment, but we cannot support the SNP motion, simply because we do not believe that the answer is separation.

The Presiding Officer: I call Fergus Ewing to wind up the debate. Mr Ewing, you have until 5.59, so there is plenty of time for interventions.

17:47

The Minister for Energy, Enterprise and Tourism (Fergus Ewing): Ha ha—thank you, Presiding Officer. It is my pleasure to respond to this debate. We have seen a lively and entertaining series of discussions, and full and frank exchanges. At times, I have felt that the temperature in the chamber was almost as high as the ambient temperature in Aboyne yesterday—a record-breaking 23°. That was great for the Scottish tourism sector—a sector that has not been mentioned so far in this debate. Before I do my best to respond to points that members have raised, as tourism minister I will say that we were disappointed that the budget did not contain measures to tackle two particular matters.

I am not someone who advocates uncosted measures, and we acknowledge the difficulties that have been pointed out by members right across the chamber—not least by the Cabinet Secretary for Finance, Employment and Sustainable Growth.

Willie Rennie: Will the minister take an intervention?

Fergus Ewing: I ask Mr Rennie to let me make my point first, and then we can move on.

As I was saying, two issues arise. The first is air passenger duty, and the second is VAT. The 2012 budget documents confirm that, in addition to the increase in the air passenger duty rate that has already been announced from April, a further rise will apply from April 2013, related to the retail prices index at that time. The Treasury has estimated that the revenues will increase from £2.7 billion in 2011-12 to £3.9 billion in 2016-17. The managing directors of the airports in Aberdeen, Edinburgh and Glasgow wrote jointly to the chancellor before the budget, urging him to reverse this year's increase. They said that APD is regularly cited as a barrier to growth.

All but two members of the European Union have reduced VAT on accommodation. France has a rate of 5.5 per cent, Germany's is 7 per cent and Italy's is 10 per cent. Even Ireland, with the economic difficulties that we all acknowledge that it faces, has managed to reduce its rate. The point of doing that is to attract more visitors to the country and to gain, in fairly short order, more revenue by ceasing to be at such a competitive disadvantage. I am not criticising the Government for not making a substantial reduction in this budget, because we acknowledge its difficulties. However—and this is a serious point—we need to avoid being regarded as a too-high-cost destination.

Willie Rennie: The minister made some interesting remarks about APD and VAT, which I am sure he has made to the UK Government.

Does that mean that he disagrees with the SNP back benchers who spoke on the issues of welfare cuts, tax credits, VAT on repairs, fuel duty, national insurance contributions, child benefit and the price of postage stamps? I do not include the shovel-ready projects in that list, as I am sure that Mr Swinney suggested that he agrees on those. However, if he does not disagree, his claim about fiscal responsibility is slightly dubious.

Fergus Ewing: I would have shortened that intervention if I were the member. I point out that the Cabinet Secretary for Finance, Employment and Sustainable Growth raised those matters in his letter to the right hon George Osborne on 9 March. Among the various topics that Willie Rennie mentioned was the price of postage stamps. Now that the first-class stamp is 60p, I doubt that the Westminster cheque will be in the Holyrood post.

I turn to matters that were raised in the debate. The issue of personal allowances was a major issue, with claims and counter-claims being made. Some members were keen to highlight the benefit of the increase in the income tax personal allowance. The SNP is in favour of progressive taxation—that has always been the case, in a moderate way—so we believe that, in principle, that is a good move. However, as some members have said, budgets must be judged in the round and on the impacts of all their measures—that is the key to understanding how to set a budget and must always be borne in mind. It is an unavoidable fact that, as a direct result of the UK Government's policies, the average Scottish household will be almost £800 worse off next year. That point was made by Kenneth Gibson, who quoted quite a few other statistics that I will not repeat. He was correct to point out that many of his constituents will be worse off, even if they have notionally benefited from the rise in personal allowances, because of the rises in other taxation—for example, the rise in fuel duty, which the cabinet secretary mentioned. They will be worse off in the round.

That is what the people outwith the chamber whom we represent will look at. People tend not to remember specific details about budgets other than measures that are insulting, such as the 75p increase in the state pension, or measures that cause untold damage through undermining confidence in business, such as the tax raid on the oil and gas sector last year. According to people such as Sir Ian Wood, who is better placed to opine on those matters than anyone in this chamber, that undermined confidence in boardrooms throughout the world.

I turn to personal allowances for pensioners. Members have argued that the withdrawal of age-related personal allowances is a mere

simplification exercise. Let us be clear: it is not, it is a tax rise. The Institute for Fiscal Studies concluded that the chancellor

“should have avoided dressing up what is clearly a tax increase merely as a simplification.”

That is a fairly damning verdict. Willie Rennie mentioned the triple lock, but the basic state pension will increase only in line with the consumer price index in April 2012 and it is expected to increase only in line with the CPI in April 2013, too.

Roderick Campbell (North East Fife) (SNP): Will the minister give way?

Fergus Ewing: Hang on a second. That means that the state pension will remain unchanged in real terms—that is a fact.

Corporation tax was another of the three or four main themes in the debate. Mr Swinney made it clear that he welcomed certain measures in the budget. I thought that Mr Brown was somewhat churlish, in his opening remarks at least, although he contradicted himself three or four minutes into his speech when he acknowledged that Mr Swinney had welcomed some measures.

We want Scotland to become an ever-more competitive place for business. However, a uniform corporation tax for the whole of the UK is neither desirable nor economically efficient. Parts of London have an in-built competitive advantage, and devolving corporation tax would provide a range of options to address imbalance. Grant Baird, who I think was the First Minister's predecessor as Royal Bank of Scotland chief economist, once said that contiguous tax regimes are good for competition.

Neil Findlay: The minister says that he wants a more competitive Scotland. Does that mean that his vision is of a low-tax, deregulated Scotland?

Fergus Ewing: No. My vision is of a Scotland that is succeeding to a greater extent than it is currently doing.

I referred briefly to changes to the oil and gas fiscal regime. Last year, the increase to more than 80 per cent in the supplementary petroleum tax for pre-1993 fields caused more damage than any other budget in the UK has done for many years. The reason it caused so much damage was because it was totally unheralded. There had been no pre-legislative consultation, as happens in the Netherlands—under legislation—and the tax increase came as a total shock to companies that have to plan oil and gas projects over decades. Anyone who has to invest in a project over decades wants stability and certainty, in so far as those exist on this planet. Suddenly, the rug was pulled from under companies. In boardrooms

throughout the world, confidence has been undermined.

I hope that that damage can and will be repaired as we go forward. As members know, I have a good relationship with Charles Hendry and others on such matters. I welcome the new measures on fuel allowances and decommissioning. However, they do not entirely make up for the damage that was done last year.

Gavin Brown: Is the minister on slightly shaky ground when he says that he is against unheralded tax increases, given what he and his Government did with the retail levy?

Fergus Ewing: No, and I think that I have covered that point more than sufficiently in previous debates. That was a poor point.

A huge opportunity has been missed as a result of the failure to boost the economy, at a time when that was so needed, by financing the shovel-ready projects that many members mentioned, such as Dundee central waterfront, Fife energy park, Inverness campus, Forres enterprise park, Lews castle, David Marshall lodge and various road and university projects. All round the country, jobs could be created if projects that are or are nearly shovel ready were allowed to proceed.

That is also the view of Michael Levack, of the Scottish Building Federation, who said:

“The value of construction output from infrastructure projects last year was around £1.3 billion, or 12 per cent of total industry output ... our own analysis suggests that ... additional funding could potentially have boosted direct employment in the construction industry alone by up to almost 5,000 jobs.”

It is tragic that such an opportunity has been missed. That is how the budget will be remembered.

Financial Services Bill

17:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-02496, in the name of John Swinney, on the Financial Services Bill, which is United Kingdom legislation.

Motion moved,

That the Parliament agrees that the relevant provisions of the Financial Services Bill, introduced in the House of Commons on 26 January 2012, relating to the enhancement of understanding and knowledge of the public of financial matters and the ability of members of the public to manage their own financial affairs, so far as these matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.—
[*John Swinney.*]

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

Business Motion

17:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-02509, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revision to the business programme for tomorrow and a future business programme.

Motion moved,

That the Parliament agrees—

(a) the following revision to the programme of business for Thursday 29 March 2012—

after

2.55 pm Scottish Government Debate:
Consultation on the New Tribunal
System in Scotland

insert

followed by Appointment of the Auditor General for
Scotland

(b) the following programme of business—

Wednesday 18 April 2012

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Debate: Project
TransmiT

followed by Scottish Government Debate:
Legislative Consent Motion: Scotland Bill
– UK Legislation

followed by Business Motion

followed by Parliamentary Bureau Motions

6.00 pm Decision Time

followed by Members' Business

Thursday 19 April 2012

9.15 am Parliamentary Bureau Motions

followed by Scottish Labour Party Business

11.40 am General Question Time

12.00 pm First Minister's Question Time

2.15 pm Themed Question Time
Culture and External Affairs
Infrastructure and Capital Investment

2.55 pm Stage 1 Debate: Criminal Cases
(Punishment and Review) (Scotland) Bill

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 25 April 2012

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Business

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 26 April 2012

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Business

11.40 am General Question Time

12.00 pm First Minister's Question Time

2.15 pm Themed Question Time
Education and Lifelong Learning

2.55 pm Scottish Government Business

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business—[Bruce Crawford.]

Motion agreed to.

Parliamentary Bureau Motions

18:00

The Presiding Officer (Tricia Marwick): The next item of business is consideration of eight Parliamentary Bureau motions. I ask Bruce Crawford to move en bloc motions S4M-02510 to S4M-02515, on approval of Scottish statutory instruments.

Motions moved,

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2012 [draft] be approved.

That the Parliament agrees that the Evidence in Civil Partnership and Divorce Actions (Scotland) Order 2012 [draft] be approved.

That the Parliament agrees that the Housing Support Grant (Scotland) Order 2012 [draft] be approved.

That the Parliament agrees that the Patient Rights (Treatment Time Guarantee) (Scotland) Regulations 2012 [draft] be approved.

That the Parliament agrees that the Scottish Secure Tenancies (Proceedings for Possession) (Pre-Action Requirements) Order 2012 [draft] be approved.

That the Parliament agrees that the Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012 [draft] be approved.—[Bruce Crawford.]

The Presiding Officer: I ask Bruce Crawford to move motion S4M-02516, on the designation of a lead committee.

Motion moved,

That the Parliament agrees that the Local Government and Regeneration Committee be designated as the lead committee in consideration of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill at Stage 1.—[Bruce Crawford.]

The Presiding Officer: I ask Bruce Crawford to move motion S4M-02518, on committee members.

Motion moved,

That the Parliament agrees that—

Alex Fergusson be appointed to replace John Lamont as a member of the Rural Affairs, Climate Change and Environment Committee; and

John Lamont be appointed to replace Alex Fergusson as a member of the Standards, Procedures and Public Appointments Committee.—[Bruce Crawford.]

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

Decision Time

18:00

The Presiding Officer (Tricia Marwick): There are nine questions to be put as a result of today's business. The first question is, that motion S4M-02495, in the name of Richard Lochhead, on the Agricultural Holdings (Amendment) (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Agricultural Holdings (Amendment) (Scotland) Bill.

The Presiding Officer: The next question is, that amendment S4M-02494.4, in the name of Ken Macintosh, which seeks to amend motion S4M-02494, in the name of John Swinney, on the United Kingdom Government budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Gavin (Lothian) (Con)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)

Campbell, Roderick (North East Fife) (SNP)
 Carlaw, Jackson (West Scotland) (Con)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Davidson, Ruth (Glasgow) (Con)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Goldie, Annabel (West Scotland) (Con)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McArthur, Liam (Orkney Islands) (LD)
 McDonald, Mark (North East Scotland) (SNP)
 McInnes, Alison (North East Scotland) (LD)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McLetchie, David (Lothian) (Con)
 McMillan, Stuart (West Scotland) (SNP)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)

White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 30, Against 81, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: Before I put the next question, I remind members that, if the amendment in the name of Gavin Brown is agreed to, the amendment in the name of Willie Rennie will fall. The next question is, that amendment S4M-02494.2, in the name of Gavin Brown, which seeks to amend motion S4M-02494, in the name of John Swinney, on the UK Government budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)

Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Abstentions

McArthur, Liam (Orkney Islands) (LD)
 McInnes, Alison (North East Scotland) (LD)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scott, Tavish (Shetland Islands) (LD)

The Presiding Officer: The result of the division is: For 12, Against 95, Abstentions 4.

Amendment disagreed to.

The Presiding Officer: The next question is, that amendment S4M-02494.3, in the name of Willie Rennie, which seeks to amend motion S4M-02494, in the name of John Swinney, on the UK Government budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Davidson, Ruth (Glasgow) (Con)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 McArthur, Liam (Orkney Islands) (LD)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Tavish (Shetland Islands) (LD)

Against

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)

Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Johnstone, Alison (Lothian) (Green)
 Keir, Colin (Edinburgh Western) (SNP)
 Kelly, James (Rutherglen) (Lab)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDonald, Mark (North East Scotland) (SNP)
 McDougall, Margaret (West Scotland) (Lab)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMahon, Siobhan (Central Scotland) (Lab)
 McMillan, Stuart (West Scotland) (SNP)
 McTaggart, Anne (Glasgow) (Lab)
 Murray, Elaine (Dumfriesshire) (Lab)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, David (Highlands and Islands) (Lab)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 16, Against 95, Abstentions 0.

Amendment disagreed to.

The Presiding Officer: The next question is, that motion S4M-02494, in the name of John Swinney, on the UK Government budget, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Ewing, Fergus (Inverness and Nairn) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (SNP)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (North East Scotland) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Russell, Michael (Argyll and Bute) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Sturgeon, Nicola (Glasgow Southside) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (SNP)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Carlaw, Jackson (West Scotland) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Eadie, Helen (Cowdenbeath) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Fergusson, Alex (Galloway and West Dumfries) (Con)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McInnes, Alison (North East Scotland) (LD)
 McLetchie, David (Lothian) (Con)
 McMahan, Siobhan (Central Scotland) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Milne, Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 63, Against 48, Abstentions 0.

Motion agreed to,

That the Parliament is disappointed that the UK Budget is a missed opportunity to promote growth and deliver greater fairness; notes that the Treasury's analysis shows that those on the lowest incomes have been hit disproportionately hard by the deficit reduction plans and that over 300,000 pensioners in Scotland will be adversely affected by the decision to abolish age-related income tax allowances in order to pay for tax breaks for the wealthy; welcomes the UK Government's response to the Scottish Government's calls for a package of measures to support the oil and gas sector, the provision of enhanced capital allowances for three of Scotland's enterprise zones, funding for Edinburgh to become a super-connected city and the introduction of tax relief for the video games industry; disagrees however with the Chancellor's decision not to provide funding for £300 million worth of shovel-ready capital projects, which could be taken forward

immediately to support jobs, and notes that the Chancellor's failure to deliver for Scotland demonstrates the importance of the Scottish Parliament having the full range of economic levers to deliver jobs, growth and fairness for the people of Scotland.

The Presiding Officer: The next question is, that motion S4M-02496, in the name of John Swinney, on the Financial Services Bill, which is UK legislation, be agreed to.

Motion agreed to,

That the Parliament agrees that the relevant provisions of the Financial Services Bill, introduced in the House of Commons on 26 January 2012, relating to the enhancement of understanding and knowledge of the public of financial matters and the ability of members of the public to manage their own financial affairs, so far as these matters fall within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.

The Presiding Officer: If no member objects, I propose to ask a single question on motions S4M-02510 to S4M-02515, on the approval of Scottish statutory instruments. The next question is, that motions S4M-02510 to S4M-02515, in the name of Bruce Crawford, on the approval of SSIs, be agreed to.

Motions agreed to,

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2012 [draft] be approved.

That the Parliament agrees that the Evidence in Civil Partnership and Divorce Actions (Scotland) Order 2012 [draft] be approved.

That the Parliament agrees that the Housing Support Grant (Scotland) Order 2012 [draft] be approved.

That the Parliament agrees that the Patient Rights (Treatment Time Guarantee) (Scotland) Regulations 2012 [draft] be approved.

That the Parliament agrees that the Scottish Secure Tenancies (Proceedings for Possession) (Pre-Action Requirements) Order 2012 [draft] be approved.

That the Parliament agrees that the Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012 [draft] be approved.

The Presiding Officer: The next question is, that motion S4M-02516, in the name of Bruce Crawford, on the designation of a lead committee, be agreed to.

Motion agreed to,

That the Parliament agrees that the Local Government and Regeneration Committee be designated as the lead committee in consideration of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill at Stage 1.

The Presiding Officer: The next question is, that motion S4M-02518, in the name of Bruce Crawford, on committee membership, be agreed to.

Motion agreed to,

That the Parliament agrees that—

Alex Fergusson be appointed to replace John Lamont as a member of the Rural Affairs, Climate Change and Environment Committee; and

John Lamont be appointed to replace Alex Fergusson as a member of the Standards, Procedures and Public Appointments Committee.

Violence in Syria

The Deputy Presiding Officer (Elaine Smith):

The final item of business is a members' business debate on motion S4M-02265, in the name of Jim Eadie, on violence in Syria. The debate will be concluded without any question being put.

Motion debated,

That the Parliament recognises the growing humanitarian crisis in Syria; supports the call by Ban Ki-moon, United Nations Secretary General, for the world to speak with one voice on this issue; condemns the violence in Syria and notes the need for immediate and full access to humanitarian relief for vulnerable people in the country; acknowledges the work of organisations such as Oxfam for their campaigning efforts in Lothian and across Scotland; pays tribute to the work of all non-governmental organisations that are already present in countries bordering Syria and preparing to deal with the humanitarian crisis, and considers that the impact of violence on civilians is a clear example of the need for an international arms trade treaty that would stop arms transfers.

18:08

Jim Eadie (Edinburgh Southern) (SNP):

Without any doubt, each of us in the chamber would wish that circumstances were such that the debate was unnecessary. The anguish of the people of Syria is truly heartbreaking and is impossible for any of us to imagine. While we cannot imagine what the people of Syria are experiencing, we must not ignore their plight. That is why I took the view that the motion was necessary. It allows the Parliament to unite on behalf of the people of Scotland in showing our solidarity with the people of Syria in their hour of need.

I thank MSPs across the Parliament for their support and I warmly welcome the members of the Syrian community who have joined us in the public gallery. I am also grateful to my constituent Mr Adam Terris. It was his initiative and his request that led me to lodge the motion.

In early 2011, people in Syria started to protest against the governing Ba'ath party and President Assad. The Syrian Government's response can be described only as brutal, inhuman and without doubt illegal. According to Oxfam, to date more than 8,000 people have been killed, more than 50,000 people have been declared missing and up to 59,000 people have been incarcerated. In February 2012, the violence escalated sharply. For nearly a month, Baba Amr, a suburb of Homs, was under siege. Heavy artillery and shells were used against civilian areas.

Amnesty International has said:

"The level and gravity of the human rights violations committed in Syria amount to crimes against humanity. The abuses are part of a widespread and systematic attack against civilians."

Those crimes against humanity have included torture. Amnesty International has documented fresh evidence of systematic torture in detention and has presented yet more evidence of crimes against humanity.

Beyond the grim statistics lie individual acts of the most appalling brutality: crucifixion-type beatings, electric shocks, and male rape with broken bottles or metal skewers. One of the most appalling aspects of the conflict has been the way in which children have been targeted by the Syrian authorities. Only today, the United Nations human rights commissioner, Navi Pillay, told the BBC that

“Syrian authorities are systematically detaining and torturing children”.

She said:

“They’ve gone for the children—for whatever purposes—in large numbers. Hundreds detained and tortured ... Children shot in the knees, held together with adults in really inhumane conditions, denied medical treatment for their injuries, either held as hostages or as sources of information.”

When she was asked whether President Assad bore responsibility for the abuses, she said that there is sufficient evidence

“that many of these acts are committed by the security forces [and] must have received the approval or the complicity at the highest level ... President Assad could simply issue an order to stop the killings and the killings would stop.”

Ms Pillay said that she believed that

“the UN Security Council had enough reliable information to warrant referring Syria to the International Criminal Court”.

The suffering does not stop with the killings and torture. Up to 200,000 Syrians have fled their homes to escape the fighting. Food and water are becoming scarce and conditions are becoming dire. Aid agencies such as Red Crescent and Oxfam can assist refugees who make it to neighbouring countries, but humanitarian assistance in Syria is badly restricted.

Today, we have heard reports that there may have been a diplomatic breakthrough. We must all hope that a peaceful and lasting settlement can be found. According to the BBC,

“a spokesman for UN and Arab League envoy Kofi Annan said he considered the Syrian acceptance of his six-point peace plan an ‘important initial step’ but that implementation was key.”

The six-point plan calls for the Assad Government to remove troops and heavy weapons from population centres and for all parties to allow a daily two-hour ceasefire for humanitarian aid to reach affected areas. It also requires that the authorities release those who have been detained in the uprising.

I am sure that we all support the call for a daily pause in the fighting to ensure the evacuation of the wounded, permit safe passage to those who wish to leave and allow for the delivery of much-needed humanitarian assistance, but the weakness in the plan is that it does not impose any deadline for President Assad to implement its terms or call for him to leave power. Amnesty International has called on the UN Security Council to condemn the violations, to issue a comprehensive arms embargo and to freeze the assets of the President and his associates. The UN Security Council must take measures to hold to account those who are responsible, including referring the situation to the prosecutor of the International Criminal Court.

To look to the future, the international community must work towards the better regulation of the arms trade. UN members have the perfect opportunity to do that as they negotiate an international arms trade treaty later this year. Russia supplied ammunition to the Assad regime very recently, and Iran continues to smuggle arms. In the hands of such repressive regimes, that action can only exacerbate civilian suffering. An arms trade treaty must address such arms transfers.

The devastation in Syria is going on under the watchful eyes of the international community, but it weighs heavily in our hearts. As an international community, we have proclaimed that

“All human beings are born free and equal in dignity and rights.”

As United Nations, we have declared that

“Everyone has the right to life, liberty and security of person”

and, as an international community, we have stated that

“No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.”

Therefore, let us unite to condemn the fact that those fundamental human rights are being breached on such a massive scale and to endorse whole-heartedly the call by Ban Ki-moon for the world to speak with one voice to condemn the violence in Syria, ensure immediate and full access to humanitarian relief, and uphold fundamental human rights.

The Deputy Presiding Officer: Given the number of members who wish to speak in the debate, speeches should be of four minutes or less.

18:14

Humza Yousaf (Glasgow) (SNP): I congratulate Jim Eadie on securing this important members’ business debate.

Presiding Officer, 18 December 2010 will go down in history as the day when democracy began to spread across north Africa and the middle east. The sacrifice of Tunisia's Mohammed Bouazizi will never be forgotten and the price of freedom is a permanent debt that will be owed to that brave man by generations to come.

Although Tunisia has moved on in leaps and bounds since the protests began, the violence in Syria has been going on for more than a year, as Jim Eadie mentioned, and the UN estimates that more than 9,000 people have been killed by Assad's forces. In particular, the bombardment of Homs, about which I expect we will hear a lot more during the debate, was a massacre of men, women and children in the full glare of the media spotlight. With such audacious brutality, it is clear that there cannot be a peaceful transition to democracy while Assad and his regime remain in charge. He should do the honourable thing—I have called for this many times—and step aside instead of continuing to inflict violence on his own people.

I would like to concentrate on what we can do in Scotland to play our part in helping those who are suffering as a result of the brutal regime's actions. Although we are limited in relation to foreign affairs, we must do what we can as a Parliament and as a Government and use the powers that we have to help those innocent civilians who are caught up in such a hellish situation.

Scotland has always been quick to show her compassion and her willingness to help those who have been affected by disasters, be they man made or otherwise. Scottish hospitals recently provided individuals who were injured in the Libyan conflict with new prosthetic limbs, which demonstrates how our medical expertise can help citizens of other countries. Previously, we opened our hospitals to help those who were injured in the Israeli assault of Gaza in 2009. In the case of Syria, the refugee camps in neighbouring countries are overflowing and the Assad regime is making outside access difficult, but if there is any possibility of opening up our hospitals and using our medical expertise to help to treat the injured, I hope that that will be done.

At home, I have met a number of Syrian students who are registered at Scottish universities and heard at first hand the difficulties that they have faced since the outbreak of the violence in their home country. Some students have been deregistered from university and confronted with a somewhat unsympathetic stance by academic staff. Others are struggling because the Syrian Government has stopped their scholarship funding, throwing their educational future into uncertainty. I urge the Scottish Government to look into how best it can support

those students, as it did previously with students from Libya.

What we see unfolding in Syria is the result of a geopolitical power struggle, largely between Iran and Saudi Arabia, which seem intent on carving up the middle east for their own self-interests. As the violence continues in Syria, we have to ask ourselves where the Arab League is in all of this. The peace road map that it proposed in November was treated with disdain by Assad and his regime. The Arab League has been relegated to the sidelines and ridiculed for its inability to get to the heart of the conflict. The Arab League countries, many of which have escaped almost unscathed from the recession, have accumulated gross domestic products that run into a surplus of hundreds of billions, yet their inability to act is making them look more and more impotent as the days go by.

I welcome the announcement yesterday that the Syrian Government has agreed to accept the peace plan that has been put forward. However, as was mentioned, implementation is key, so we await it with bated breath. An end to the violence and bloodshed in Syria can truly come about only through regime change. Whatever intervention is needed, it must be made through a UN mandate.

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

The Deputy Presiding Officer: I am afraid that the member is concluding, and we are tight for time.

Humza Yousaf: We should be wary of sending our brave troops, once again, into an environment where they will be met with hostility. We should do that only as a last resort.

We can be silent no more. The global family has not done enough in Syria and we all carry the burden of the near 10,000 who have been massacred by a brutal dictatorship. For the sake of our own conscience, if nothing else, we must delay no further.

18:19

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): I, too, congratulate Jim Eadie on securing this evening's debate, which is on an issue of great importance. I apologise to him if he feels that I am slightly plagiarising his speech. That is not my intention. The fact that more than one of us focuses on an issue perhaps shows the importance that we ascribe to it, and also the solidarity of feeling on the matter across the Parliament.

The catalogue of atrocities that is slowly emerging from Syria—often as a result of the extreme bravery of individual citizens and

journalists—makes horrific reading, but coming as it does from a country and a regime that were already the subject of much international concern, we should not be surprised that the response to civil unrest has been extreme and brutal.

Amnesty International has recorded the names of 8,000 people who it thinks have been killed in protest or unrest in the past year. It has documentary evidence of torture and degradation and the names of more than 18,000 people who have been imprisoned. Although the majority of the violence can be laid at the door of the state security forces or others acting for them, there are some reports of armed gangs imprisoning and attacking Government supporters.

At the same time, Oxfam estimates that between 100,000 and 200,000 people have fled their homes, taking little with them. Many of those who remain endure a shortage of food and water, and the injured have little or no access to medicines or medical care.

Driving home last night from a constituency event, I heard the welcome news that Syria had accepted Kofi Annan's six-point peace plan. The UN and Arab League envoy was quoted as saying that this was an important first step but that the implementation of the plan is key. Mr Annan is, of course, correct, and that caution is understandable given what Hilary Clinton has described as President Assad's

"history of over-promising and under-delivering".

The six-point plan does not call for Mr Assad to give up power, nor does it impose any deadline for the removal of troops or heavy weapons. Nonetheless, it is important because it is the first UN Security Council-backed strategy for ending the conflict that has the backing of Russia and China.

However, we also need Russia and other states to end the supply of weapons to Syria, both to end the conflict in Syria and to prevent the further destabilisation of the region.

Amnesty International is right to call on the UN to ensure that any UN mission that is deployed in the country must contain human rights monitors who can consider the situation on the ground and pass evidence to the independent international commission of inquiry on Syria.

Earlier, I mentioned the faint glimmer of hope I felt when I heard on the radio news last night about the adoption of the six-point plan. However, less than 12 hours later, while I was travelling to the Parliament, the BBC quoted Navi Pillay of the UN, whom Jim Eadie mentioned, as saying that the Syrian authorities are now systematically detaining and torturing children—not one or two, which would be bad enough, but hundreds. No

matter how effective diplomatic efforts are, they will come too late for those children.

We must never allow ourselves to be numbed into silence by the scale and horror of the situation. We must speak out and put on record our extreme concern in this Parliament for the men, women and children of Syria, and send our respect and thanks to those aid organisations and human rights bodies that stand ready to help the people of Syria and bear witness to their suffering.

18:23

Sandra White (Glasgow Kelvin) (SNP): I thank Jim Eadie for securing this debate and join others in welcoming the announcement that the Syrian authorities have agreed to the six-point plan that was put forward by Kofi Annan. Like others, I sincerely hope that that will go some way towards alleviating the tremendous suffering of the people of Syria, which Jim Eadie and Patricia Ferguson described eloquently. As colleagues have said, however, it is a short-term plan and we need a long-term plan. I hope that this debate will go some way towards helping to bring that to fruition.

I want to concentrate on the humanitarian crisis that is unfolding as people flee Syria to many of the middle eastern countries, Lebanon in particular.

Jim Eadie mentioned the Lebanese and Syrian people in the public gallery tonight. I met them earlier today, and they told me in couched terms about what is happening to the Syrian refugees who are in Lebanon. It has been said that something like 100,000 people have fled Syria. Some reports put the figure at 200,000. They have gone to other middle eastern countries apart from Lebanon, including Turkey and Jordan. From speaking to the Syrian people and some people who have had direct contact with Syrian refugees in Lebanon, I know that the problem is compounded by the fact that many of those who are fleeing are unwilling to register as refugees, so they are not counted as refugees. They are unwilling to register because they are frightened of being identified and of reprisals being carried out, not just against them, but against relatives back home in Syria. That is a real problem that we must look at.

In Lebanon, where some 20,000 people have fled to, the situation has been exacerbated by the failure of the Lebanese authorities to recognise the rights of the refugees, which is leading to many of them being unable to access medical treatment or food and water. Even if they are treated in hospital, they are discharged in a day or two. They do not have basics such as shelter.

As I said, I met some members of the Syrian community earlier. I feel that, alongside their

efforts and the diplomatic efforts that are being made by our Government and others, we need to do something else to secure a peaceful solution to the current situation. I remind the cabinet secretary that, in the past, Scotland has always been ready to recognise when other people have needed our help. An example of that is our response to the Palestinian situation, when many organisations, MSPs, pharmacies and health boards got together to send medical aid to Palestine; I am sorry, but I get quite emotional when I think about what we did. I am talking about out-of-date prescription medication, tablets, equipment and so on, which we collected and sent to the Palestinian people. Perhaps we could show our solidarity with the Syrian refugees in Lebanon and elsewhere by starting a similar campaign, and I ask the cabinet secretary for her advice on that.

Among the charities and voluntary organisations in Scotland is Aid4All, which has just been set up. It wants to help to establish a co-ordinated approach to the delivery of humanitarian aid. Perhaps a meeting could be arranged with the cabinet secretary to talk about what it would like to do.

We need peace in the middle east. With that in mind, I invite the cabinet secretary to send a copy of the *Official Report* of the debate to her counterparts in Westminster and perhaps even to President Assad, to let them know how the Parliament feels about the treatment of the Syrian people, not just in Syria but in Lebanon.

18:27

Jackson Carlaw (West Scotland) (Con): Dictators come in all shapes and sizes, but even the most tin pot of them can be extremely dangerous. I am afraid that the house of Assad numbers among that group.

I am old enough to remember Assad senior and the contribution that he made to middle east politics over a long and bloody life. He was the spine in the back of all those who opposed any progress whatever in the middle east. He was a repressive and brutal dictator. Thousands—I suspect that we will never know the number or the names of those concerned—perished under that regime.

I remember that when Assad senior died, there was an expectation of the son. He was one of those individuals in whom the west had invested a certain amount of effort and hope. Would he be like Juan Carlos, whose actions in succeeding Franco proved to be counterintuitive? Before the Arab spring, to which Humza Yousaf referred, there was an expectation that some enlightenment might come from the new president of Syria, but although he engaged with the west and

ostensibly—on a superficial level—moved things forward, the minute his regime was under any threat, that brutal imperative reasserted itself in an extremely distasteful manner.

What makes regimes such as those of Assad, Idi Amin, Mugabe, Gaddafi, Saddam and Marcos so sickening is that we are all too aware, in the modern media age, not only of the death of all those around them as they seek to retain power, but of the counter images of them revelling, in a sickeningly offensive way, in the moment of their celebrity and in the excess that seems to go with such people in terms of their own personal comfort, wealth and complete indifference to the suffering that goes on around them.

When I heard that the six-point plan had been agreed, it almost made me wonder about the plan's value. I hear what Sandra White says about a peaceful solution, but I do not think that there is such a thing. Ultimately the only solution, in the view of those of us—all members in the chamber, I am sure—who want to see Syria move forward as other countries have done to a future that, although uncertain, can be determined by the Syrian people themselves, is for the Assad regime to go. That is difficult to achieve.

The investments that we have made in individuals over the years have not produced much of a dividend. New technology has produced a far bigger dividend, because it has allowed into the homes, hearts, handsets and telephones of individuals in all those countries the information that there is wider support, and a recognition of what is happening in all the surrounding countries in which people are striving for a better future. It gives those people an expectation.

It is not for us—as it is not our blood that is being shed—to encourage anyone to follow that path, but it is for us to let those people know that, as they seek to fight for that better future, they have support from others around the world and here in this Parliament.

18:31

John Mason (Glasgow Shettleston) (SNP): I thank Jim Eadie for raising the subject. The key points on which we all agree are that there is a humanitarian crisis, which appears to be worsening, and that we as a Parliament want to speak with a united voice and commend Oxfam and others for the work that they are doing.

The motion and the Oxfam briefing refer—as Jim Eadie did—to the need for an international arms trade treaty, and I fully support that call. It seems almost inevitable that if arms are poured into an area, violence will be encouraged. Situations can be so chaotic, and the opposing sides of conflicts can be so ill defined, that

weapons are almost bound to be abused and are often not used as the suppliers intended—if the suppliers had good motives, which is usually not the case.

It is clear that there is a need for regime change in Syria. It would be good if that progress could be made without as much western involvement as there has been in other countries, in which it sometimes seems that more harm than good has been done.

I hope that the future regime will be better than the present one, but that is sadly not always the case. Some of us can remember when Milton Obote was ousted in Uganda and there was a lot of celebration internationally, and yet his replacement was Idi Amin, and things went from bad to worse. That has also been the experience elsewhere.

I am concerned about how minorities—Christians, other minorities and women—will be treated in Syria. I had a good briefing from a group called Open Doors, which seeks to help Christian minorities who are under pressure. It currently rates Syria 36th in the world on its list of countries that most oppress Christians.

There are around 20 million people in Syria, of whom around 1.5 million to 2 million are at least nominal Christians. The rest of the population is about 74 per cent Sunni and 12 per cent Shia. We support democracy and believe that the majority should be enfranchised in a way that it has not been in the past, but we hope that that majority will be tolerant of minorities.

Christianity is a middle eastern religion that has spread to the west and is sometimes now seen as a western religion. That has not often helped local Christians in countries such as Syria. When western powers have blundered into countries such as Iraq—often illegally—the situation can get worse, and it can be said that the situation for Christians in Iraq is now worse than it was before.

One issue that is of particular concern is the freedom for people to change their religion or to have no religion at all, just as we would want people to be able to choose any political view that they wish. All those things must be hopes for the future of Syria. The freedom to choose one's religion or to have none is not just a western value, but a human right that is non-negotiable.

Although we want regime change in Syria—and I add my voice to the voices of others who have said that—we do not want just any regime to come in. We want a regime that looks after women, Christians and other minorities.

18:35

Liam McArthur (Orkney Islands) (LD): I join other members in congratulating Jim Eadie on bringing the debate to the chamber, and on the powerful and moving way in which he articulated the sickening situation in Syria. As Jackson Carlaw and others have observed, the importance of the debate lies in providing an opportunity for the Parliament to join the wider international community in making clear our revulsion at the atrocities that are being perpetrated in that country.

Gaining access to information is highly problematic, not least because of the crackdown by the Assad regime, but there is no disputing the fact that the situation is serious and worsening all the time. The United Nations is quoting figures of around 9,000 deaths and around 50,000 incarcerations, and there is mass widespread torture that is directed particularly at women and children, which serves only to increase our sense of revulsion. The humanitarian disaster that we are witnessing is spreading further, through the displacement that Jim Eadie and others have talked about, and much of the population is suffering from a severe lack of food and water.

This is a humanitarian disaster and what is being done constitutes crimes against humanity. Whatever the current difficulty in accessing reliable information, there can be no let up in gathering evidence and making it clear to those responsible that they will be held to account.

Although the situation has developed over the past 12 months or so, the decision by Russia and China to veto the UN Security Council resolution on 4 February tragically gave an extra impetus to the behaviour of the Assad regime. It gave the regime breathing space and there has since been an acceleration and a worsening of the violence. The use of the veto was rightly condemned by the United Kingdom and US representatives on the Security Council, but the French representative probably spoke for most when he said that it was a "a sad day for the Council, a sad day for Syrians, and a sad day for all friends of democracy".

Like many, I welcome Kofi Annan's appointment. Humza Yousaf made a valid point about the Arab League's role and the weaknesses in the organisation that have been exposed by the crisis. Kofi Annan's new plan to end violence is not as strong as the Security Council's resolution in February but, nevertheless, it is an advance. Like others, I greeted the news of the diplomatic breakthrough as an all too belated glimmer of hope.

Patricia Ferguson and Jackson Carlaw rightly pointed out the potential weakness of a regime that has overpromised and underdelivered. There

is no getting away from the fact that regime change, as soon as possible, is the only solution.

Jim Eadie's motion refers to the need for a comprehensive arms trade treaty. That valid point is brought home even more strongly in the current circumstances.

Despite a perhaps less than glorious past, the UK can now lay claim to having a fully robust regime of export controls, in which issues such as regional instability, internal repression and human rights are taken into consideration. It is also flexible in response to circumstances. Nevertheless, there is no doubt that, no matter how much satisfaction we can take from how that is operating, it counts for nothing if the arms trade more widely is fuelling and fanning the flames of situations such as the one that is taking place in Syria. That is why it is important that we use the debate to redouble our efforts to press for an international arms trade treaty. The UK must continue to take the lead in the creation of such a treaty. The more we can do collectively to regulate the arms trade, the better we can ensure our national security, the safety of our service members and the promotion of human rights.

I congratulate Jim Eadie again, not only on bringing the debate to the chamber but on the way in which he led it.

18:39

Bill Kidd (Glasgow Anniesland) (SNP): I join others in congratulating Jim Eadie on securing the debate.

Sadly, the state violence in Syria against its own people is not an isolated instance and certainly not only a middle eastern phenomenon. However, it is symptomatic of events that have occurred at regular intervals over the past 90 years or so following the collapse of the European empires. Whether they were French, British or Italian, such empires of the late 18th and 19th centuries left something behind that has caused many lives to be lost long after the empires ceased. Many of the countries to have emerged following that period have unfeasibly straight borders between themselves and their neighbours. That is a result of the cobbling together of client states for the economic and trading benefit of their former colonial masters.

The modern Syrian state is just such a fairly recent construct, arising out of the Arab Levant on the fall of the Ottoman empire. That followed the first world war, when Syria and Lebanon were established as French mandates. Independence was at last gained in April 1946, although that was followed by a number of military coups, the last of which, in 1961, brought to an end the short-lived union with Egypt as the United Arab Republic.

This is not just a history lesson. The fact is that the Syria that we now see grew out of that tumultuous history. It has not always been thus, and it need not always be thus.

From 1963 to the present day, however, the country has existed in a state of emergency law that has suspended most constitutional protections for its citizens, with Hafez al-Assad ruling for 30 years and his son Bashar in effect inheriting that role in 2000. Although the constitution limits the holding of the presidency to Sunni Muslims, who make up 74 per cent of Syrians, in practice it is the Assad family who hold all of the real political power. Significantly, they are of the minority Alawi sect, which makes up only 12 per cent of the population, although the state is nominally secular.

It is true that Hafez al-Assad instituted modernisation, with a guarantee of women's equal status in society and an attempt at industrialisation and by using Syria's oil wealth to invest in growth in education, medicine, literacy and infrastructure. However, the cost came not only in oil but in the repression of free speech, summed up in the 1982 Hama massacre, which has been described as

"the single deadliest act by any Arab government ... in the modern Middle East."

When Bashar Assad assumed the presidency in 2000, popular feeling had become rife with festering dissent waiting to bubble up. With the Arab spring of 2011, the stage was set for an outpouring of protest and calls for the establishment of a democratic Syria. The result has been approaching civil war.

The people of Syria need the support of outside intervention, but not through bombing or invasion. Instead, Russia and China, in particular, need to come into the 21st century and to start to use their international influence in a positive way, as is suggested by their belated support for the Kofi Annan six-point plan. As the states with the ear of their client—the Assad Government—they can cause the Government guns to fall silent and allow all parties to come to the table of diplomacy.

Proxy wars should be consigned to the history books of the 20th century; the people of Syria do not deserve it. In that way, Russia and China may find that they have a loyal friend in those who form the democratic state that emerges from a negotiated peace.

18:43

The Cabinet Secretary for Culture and External Affairs (Fiona Hyslop): I welcome this debate to draw attention to the awful situation in Syria. I welcome the contributions from members today and the powerful way in which Jim Eadie introduced the debate.

For more than a year, we have witnessed the citizens of a number of countries in north Africa demanding to be heard and demanding the right to choose the Governments that they want. After decades of not having any democratic representation, they have demanded change. Change has come in many of those countries, although we have to realise that a lot has still to be done. We urge the international community to continue its support to ensure that the promises that have been made are fulfilled and that the countries emerge as true democracies.

We live in a democracy; this Parliament is proof of that. We are free to cast our votes to choose the Government that we want, so it is hard to imagine what it would be like to live in a country without such freedoms. Therefore, we should not forget that the changes that have taken place in those other countries have come at a high price to people who have faced significant opposition, especially through physical force. We should remember the sacrifices that many people have made to gain their freedoms.

As we have heard in the debate and from the daily media reports, the situation in Syria is appalling. The facts speak for themselves—in a year of protests, more than 9,000 civilians have been killed. We cannot forget the pictures from the city of Homs after a nearly month-long bombardment by Government forces left hundreds dead, large parts of the city devastated and many civilians fleeing for their lives.

As Patricia Ferguson was, I was shocked to read the comments today by Navi Pillay, the UN High Commissioner for Human Rights, on the detention of hundreds of children by the Assad regime. She said that the regime has been deliberately and systematically targeting children. We welcome the involvement of the UN Human Rights Council in highlighting the abuses that are taking place in Syria, and in calling for those who are responsible to be held to account.

The Scottish Government condemns the continuing violence by the Assad regime against the people of Syria. We support a political process for Syria, within the framework of the United Nations, to help to resolve the crisis. On 21 March, I wrote to the Foreign Secretary, William Hague, adding the Scottish Government's support to that of the UK Government, the United Nations, the Arab League and others in the international community in trying to find a resolution to the situation in Syria.

We welcome the appointment of the well-respected diplomat Kofi Annan as the UN-Arab League special envoy and we support the work that he is undertaking to begin political dialogue. His efforts are working—the Assad regime has announced that it agrees with Kofi Annan's six-

point peace plan, which has the backing of the entire UN Security Council. However, as many members have said, we urge the regime to make good on that promise. Actions speak louder than words.

We welcome the news that several Syrian groups have agreed to recognise the Syrian National Council as the official representative of the Syrian people. International pressure on the Syrian Government has been intensifying; Syria has been suspended from the Arab League, and the EU and a range of countries have imposed a series of sanctions, including in relation to arms sales and the import of Syrian oil. Two weeks ago, I met a delegation from the Syrian community in Scotland and this afternoon I met constituents of Bruce Crawford who are involved with the Aid for All charity to discuss the situation in Syria. They are rightly worried about what is happening in Syria and the impact that it is having on the Syrian community here.

Sandra White and Humza Yousaf asked about what we can do from here in Scotland. As the UN humanitarian affairs co-ordinator Baroness Valerie Amos has reported, the situation in Syria continues to worsen. Many people have been displaced and have no shelter, food or water and many require urgent medical attention. Therefore, the Scottish Government, the Parliament and the people of Scotland more widely call for immediate humanitarian access in order to help those who have been wounded and displaced. The situation cannot continue. One of the greatest needs is for unhindered and full access to all areas of Syria for the UN and other international humanitarian agencies, including the International Committee of the Red Cross and the Red Crescent.

The UN is leading efforts to deliver a single co-ordinated response to the humanitarian situation in Syria to ensure that needs are prioritised, that aid gets to those who are in need as quickly as possible and that the international community works effectively together. It is only right that the UN co-ordinates in that way. The Scottish Government will continue to monitor the situation and consider how best we can support the Syrian people.

We welcome the launch of the regional response plan by the UN Refugee Agency and the Office for the Co-ordination of Humanitarian Affairs to help the estimated 96,500 Syrian refugees in Turkey, Lebanon, Jordan and Iraq, who have been referred to. However, the main issue is not about providing humanitarian supplies such as water canisters or food; the situation in Syria is a result of the on-going action of the Syrian Government in committing violence against its own people. In that situation, the most urgent need is for a political solution to end the violence. In the interim, it is for

the UN to provide what support it can to help those who are in greatest need, working with the Red Cross and Red Crescent in dangerous and difficult conditions to bring what support they can to the areas of Syria that they can access.

There is also a role for non-governmental organisations. For organisations that were active in Syria before the civil violence, that can include providing support on the ground for the people of Syria, where it is possible to do so. NGOs play a wider role in raising awareness and campaigning politically. As Jackson Carlaw pointed out, new technology has had a role in making that communication possible. The global campaigning as well as this debate and others like it across the world show solidarity with the people of Syria and can make a contribution.

I urge everyone to continue to press for an end to the violence and to look for a rapid resolution for the sake of the people of Syria. It is important that the Parliament, on behalf of the people of Scotland, stands in solidarity with the people of Syria.

Meeting closed at 18:49.

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