



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Tuesday 2 December 2014

Session 4

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Scottish Parliament

Tuesday 2 December 2014

*[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 leader today is Mr David Nicholson of the Scottish churches disability agenda group.

Mr David Nicholson DCS (Scottish Churches Disability Agenda Group): Presiding Officer, members of the Scottish Parliament: I thank you for allowing me to share time for reflection.

I want to share with you a story in which I took part, although I do not recall it happening. I had come home on summer holiday from the Royal Blind School in Edinburgh and was told that a lady a few doors down from where we lived had recently lost her husband by death. I appear to have made no response to that, but I must have resolved the following day to go and visit her. What had a seven-year-old to say to a grieving widow? I made the visit and, when my mother found me, I was sitting resplendent in the armchair, drinking tea and tucking into home-made fruitcake.

Last Sunday was not just St Andrew's day but the first Sunday in advent, when we think of celebrating Christmas. Advent is a time for thinking about that when we are wrapping presents and finding cards for friends and family, and thinking about how we are going to plan and celebrate Christmas day itself.

But some people in our communities—perhaps one of your constituents, or a friend or a member of your family—will have been going through hell on earth during the year as the result of the death of a loved one or the break-up of a marriage or a partnership.

I think of the angels' song to the shepherds: they brought good news of joy to all people. Perhaps we might give a thought to all people regardless of their colour and background, and regardless of their faith or even if they have none. If we plan to enjoy our Christmas—and I hope that we have a happy one—we too can perhaps stretch out a hand of friendship, or even give a small gesture that will make someone's Christmas that little bit brighter. Perhaps you can send a card to say, "Thinking of you," or, if you are very brave, you can ring the doorbell and go in.

I return to my story. I was told by my mother that the lady I visited spoke on many occasions to her family and friends about my visit, and told them that it had been a turning point in her life.

Smith Commission for Further Devolution of Powers to the Scottish Parliament

The Presiding Officer (Tricia Marwick): The next item of business is a statement by the Deputy First Minister, John Swinney, on the Smith commission. He will take questions at the end of his statement and there should therefore be no interventions or interruptions.

14:04

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): The Scottish Government believes that decisions that affect the lives of people in Scotland should be taken here in Scotland to reflect the priorities and views of those who choose to live and to work in this country. That is why we campaigned for the establishment of the Scottish Parliament; why we voted for the Scotland Act in 1998; and why we supported the Scotland Act in 2012. It is why we campaigned for, and believe in, Scottish independence, and it is why we took part in the process of the Smith commission.

In the light of the referendum result, the Government produced proposals for further devolution on 10 October, arguing for a robust package of further powers for this Parliament.

As a participant in the proceedings, and on behalf of the Scottish Government, I record our thanks to Lord Smith of Kelvin for his clear, focused and neutral direction of the commission's proceedings. I am also grateful to the secretariat of the commission, which was made up of officials from the United Kingdom Government, the Scottish Government and this Parliament, for its hard work in supporting the process. I also thank the other members of the commission for the generally good-natured approach that was taken to the process.

The commission had a challenging task. The promises that were made to the people of Scotland in the lead-up to the referendum—promises of home rule, near federalism and extensive powers for this Parliament—meant that expectations around the process were extremely high. Four hundred and seven organisations and more than 18,000 individuals in Scotland took the time to write to the Smith commission, setting out their views on further devolution, which clearly demonstrates that engagement and interest in politics in Scotland remain as strong as they were during the referendum. On behalf of the Scottish Government, I welcome the contents of the report but regret that a wider range of powers has not been devolved.

The report contains a number of recommendations that will enable this Parliament to better serve the people of Scotland. Devolution of air passenger duty, in particular, is a responsibility for which we have been calling for some time, and it was first proposed—alongside devolution of the aggregates levy—by the Calman commission in 2009. It is a tax that impacts on our tourism industry and the wider business sector.

More extensive powers over income tax, albeit within the reserved framework set by Westminster, open up new opportunities to this Parliament and will increase accountability. The flexibility in all rates and bands except the personal allowance is an improvement on the narrow and inflexible power for a Scottish rate of income tax that we are in the process of implementing.

The devolution of some benefits for disabled people, carers and our elderly will enable us to develop more effective approaches to supporting the most vulnerable people in our communities. The experience of the bedroom tax has shown us the risks of Westminster taking decisions for the whole of the UK on a one-size-fits-all basis, which ignores the reality of circumstances here in Scotland. The proposal to vary the housing element of universal credit will enable us to prevent that from happening in the future. Subject to this Parliament's ability to find the required resources, we now also have the prospect of being able to create new benefits that could assist our people.

The long overdue agreement to transfer to this Parliament the responsibilities and revenues of the Crown Estate to 200 nautical miles has had long-standing support across the parties. With those powers, we will be able to ensure that island and coastal communities receive 100 per cent of the net income from sea bed leasing revenues, ensure that there is a coherent system of support for our renewables industry and enable greater investment in a wide variety of projects, ranging from harbour improvements to community tourism projects. The Minister for Transport and Islands will begin discussions on the use of those powers in Orkney today.

Finally, I am sure that everyone in the chamber will welcome the fact that this Parliament will have control over our own elections. The Parliament has more than demonstrated its competence in delivering fair and robust constitutional processes, and I am particularly pleased that we secured agreement on the need for early action to allow us to extend the franchise to 16 and 17-year-olds for the 2016 election.

Following the publication of the report, the Government wants to make rapid progress in implementing its recommendations in full and true to the spirit and intention of the Smith report. To

make that progress successfully, a number of principles should be observed.

First, the UK and Scottish Governments must work jointly to produce the draft clauses that are due to be published by the end of January. The First Minister wrote to the Prime Minister on the day that the report was published to offer the Scottish Government's full participation. Given that a joint secretariat composed of members of the civil services of the UK Government and the Scottish Government along with staff from the Scottish Parliament has been able to effectively and properly support the Smith commission, it seems logical to extend that approach to the drafting of the clauses that will put into practice the commission's recommendations.

The second principle is that, when possible, both Governments should take early action on devolution and on tackling key areas of concern. The most pressing need is for early action to secure the powers for the Parliament to enfranchise 16 and 17-year-olds—as the Scottish Government would like to do, and for which there is support across the political spectrum in the Parliament—in time for the 2016 election.

All of us watched the tremendous success of the extension of the franchise to 16 and 17-year-olds for the referendum, which was a model of democratic participation and engagement. It is essential that the commitments that were made to 16 and 17-year-olds during the referendum campaign are extended to ensure that they can participate in the elections to this Parliament in 2016. The First Minister repeated the commission's call for early action on representation for 16 and 17-year-olds in her letter to the Prime Minister last week, and I am sure that the whole Parliament is hopeful of a positive response to that proposition.

Similarly, early legislative action could be taken to devolve responsibility for air passenger duty. The Scotland Act 2012 provides an order-making power to allow new devolved taxes to be added to land and buildings transaction tax and landfill tax, which we are currently implementing.

Early action could also be taken on gender quotas. In her previous ministerial role, Shona Robison wrote to the UK Government to outline the Scottish Government's proposals for a section 30 order to provide the Parliament with the necessary competence. We must make progress down that route.

Paragraph 96 of the Smith commission report lists a number of important issues for consideration that do not require an act of devolution. They include important issues around immigration to support our economy, asylum seekers and victims of human trafficking; retention

of fine income in Scotland; and health and safety. My Cabinet colleagues and I will write to our UK counterparts to seek early discussions on those matters over the next few days. Progress on those powers would be an early down payment on the further devolution that we have all been promised, and whether it is achieved will be a key test of the UK Government's commitment.

My third principle is that the UK and Scottish Governments should start preparing in good faith for the transfer of the powers that are identified in Lord Smith's report. In particular, the UK Government should not take any steps or decisions that would significantly affect the position of this Parliament after devolution, or that would constrain our freedom to come to our own decisions, without our express agreement. The most obvious example of such a step is the move from disability living allowance to personal independence payments, which the First Minister mentioned in the chamber last week. The First Minister will write to the Prime Minister to ask for the roll-out of PIPs to be halted in Scotland and for the proposed cuts to disability benefits not to be implemented before the relevant responsibility is passed to this Parliament. I hope that all members will support that position.

Another example concerns employment programmes such as the work programme, the current contracts for which are approaching their end. It is crucial that the UK and Scottish Governments agree the arrangements that will follow those contracts, and we should explore all the options, including the devolution of responsibility to this Parliament, as soon as is practical.

Of particular importance is agreement that more powers will be accompanied by firm financial foundations and a fiscal framework that provides an equitable settlement to both Governments. Experience of the continuing negotiation on and implementation of the Scotland Act 2012, which I discussed at length with the Finance Committee yesterday at its evidence session on the Isle of Arran, has shown that the implementation of financial agreements is almost as important as the legislation itself. In my letter to the Chancellor of the Exchequer on the autumn statement, I therefore proposed that we meet in short order to start discussions on how those aspects of Lord Smith's recommendations will be implemented.

There is a long way to go before the Smith recommendations are delivered for Scotland, but I believe that we will have the best chance of fulfilling its commitments if we follow the principles of joint working between the UK and Scottish Governments, the taking of early action when possible and both Governments preparing in good faith for the transfer to take place.

This is not a process that can or should be confined to Governments. Participation was one of the themes of the First Minister's comments on our programme for government last week, and participation and engagement have been watchwords for Scottish politics since the extraordinary experience of the referendum.

At the start of the Smith process we engaged with groups of stakeholders to shape our proposals for more powers and our approach to the commission's work. The Scottish Trades Union Congress supported devolution of employment law, health and safety, trade union law and the minimum wage. The STUC also advanced amendments to immigration legislation so that the Scottish Government would be able to direct immigration policy as it affects Scotland.

The Institute of Directors suggested variable capital allowances to promote localised investment, particularly in businesses in challenged areas; and the Scottish Council for Development and Industry called for research and development incentives to improve Scotland's poor industrial record in that area.

Children 1st supported powers over all aspects of employment rights and conditions to create a much more family-friendly employment regime, and it supported the devolution of child support. The Scottish Council for Voluntary Organisations supported devolving the full package of powers over welfare to create a welfare system that puts fairness and supporting people at its heart, and the full devolution of equalities law. The full devolution of equalities legislation was supported by Engender and other equalities groups.

It should therefore be little surprise that, given that none of those responsibilities was devolved, there was such widespread disappointment on the publication of the report last week. The proposals mean that control over 71 per cent of taxes in Scotland remains at Westminster, along with 85 per cent of welfare decisions, including the conditions and sanctions that are causing so much distress in our country. These proposals cannot be characterised as home rule or as near federalism as is possible in the United Kingdom. The vow has simply not been fulfilled. *[Interruption.]*

The Presiding Officer: Order.

John Swinney: Although the commission may not have given us all the tools that we want and for which we will continue to argue, we in the Scottish Government stand ready to play our part, and we now look forward to the next steps in Scotland's journey.

The Presiding Officer: The Deputy First Minister will now take questions on the issues raised in his statement. I intend to allow around 30

minutes for questions, after which we will move on to the next item of business.

Iain Gray (East Lothian) (Lab): I echo the Deputy First Minister's comments about the good-natured approach to the commission taken by all members, including the Deputy First Minister. It is a pity, then, that his statement had such a grudging nature, with 500 words on powers in the Smith agreement and 2,000 on process, pitfalls, powers not there and demands for transitional down payments. What a depressing lack of imagination!

With the Smith agreement we will, if we choose, reintroduce a 50p tax rate for top earners and a 10p rate to help low earners. The Deputy First Minister could even extend the personal allowance the way that he wants through a zero rate. We can redesign the whole work programme to get people into work more effectively, and we can redeploy hundreds of millions of pounds-worth of disability benefits to re-inject dignity and respect into the system. We can attack child poverty by supplementing child benefit for families under stress. We can reform carers allowance to give carers the rights that they want, and we can finally match attendance allowance and DLA to our own system of care of the elderly. We can construct a whole new Scottish welfare system of new benefits of our own design.

We can give coastal communities the benefits from their own shore and seabed, use extended borrowing powers to build the tens of thousands of houses that we need and decide for ourselves about fracking. We can, at our own hand, gender balance the boards of public bodies, give 16 and 17-year-olds the vote and bring ScotRail back into the public sector. We can have a Parliament entrenched, with more extensive powers devolved than in federal Germany or federal Australia.

Presiding Officer, this is the vow delivered. Scotland knows it. The Deputy First Minister was part of it. Why will he not just admit it?

John Swinney: Iain Gray sat round the Smith commission table, as I did, and he would have witnessed the willingness of the Scottish Government and the representatives of the Scottish National Party to advance the interests and the powers of the Scottish Parliament. The Government set out proposals on a whole range of issues in our submission to the Smith commission of 10 October. Whether they were about economic responsibilities, control over the welfare system or ensuring that Scotland has the economic levers at our disposal to generate the revenues that will allow us to create a fair society, all of that is a matter of public record.

Iain Gray's rather hysterical tone this afternoon is an indication of how desperate he is to tell the

people of Scotland that, somehow, this is the sum total of the Labour Party's proposals.

Iain Gray has to wrestle with the fact that the Scottish Trades Union Congress is at odds with him about many aspects of the Smith agreement and the Scottish Council for Voluntary Organisations is underwhelmed by the lack of control over welfare. It is not a surprise that I should point those things out. After all, we as a Government talk to those organisations, we listen to them and we put forward their arguments in the Smith commission as effectively as we possibly could.

Iain Gray talks about the powers that are contained in the Smith commission report—about the ability to create new welfare benefits or to enhance existing ones. Those powers are part of the report, but this Parliament has to be able to generate the revenues that will enable us to pay for those things. Iain Gray has never been terribly good at working out how we generate the revenues to pay for things that we want to take forward.

At the heart of our proposition was the need for this Parliament to have transformative economic powers that would enable us to create the wealth to invest in a fair and civilised society in our country. Iain Gray may take comfort from the fact that the Smith commission delivers all the things that he talked about, yet the fact that, on the welfare system, the punitive sanctions at the heart of the Department for Work and Pensions regime in Scotland remain reserved to the United Kingdom represents a travesty of the position that he puts forward.

On the question of a depressing lack of ambition, the Labour Party personifies it.

Annabel Goldie (West Scotland) (Con): I echo what the Deputy First Minister and Iain Gray said about the process. I take this opportunity to place on the record in this Parliament my thanks to Lord Smith and the secretariat from both Governments. There cannot be a shadow of a doubt that, in the complex and difficult discussions that we had to have, the quality of the data made available to us was second to none.

As a participant, I know that the process was challenging and stimulating. It was certainly robust and at times it was fiery, but it was enjoyable, and that was in no small measure due to the sage, patient and shrewd chairmanship of Lord Smith.

I accept that it is unwelcome to members on the SNP benches that the Smith agreement was always going to be about devolution. It was never going to be about independence. I guess that their reaction is predictable. I suppose that the Smith agreement could have delivered a crown for the First Minister, Scottish passports and heaven

knows what else and they would still not be satisfied. It would not be enough.

I thought that the First Minister's reaction to what is a sweeping transfer of new powers to this Parliament was—it is not a word that I would use about her readily—verging on the nebbie. I thought that the Deputy First Minister was, if I may say so, uncharacteristically acidic, as though something very sour had passed his lips. I think that what passed his lips was the recognition that this is a powerful, effective, implementable package of devolved measures for this Parliament.

The agreement is a constitutional development of huge significance, because by common assent, with the exception of the SNP, the proposed changes are more wide ranging and powerful than was expected. Scotland will now raise more than 60 per cent of what she spends and will be among the most powerful sub-legislatures in the world.

The SNP reaction to all this confirms the reality. I think that it knows that the Smith agreement shot its fox. [*Interruption.*]

The Presiding Officer: Order.

Annabel Goldie: To deal with the actual powers, not the dreams and aspirations of another party's constitutional future, I have two short questions for the Deputy First Minister.

First, the First Minister has expressed her enthusiasm for a 50p tax rate. Is that a floor or a ceiling?

Secondly, the Smith agreement identified a specific issue in relation to the Scottish Parliament: its ability to hold the Scottish Government to account. That becomes more pressing with the prospect of such a wide-ranging transfer of further powers to the Scottish Parliament. Is the Deputy First Minister in principle hostile to the proposal that some key committees should be chaired by Opposition MSPs?

John Swinney: Let me deal first of all with Annabel Goldie's point that somehow the SNP has been alone in its disappointment in the Smith commission's conclusions.

The general secretary to the Scottish Trades Union Congress, Grahame Smith, said:

"we are underwhelmed by the package as a whole which does not meet our aspirations."

John Downie of the Scottish Council for Voluntary Organisations said:

"we are disappointed to see that today's offerings fall far short of"

the wholesale devolution of welfare. One Parent Families Scotland said that it was "disappointed" about the outcome of the process. The Institute of Economic Affairs said that the Smith proposals are

“a dangerous half-way-house, failing to bring about the benefits that much fuller devolution would have brought to Scotland.”

Engender Scotland said:

“This is a complicated division of responsibility. We are concerned about how well the cumulative impact on women of this devolution has been assessed.”

Bill Scott of Inclusion Scotland said:

“We are disappointed that the Smith Commission failed to devolve all welfare and more fiscal powers to Scotland.”

I am interested in listening to what the people of Scotland say, and the people of Scotland are disappointed by the Smith commission’s conclusions.

On the specific issue of the 50p tax rate that Annabel Goldie raised, the First Minister set out the Government’s position on the 50p tax rate if we had those powers today. Obviously, we have no sense of when the tax powers will be available to the Scottish Government for us to take decisions on that question.

On the question about the chairing of parliamentary committees, that is perhaps territory that I venture into very carefully, as it is about parliamentary governance, but I have always believed—and I believe this about many aspects of local authority business—that it is absurd for a Government member to chair, for example, an audit committee. That is absolutely ludicrous, because an audit committee should hold the Government to account and should be chaired by an Opposition member. That does not always happen in local authorities, and it is ridiculous that that is not the case.

Therefore, yes, there are certain committees that should be chaired by Opposition members. I have never made a secret of that fact in my belief in parliamentary democracy.

Roderick Campbell (North East Fife) (SNP): The Deputy First Minister will be aware of press reports that the chancellor is about to devolve corporation tax to Northern Ireland. Does he agree that

“if a scheme to vary corporation tax were to be available in some of the devolved countries of the UK as a tool of the UK Government’s regional economic policy, it should be available as an option for a Scottish Government to use also”,

and that

“any discussions about this should involve all the devolved nations”?

I have quoted from paragraph 59 of the report by the cross-party Scotland Bill Committee in the previous session of Parliament, which was chaired by Wendy Alexander.

John Swinney: Yes, I agree with that proposition. I agreed with the recommendation that was brought forward by the committee that was chaired by Wendy Alexander in the previous session, because I thought that it was a fair reflection of the way in which that issue had to be handled within the United Kingdom. We await the outcome of the autumn statement tomorrow, but if that proposition emerges from the chancellor’s statement the Scottish Government will continue to take it forward.

Willie Rennie (Mid Scotland and Fife) (LD): I thank the Deputy First Minister for advance notice of his statement. However, it was all too predictable. For the first time, all five parties were in the one room to agree our constitutional future, but it took him only five minutes to rubbish the report that he had just signed. Just like today, he started off well—he went through all the new powers that are coming to the Scottish Parliament—but he ended with a ridiculous tone, claiming that the vow had not been met.

All five parties—not just the three unionist parties—delivered on time a much more substantial package than anyone had previously envisaged. Is this what it is going to be like? The Government could embrace the new radical powers, or will the Deputy First Minister forever rerun the referendum that he just lost?

John Swinney: I do not think that Willie Rennie was at the national museum of Scotland last Thursday morning when I spoke following Lord Smith. I said to the gathering there—this was the second paragraph of my comments—that

“We welcome the new powers that will come to Scotland”.

What bit of welcome does Mr Rennie not understand?

I am perfectly happy to welcome the report’s contents and the new powers that will come to Scotland. Mr Rennie should not be at all surprised that I believe that Scotland should exercise a full range of economic and social responsibilities. After all, I have believed that all my adult life, and I will continue to do so for the remainder of my adult life.

I was greatly cheered by paragraph 18 of the Smith commission report that was agreed by all five parties:

“It is agreed that nothing in this report prevents Scotland becoming an independent country in the future should the people of Scotland so choose.”

I am delighted that all five political parties accept that fundamental proposition; it is a very good one.

Drew Smith (Glasgow) (Lab): This morning, Lord Smith reminded the Devolution (Further Powers) Committee that the agreement was signed up to by all the parties and was bought into

“line by line.” I join others in welcoming the Smith agreement, which will deliver this place as one of the most powerful devolved legislatures anywhere in the world.

Lord Smith also highlighted that devolution cannot be about just powers coming to this place. Iain Gray indicated that we have a broad agreement on the islands agenda and the Crown Estate. Why did the Deputy First Minister omit to mention the crucial issue of the double devolution of where power is exercised in Scotland, including over the work programme that he referred to in his statement? What reassurance can he offer that the Scottish Government is committed to powers for Scotland’s people as well as just for itself?

John Swinney: First, any powers that are exercised in this Parliament, whether by this or any other Government, are exercised with the democratic consent of the people of Scotland. That is a rather fundamental point I would have thought that Mr Smith might have worked out after three years membership of this institution.

Secondly, the Scottish Government has made clear its desire—which we have turned into practice by, for example, the removal of £2 billion-worth of ring-fenced funds that we inherited from the previous Government—to give local authorities much greater scope for discretion and action in their areas of responsibility. We will also take forward further propositions in the Community Empowerment (Scotland) Bill, which is designed to enable communities to have greater control and influence over their lives in their localities.

As we consider the implementation and the roll-out of the Smith commission proposals, we look forward to discussing with local authorities and communities how we can best devolve responsibilities to the localities, so that policies can be exercised and taken forward appropriately to meet their needs and aspirations. That will also include into the bargain the details of the work programme, which is why it would be helpful if Mr Smith and his colleagues would support the Government’s call for the early devolution of the work programme and certainly not support any forced extension of the work programme by the United Kingdom Government.

Kevin Stewart (Aberdeen Central) (SNP): The Deputy First Minister will be aware of reports that the draft Smith commission document was more radical. According to the BBC on 28 November, the key recommendations on welfare appear to have been removed on the day that the UK Cabinet was briefed on the Smith commission.

Does the Deputy First Minister share my concern that such reports suggest that, behind closed doors around the Cabinet table, Tories who

have no mandate in Scotland took key welfare decision-making powers for Scotland off the table?

John Swinney: Lord Smith said to the Parliament’s Devolution (Further Powers) Committee this morning that he was conscious that some party representatives were taking guidance from their “superiors”. I am not sure that that is quite the way that I would describe it, but I suspect that that answers Mr Stewart’s question.

Sarah Boyack (Lothian) (Lab): Now that the Scottish Government will have licensing and planning powers in relation to fracking and unconventional gas extraction, will the Scottish Government commit to my call for no approvals to be granted unless and until we have a clear policy on the climate implications for Scotland of the new source of gas, regulatory and licensing loopholes have been closed, and our regulators and planners have the knowledge and skills that are vital if they are to address the risks of new extraction techniques?

Will the Deputy First Minister agree to supply targeted finance to local authorities on the front line, as happened in relation to renewables in 2012?

John Swinney: Sarah Boyack has raised a number of issues about the handling of questions in that area of responsibility. I assure her that all her questions are absolutely legitimate in the context of the policy approach that is to be taken. All the points that she raised have to be considered. That is why this Government has taken an evidence-based approach, which includes ensuring that there are satisfactory answers to the questions that Sarah Boyack asked.

We will consider Sarah Boyack’s point about resources for planning authorities. It is important that the issues are properly and fully scrutinised by the relevant authorities, whether we are talking about the regulatory authorities or local authorities, if they are to deliver the satisfactory answers to which I referred in the first part of my answer.

Patrick Harvie (Glasgow) (Green): I thank the Deputy First Minister for his statement.

To a large extent, the impact of the recommendations in the Smith report will depend not on the paragraphs in the pages of the report but on the way in which the recommendations are implemented—the legislation and the policy and operational changes that flow from it.

Does the Deputy First Minister agree that agreement between the two Governments on the detailed implementation of the recommendations must be sought, not least in the context of major issues such as how the borrowing regime is expected to work? Does he have a clear indication

from the UK Government that it is prepared to work with him ahead of the drafting of legislation by the end of January?

John Swinney: Mr Harvie's point is fundamental to the discussion. After the Calman recommendations and the command paper that the United Kingdom Government published, we had to press very hard to secure reforms to the proposals for implementation of the Calman recommendations, which in their original form were financially disadvantageous to the Scottish Parliament and the Scottish Government.

Mr Harvie is absolutely correct. It is crucial that the words of the Smith commission are translated into draft clauses and particular legislative provisions in a fashion that meets the needs and expectations of people in Scotland. I think that that is best delivered in an open and transparent fashion, with joint authorship of clauses. Issues that are relevant on both sides of the debate should be properly considered in that space, and the Parliament should be able to consider the output of the joint process.

That is what the Scottish Government has recommended and what the First Minister has raised with the Prime Minister. To date, I have seen no response to that proposal, but if we are serious, as Mr Harvie knows that the Smith commission report is, about strengthening the whole process of intergovernmental discussion between the Scottish Government and the UK Government, that would be a sensible and practical way forward.

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP): Does the Deputy First Minister share my disappointment that there was no recommendation in the Smith commission report that would allow Scotland to enforce our own minimum wage—something that a number of organisations across the country have called for, including Children 1st, the Child Poverty Action Group and the STUC?

Can the Deputy First Minister provide assurances that he will continue to press for powers over the minimum wage to be devolved to Scotland and that he will ensure that Westminster—especially the unelected House of Lords—does not attempt to roll back on what has been agreed by the Smith commission?

John Swinney: I share the member's disappointment that powers over the minimum wage have not been devolved to Scotland. Such powers would have assisted us in tackling some of the very serious in-work poverty issues that we wrestle with in Scotland by giving us some practical tools to enable us to work on those issues.

On the question of implementation, I assure Christina McKelvie that the Scottish Government will work assiduously—I set this out as clearly as I possibly could in my statement—to ensure the satisfactory implementation of the Smith commission recommendations. That will be at the heart of the Scottish Government's approach.

Jackie Baillie (Dumbarton) (Lab): As the Scottish Parliament information centre briefing on fiscal devolution shows, this can be a real powerhouse Parliament. The Smith agreement was, by any reasonable reckoning, a substantial transfer of power: disability living allowance, personal independence payments, attendance allowance, carers allowance and mobility allowance—the list goes on and on. This is a set of serious powers, but perhaps the most radical and, potentially, the most substantial power of all is the ability to create our own benefits. On that basis, will the Deputy First Minister set up a cross-party mechanism to consider how to implement those new powers to benefit some of the most vulnerable people in our communities?

John Swinney: The Scottish Government is always keen to work collaboratively across the political spectrum on issues of joint interest, and the issue that Jackie Baillie raised is, of course, one of them. In the spirit of trying to advance the implementation of the agreement, we have to ensure that the manner and the form of its implementation are appropriate to Scotland's needs and circumstances. That is why I answered Patrick Harvie as I did on a joint approach to the drafting of the clauses by the Scottish Government and the UK Government.

Our first priority is to ensure that we secure the translation of the Smith commission recommendations into practical and useful powers for the Parliament because, as I am sure Jackie Baillie will understand, my concern is that they could be interpreted and defined in a more restrictive way than perhaps was viewed to be the case by the Smith commission. We want to ensure that the recommendations are implemented to the full.

On the issue of wider dialogue and co-operation around what we may do on welfare issues, I am sure that welfare is the type of area where we can have joint work in the Parliament.

Jim Eadie (Edinburgh Southern) (SNP): What will be the Scottish Government's response to the failure to include in the heads of agreement the view of the National Union of Students Scotland, Universities Scotland, the Scottish Chambers of Commerce, the Institute of Directors Scotland, the SCDI and Unison Scotland that there should be partial devolution of immigration to enable the reintroduction of the two-year post-study work visa for international students who graduate from

Scottish universities? Such a step would have done much to maximise our human capital and promote economic growth in the key industrial sectors of the future, such as life sciences and renewable energy.

John Swinney: Mr Eadie's point is a very serious one that has been well made by the range of organisations to which he refers, including Universities Scotland and the NUS. A very common theme in my discussions with universities is the limitations of the current regime as regards the ability to recruit students and, as a consequence, the ability to recruit personnel.

A number of issues were left requiring further development as a consequence of the Smith commission. I raised a number of those issues in my statement. I assure the member that paragraph 96 of the agreement makes particular reference to those points. It states:

"The parties have raised a number of additional policy matters"

that could be taken forward by joint work between "the Scottish and UK Governments".

I assure Mr Eadie that that is exactly what the Scottish Government will do on this important question. We will aim to make as much progress as we possibly can to effect the implementation of some form of mechanism to ensure that we can attract the talent that Scotland requires.

Joan McAlpine (South Scotland) (SNP): The commission proposes devolving income tax and an allocation of some VAT, but it vows to keep the Barnett formula in place. Can the Government tell us how the Barnett allocation will be calculated? In particular, if future Scottish Governments are successful in stimulating the economy and gain additional revenue from those taxes, will those Scottish Governments, and by extension the Scottish people, be able to keep the additional revenue, thereby ensuring a link between Government policy and financial reward? Can the Deputy First Minister confirm whether an agreement has been reached with the UK Government on what impact the Scotland Act 2012 taxes will have on the Scottish block grant?

John Swinney: The final point that Joan McAlpine raises was part of the substance of my conversation with the Finance Committee on Arran yesterday. It remains an outstanding issue that we have not secured agreement with the United Kingdom Government on the block grant adjustment for the land and buildings transaction tax and the landfill tax. I was keen to secure agreement on that before I set out the budget to Parliament on 9 October, but I was unfortunately unable to get that. Only on Friday, I received a communication from the Chief Secretary to the Treasury setting out further proposals in that

respect, to which I am currently giving consideration. Those issues, which were raised in 2012, remain outstanding and need to be resolved.

On the wider questions that are raised by the Smith commission, the Barnett formula will continue to apply, but there will be a block grant adjustment that will take into account the transfer of greater responsibility of income tax powers. As Lord Smith confirmed to the Parliament's Devolution (Further Powers) Committee this morning, if the Scottish Government is successful in delivering higher tax receipts—from, for example, income tax beyond the block grant adjustment—those receipts can be retained by the Scottish Parliament and Scottish Government for use in our wider responsibilities. As we have always argued, if the Scottish Parliament is to be successful in implementing its policy agenda, it is essential that it can access the rewards of that because—on the other side of the coin—we will be carrying the risks of exercising those responsibilities.

Jenny Marra (North East Scotland) (Lab): Figures from the International Labour Organization show that unemployment in Dundee is at nearly 14 per cent, which is double the general rate. Dundee has come bottom of tables on the success of the UK work programme. I am sure that the Deputy First Minister agrees that we need more than powers to get the long-term unemployed in Scotland into work. He says that he wants the work programme to be devolved quickly, so what ideas does he have to make the work programme work better in Scotland?

John Swinney: The Scottish Government is taking many actions to support investment in Dundee. Every time I travel through the city—as I do frequently—I see the fruits of the Scottish Government's extensive investment programme, in particular around the waterfront area, which is a remarkable piece of strategic investment.

Duncan McNeil (Greenock and Inverclyde) (Lab): That is at the expense of the Inverclyde waterfront.

John Swinney: I hear the usual unanimity from the Labour benches about where the money is being spent. More than likely, the Labour Party wants to spend the money twice, which is a familiar refrain.

On Jenny Marra's question on the UK work programme, basically, that programme has been a failure and has not delivered results in any respect. If I was presiding over that programme, I would be horrified by its poor performance. It is an expensive programme and the resources that are deployed through it should be used to support the type of employability schemes that are now

commonplace in Scotland, and which involve partnerships between third sector organisations and local authorities and are tailored to people's needs. The needs of people who have been long-term unemployed in the city of Dundee will be different from, but no less valid than, the needs of people who have been out of the labour market for a shorter period of time or those of people in other parts of the country. We need to tailor our response to address the particular needs and circumstances in different localities around the country and we can do that best in concert with the third sector and local authority employability schemes that we have in Scotland. The work programme operates in a fashion that is not consistent with that regime, so that is how I would take it forward.

I caution Jenny Marra to consider the fact that we will still face interaction with the United Kingdom benefits system's sanctions regime, which is a severe limitation on addressing some of the issues that need to be addressed in trying to support people out of economic inactivity and into employment.

The Presiding Officer: We will hear Stuart McMillan, followed by Alex Rowley.

Stuart McMillan (West Scotland) (SNP): Does the Deputy First Minister agree that the Westminster Government's retaining control of about 70 per cent of tax-raising powers and about 85 per cent of welfare powers falls far short of the promises of home rule and maximum devolution when compared with levels of autonomy that are afforded elsewhere, including in Switzerland, Canada, the Basque Country and Navarra?

John Swinney: Mr McMillan will appreciate that I would have liked the Smith commission to come up with a broader range of responsibilities to enable the Scottish Government to exercise through Parliament greater control of the lives of people in Scotland, and to create the opportunities—especially economic opportunities—that are vital to Scotland's prosperity. The Smith commission had in front of it a range of proposals from political parties and wider Scotland that would have enabled that to be the case, so I regret the fact that we did not manage to secure agreement on those points.

The Presiding Officer: I call Kenneth Gibson, to be followed by Alex Rowley.

Kenneth Gibson (Cunninghame North) (SNP): The Deputy First Minister will be aware that there have been different interpretations of what the Smith commission proposals would mean for tax and expenditure levels in Scotland. Therefore, will he provide clarity on the proportion of taxes that are raised in Scotland and expenditure over which the Scottish Parliament

would have power if the proposals were fully implemented?

John Swinney: Under the Smith commission proposals, devolved taxes as a percentage of total Scottish tax revenues would be 29 per cent, and devolved and assigned taxes, as a percentage of the devolved expenditure, as it would be post Smith, would be 48 per cent.

The Presiding Officer: I am afraid that I took you out of sequence, Mr Rowley, but you get the last word.

Alex Rowley (Cowdenbeath) (Lab): Thank you very much, Presiding Officer.

Now that the Scottish Government and Scottish Parliament will have more powers over spending than most federal or devolved regimes throughout the world, will the Government move beyond talking about inequality to a radical agenda for social and economic change that puts the eradication of poverty within a generation at the heart of all Government policy and action? Will it move beyond the politics of grievance and embrace the politics of change?

John Swinney: Many of the important powers that would enable us to tackle inequality and eradicate poverty will, after the Smith report is implemented, remain reserved to the United Kingdom Government. Welfare sanctions will remain the exclusive preserve of the United Kingdom Government. That should be one of the key powers and responsibilities in our ability to tackle inequality. I have just recounted to Parliament that 85 per cent of welfare spending will remain reserved to the United Kingdom Government.

Mr Rowley knows me well enough to know that I will use the powers available to the Scottish Parliament to deliver as much opportunity and tackle as much inequality as I possibly can, but we must be straight with the people of Scotland and say that the Smith commission proposals mean that significant areas of responsibility remain reserved to the United Kingdom Government. That is a matter of regret about the Smith commission's position.

The Presiding Officer: That ends the Deputy First Minister's statement on the Smith commission.

Tourism (2014 Legacy)

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-11756, in the name of Fergus Ewing, on tourism and the legacy from 2014.

14:54

The Minister for Business, Energy and Tourism (Fergus Ewing): I have a feeling in my bones that we are going to have a good debate this afternoon, because we are reaching the end of what has been an incredible year for Scotland. This country has been on the world stage as, perhaps, we have never been before in our history.

I knew that 2014 would be an exceptional year when Lonely Planet named Scotland as the third-best country in the world to visit. Members may be wondering what the first two were: they were Brazil and Antarctica. Those are not our most immediate competitors, but there is a theme there, and some logic to the selection and ranking of the destinations, because, if one thinks about it, Brazil is hot; Antarctica is cold; but Scotland is cool.

Members: Groan.

Fergus Ewing: Boom, boom, Presiding Officer.

Of course, during this year, a series of momentous major events has been run, led by this summer's Commonwealth games, in which our athletes achieved world record-breaking success. Some 690,000 visitors attended events during Glasgow 2014 and festival 2014, spending £282 million. I am delighted that Scott Taylor, from the Glasgow City Marketing Bureau, can join us today. He is involved in the engine room of much of that sort of work.

On the last day of play in the Ryder cup, we also heard Sky Sports' golf analyst, Butch Harmon, saying that the event was

"by far the best organised Ryder Cup ever."

Further, our year of homecoming 2014 offered a year-long programme to welcome visitors to Scotland, involving more than 1,000 events across Scotland, with more than 1 million people attending 55 funded events between January and September.

Of course, those successes do not happen by accident. The events, particularly the Commonwealth games and the Ryder cup, were successes because of the enormous efforts that were made by huge numbers of people in the public service, VisitScotland, EventScotland, the police and Transport Scotland, and by volunteers—12,000 in the Commonwealth games and 1,800 in the Ryder cup. I would like to thank

each of those individuals, some of whom made a quite extraordinary personal effort to ensure that Scotland was on the world stage and every visitor was welcomed. I am really proud that there are so many people in Scotland who were prepared to make this year so special.

Of course, business tourism plays a major part in the success of our tourism. The ability to use events to act as a shop window for Scotland enables us to show that we have a great deal to offer in that regard, too.

In 2012, we set up the conference bid fund, which provides match funding to attract major conferences to Scotland. It was set up because, hitherto, we were losing out to locations throughout the world that were able to make use of subventions—or, as they might say in Glasgow, bungs—and other financial inducements to attract conferences. In brief, by the end of October, after two years of operation, the conference bid fund had helped to secure 72 conferences, with 84,000 delegates and an estimated gross delegate spend of £143 million.

There are 40 decisions pending on conferences that are supported by the bid fund. Not all of those will come to fruition but, based on the success rate that we have had, VisitScotland estimates that, from an investment of £2 million of public money, we will deliver an estimated gross delegate spend of more than £200 million by 2024. That, together with the local authority 50 per cent contribution, means that the return on investment to the public purse is an eye-watering 50:1—£50 spend for £1 investment. That is quite a startling success story, is it not?

Jenny Marra (North East Scotland) (Lab): Could the minister furnish Parliament with any detail of how that investment was spread across the country, to ensure that the dividend that he has just talked about was evident in all our economies, across all cities and regions, and not just in the central belt?

Fergus Ewing: I am very happy to do that; indeed, after the debate I will place in the Scottish Parliament information centre the whole list of the conferences, subject to confidentiality. I do not think that there is any reason why we cannot do that. Ms Marra will be particularly interested in Dundee. I spoke to a business tourism conference earlier today and was able to give an example of a conference next year that Dundee has won, which will attract 600 experts in the addiction field. The effort was led by Dr Alex Baldacchino, with whom I worked when I was progressing the drugs strategy.

In securing those 600 delegates and an enormous amount of spend, Dundee and Angus beat off other venues, such as Cancun and, I

think, Seoul or Beijing. Dundee and Angus are absolutely succeeding and we want the fund to be further employed throughout the country, although Glasgow and Edinburgh are taking the lead.

Because of the success of the bid fund, I am delighted to announce today that we have secured funding for a new conference bid fund for 2015-16, which will ensure that the support continues to be available. I can therefore announce that a further £1 million of new money will be available to provide match funding to attract major conferences to Scotland.

The benefit from the existing spend is already being felt. We have around 20 conferences this year and 20 next year that we would not have secured were it not for the bid fund. In other words, that dividend takes us out to 2024. The whole business tourism world of meetings, incentives, conferences and exhibitions—the MICE market—is extremely important to Scotland. I pay tribute to Neil Brownlee and his team, who lead the business tourism unit in VisitScotland and do a good job. I know that many members have a close understanding of these issues.

Yesterday's trophies now lie on the mantelpiece at the risk of gathering dust, so we have to look forward to tomorrow. We must replicate the success of 2014 and look at other ways to ensure that Scotland is on the world stage.

Mr McGrigor has not said anything but I think that he wants to intervene.

Jamie McGrigor (Highlands and Islands) (Con): I agree with the minister that 2014 has been a wonderful year for Scottish tourism. However, in Argyll, many hotels and businesses have been badly affected by the persistent closures due to landslides on the A83, which is a gateway route for the west Highlands. Hopefully, there will be Barnett consequentials from the £15 billion for roads that the United Kingdom Government has announced. In the light of that, could some money be spent to find a good solution for the A83, which would be a big boost for tourism in that area?

The Deputy Presiding Officer (Elaine Smith): I can reimburse you some time.

Fergus Ewing: Thank you for that.

First, we recognise the problem with the Rest and Be Thankful. It is an extremely serious issue for those in the area. I am sure that, in the event that there are Barnett consequentials in transport, the transport minister will study that and competing applications very closely. As Mr McGrigor knows, I recently had a very pleasant evening and stay in a hotel in Oban. While others were lapping it up at the politician of the year awards, I was out there earning an honest crust,

and enjoyed the hospitality in Oban and a visit to other parts of Argyll.

The success of the themed years that we have had thus far has encouraged us to set a further programme, which was announced by the First Minister on 10 September. Next year will be our second year of food and drink to promote our quality produce. The statistics show that, in 2012, food and drink generated nearly £14 billion in Scotland. At 21 per cent, that represents the largest increase in turnover of all of the growth sectors.

Two thirds of visitors to Scotland say that the quality of food and drink is a key part of their decision to come back to Scotland. When I was a young man and you were still at school, Presiding Officer, we enjoyed inferior food and it was impossible to get a good meal. How different it is now, of course. When did we last have a bad meal in Scotland?

The quality of our food has improved immeasurably and although there is still further to go, we see rising standards through young people—boys and girls—taking an interest in cooking. Quality is improving.

John Mason (Glasgow Shettleston) (SNP): Will Fergus Ewing join me in expressing some disappointment that some hotel chains and pub chains are not very good at promoting Scottish beer?

Fergus Ewing: Absolutely. I endorse that without equivocation. I am glad that John Mason made the point.

We will continue with themed years: 2016 will be the year of innovation, architecture and design; 2017 will be the year of history, heritage and archaeology, with a particular focus on ancestral tourism; and 2018 will be the year of young people. We have set those years in advance because we need a long lead-in time, especially for the American market, and to take full advantage of the hooks that themed years provide.

More major events are on the way. In 2015 we will see the gymnastics world championships, orienteering world championships, swimming world championships, judo European championships and Fédération Equestre Internationale European eventing championships. In golf, the open returns to St Andrews, the 2015 Ricoh women's British open will be played at Turnberry and we have recently confirmed the continuation of the Scottish open until 2020. Scotland is the home of golf, and Scotland's golf courses, of which there are almost 600, offer a tremendous attraction to the world. Everywhere that I have gone in the world people talk fondly of the greens of St Andrews and elsewhere.

Tourism gains from events and in many other ways, such as from marine tourism and cruise lining. The Scottish Government is working with Cruise Scotland and VisitScotland to continue to grow the cruise sector.

Duncan McNeil (Greenock and Inverclyde) (Lab): The minister and I shared a very pleasant visit to the gateway to Scotland, Inverclyde and Greenock, where we now have many cruise liners. I hope that he agrees that there are many ways that we can promote that.

Certainly we can steal some cruise ships from Ireland—I hope that we can do that. We can link in with all the events that the minister mentioned, to ensure that cruise companies know long in advance that their passengers can participate in them, so that we make Scotland a greater attraction.

Fergus Ewing: Other than experiencing a slight ministerial tremor at endorsing theft officially on behalf of the Scottish Government, I would entirely endorse Duncan McNeil's comments. I remember that Stuart McMillan also joined us on that day.

What struck me about the success of Greenock was the tremendous cadre of good will of the volunteers that day—they were absolutely terrific. I was bowled over by their enthusiasm and commitment to give so much of their time. The number of cruise liners was 369 in 2010 and is up to 450 this year. The number of visitors has risen from 268,000 to 387,000.

I understand that the cruise liner Disney Magic will call at Kirkwall on 8 July 2015 with around 2,700 passengers and 950 cast and crew, to accommodate the interest in the Disney Pixar movie "Brave". Disney is coming to Scotland; perhaps Mickey Mouse himself will make an appearance—one never knows. The benefit of "Brave" is being felt in the parts that other characters do not reach, namely Orkney.

There is a serious point about passport checks, which was raised at the convention of the Highlands and Islands in October 2012. Despite the fact that I have made five requests to meet UK ministers to discuss the issue, I have not been successful. At the time of the Greenock visit, Guy Platten, the chief executive officer of the UK Chamber of Shipping, said to us:

"Cruise ships are high-value business, and everywhere else in Europe they are welcomed. The UK is alone in treating the passengers as suspicious and placing obstacles in their way ... Scottish ports have done a fantastic job of attracting cruise ships. But this is a fiercely competitive market and, for Scotland to compete on an equal footing with destinations overseas, the Home Office needs to stop actively deterring ships from coming."

Politics aside, I hope that progress can be made on that because I fear that it might be impeding the further success of the cruise sector.

We welcome the imminent arrival of responsibility for air passenger duty, which will give us the opportunity to end a burden that, since 2007, has resulted in £210 million less per annum being spent on tourism and 1.2 million fewer visitors. I hope that there will be a consensus that we should tackle the matter. No doubt we will hear more about it during the debate.

The sector employs 211,000 people, which is 9 per cent of all jobs, and we work closely with the Scottish Tourism Alliance, which is represented in Parliament today by Stephen Leckie, Marc Crothall and Judy Rae, who were working at the conference for business tourism this morning. We have never had closer or better relations with the tourism sector and we have never had stronger or more effective leadership.

I want to say a bit about caravan parks. Last Thursday, I attended the British Holiday and Home Parks Association annual conference, at which brand-new research was announced that said that, in the 12 months to October this year, visitors to Scottish holiday parks spent a total of £700 million in the Scottish economy, supporting almost 13,000 full-time jobs. I mention that because there is a risk that the caravan park and holiday homes sector does not really receive the credit that it deserves. I hope that I have put that right.

Even with reimbursement, I appear to be running out of time so I will not read the seven or eight other pages that I have in front of me. I will keep them for later, so I urge members to cope with the suspense manfully. This has been a year in which Scotland welcomed the world and, as Shona Robison has said, if 2014 was a year to remember, 2015 will be a year to succeed.

I move,

That the Parliament celebrates the success achieved for tourism in Scotland during 2014 and urges the Scottish Government to renew its efforts for the years ahead.

15:12

Jenny Marra (North East Scotland) (Lab): I start what I predict will be a consensual debate by agreeing with the minister about the success of 2014 and say that 2015 is very much a year for building on this year and using it as a springboard to success. In many ways, we have proven to ourselves the heights that we can reach and the type of events that Scotland can host extremely well. There is no reason why we cannot have a bold and ambitious agenda for the future.

I welcome the bid fund for conferences. That public investment is welcome. In his response to

my intervention, the minister said that he would publish the list of conferences in SPICe and that would be very welcome. It would also be of interest to me and colleagues across the chamber if the minister published where the previous fund was spent and where the investment went, so that we can check that the dividends are being felt in communities across the country.

I am especially pleased to open this debate in this particular week, because this week my home city of Dundee was given the stupendous and incredible news that it has been awarded its title as a UNESCO city of design. Dundee is one of only 12 cities around the world to hold that title and it is the first city in the United Kingdom to be awarded it. That new status rewards the people of Dundee who have worked tirelessly in a number of sectors to pioneer design through biomedical research, the discovery of the P35 cancer suppressor gene—a design in itself—a growing video games industry, creative technologies, and the cherished institutions that are *The Beano* and *The Dandy*, which in many ways have also sparked creativity.

Recognition of the creative excellence of Dundee is valuable because it reinforces its potential as a city of investment, and because it gives confidence to those who are endeavouring to advance in design within our city. It puts our city on the map for tourists within and outwith Scotland.

Reflecting further on how the tourism legacy of 2014 has impacted on Dundee, I look to the continued development of the Victoria and Albert museum, which I know the minister supports. It will make a great contribution to Scotland's artistic, digital and design attractions, and it will pull in international visitors, thereby cementing our city's reputation as a place to visit.

Those achievements, along with the growth of the tourism sector in general, highlight the importance of tourism to our country. Tourism not only allows us to connect with wider communities, but gives us the chance to reflect on what makes our cities, towns, villages and countryside so great.

We are never in a more privileged position to reflect on our home communities than when we are showing round visitors—international visitors and those from other parts of the United Kingdom—and telling them what is great about, and worth visiting in, our towns and cities. We can tell them where to shop, where to eat and where to go to enjoy themselves.

Sports tourism was dramatically increased throughout Scotland in 2014 as a result of the Commonwealth games and the Ryder cup: two magnificent successes. Glasgow 2014 has been

hailed as the stand-out games in the history of the movement by the Commonwealth Games Federation chief executive Mike Hooper. My colleague Patricia Ferguson will expand on the subject of the games later in the debate.

Areas throughout the country benefited from the Commonwealth games, with shooting events taking place at Barry Buddon military base in Carnoustie; diving taking place at the Royal Commonwealth pool in Edinburgh; and the triathlon being held at Strathclyde country park in Lanarkshire. The games also helped to enrich the wider tourism sector. A Glasgow 2014 survey suggested that one in 10 spectators intended to combine a visit to the games with a longer trip to other parts of Scotland. The minister rehearsed the impressive figures from the Ryder cup: there were 45,000 spectators from 75 countries attending, with more than a quarter of a million visitors over the course of the week.

Arts and cultural tourism were also successful throughout Scotland in 2014, with another outstanding Edinburgh international festival and Edinburgh fringe festival, and Glasgow hosting the 20th MTV Europe music awards, which were expected to boost the city's economy by up to £10 million. This weekend, Glasgow will host the BBC sports personality of the year award; I am sure that the minister will not mind me saying that that is an added boost from remaining part of the United Kingdom.

Of course, none of those great successes in tourism during 2014 could have been achieved without a sound infrastructure to serve tourists from within and outwith Scotland. However, I think that the minister will agree that we still have to improve that infrastructure. We had a debate in the chamber a few weeks ago on how we can ensure that our infrastructure allows equality of access to Scotland's tourist attractions, and there was widespread agreement that we still need to make great leaps in that area. That means not only providing the right facilities for disabled people, but capitalising on the energy of the Ryder cup by improving facilities for schoolchildren to enable them to learn about and play golf, and by expanding such opportunities to all our communities.

On traditional infrastructure, the upgrade and dualling of the A9 will have a massive impact on travel tourism for Perthshire and beyond into the Highlands. The imperative is perhaps road safety, but nevertheless we will open up the gateway to the Highlands and boost that economy.

From a climate change and integrated transport perspective, the minister needs to join up—if he is not already doing so—with the Minister for Transport and Islands to ensure that rail pricing is

fair and equitable and as cheap as possible under the new franchise.

I am not sure whether the minister will remember, but I ran a campaign on rail prices on the intercity route. We discovered that, at new year last year, the price of a peak return ticket from Dundee to Glasgow was £50.50. I am sure that the minister will agree that such pricing does nothing to boost the tourism sector. Thankfully, the First Minister at the time, Alex Salmond, stepped in and reduced the prices, but there are still anomalies across the country. We need to ensure that visitors are able to get around the country at a fair and reasonable price, not a price that is half that of a hotel room.

That brings me to the pricing of accommodation. Presiding Officer, how long do I have?

The Deputy Presiding Officer: You have around nine minutes in total.

Jenny Marra: It is especially important that we look at mid-range holiday accommodation for those who earn a middle income. At a meeting that I had with Highlands and Islands Enterprise, it was pointed out to me that, although the high-end, more expensive accommodation sector in the Highlands is very successful, there is a lack of mid-priced accommodation. We touched on the issue in the equality tourism debate. We must make sure that our tourism sector is available not just to international visitors, but to those people in our country who are looking for a holiday that will enhance their family life and their quality of life but which is affordable. There is a lack of mid-range accommodation in Scotland.

The Lonely Planet tour guide says that accommodation in Scotland is

“fairly pricey, and more so in Edinburgh, Glasgow and Aberdeen than the rest of the country; the only real bargains are the many excellent museums and galleries that you can visit for free.”

Not only does mid-range accommodation provide a greater pool to a wider spectrum of visitors; it is also more likely to contribute back into tourism in Scotland.

I welcome the debate. Labour is happy to support the Government's motion and we look forward to building on the success of 2014 with infrastructure, a spread of accommodation for different budgets and a focus on equality so that we grow our tourism sector in the future.

15:22

Murdo Fraser (Mid Scotland and Fife) (Con): I welcome this Scottish Government debate on the successes that have been achieved for tourism in Scotland in 2014. As this is the first debate that the minister has led since the Cabinet reshuffle, I

congratulate him on retaining his role in the Government, keeping his head while all about him were losing theirs. I like to think that it was the kind words of the Economy, Energy and Tourism Committee that done it.

I agree with nearly all that the minister said. This has been a great year for Scotland. Throughout the year, as we have heard, there have been a series of events to showcase Scotland to the world. We had the year of homecoming 2014, Bannockburn live and the Commonwealth games in Glasgow, which were an undoubted success with a large world audience.

Perhaps the most successful event of all was the Ryder cup at Gleneagles in September, where we were also able to conjure up some fine Scottish weather to highlight the Perthshire setting. I know from local traders whom I have spoken to that a large number of visitors from the United States and Europe extended their stay either side of the Ryder cup weekend to visit the local area and spend some money. Some also took advantage of the opportunity to play on the excellent golf courses in the vicinity and further afield. The legacy from those scenes of Scotland being broadcast around the world is one that we can build on in the future.

We also had the referendum in September. I heard anecdotally from many tourism operators that they saw a fall in the number of visitors to Scotland from the rest of the UK immediately prior to the referendum, perhaps because people were concerned about the political climate. However, immediately after the no vote visitor numbers quickly bounced back.

The national tourism agency, VisitScotland, often comes in for more than its fair share of criticism in the chamber and elsewhere, but I give credit where it is due. It has done an excellent job this year in highlighting Scotland to the world—and I am not saying that just because the chairman of VisitScotland, Dr Mike Cantlay, is sitting in the public gallery. Nevertheless, there remain challenges in the tourism sector, perhaps the greatest of which is the need for skills. There is still a perception that much work in the tourism sector, particularly in hospitality, is low paid, low skilled and seasonal. When we visit many other countries where tourism is an important part of the economy, we find a different story in which careers in tourism are highly prized.

That is perhaps the area on which the Scottish Government most needs to focus its future efforts. When we travel round Scotland, we find that the young people who are serving in the hotels, restaurants and other establishments that we visit are from eastern Europe or the Commonwealth. It is very hard to attract many of our young people into careers in the hospitality industry. To

encourage them in, we need to consider what we can do to improve standards and training opportunities. Industry, colleges and Government need to work closely together in that area, and I suggest to the minister that if he takes one message about the future from the debate, that is the area in which it is most important for action to be taken. I am sure that members of the industry would agree.

In recent years, it has not been possible to have a debate on tourism in the chamber, in committee or elsewhere without the issue of air passenger duty being raised. For years, we have heard the industry express the concern that APD is holding back the number of visitors to Scotland by air, although, of course, visitor numbers at our main airports have continued to grow.

The Scottish Government is on record as sharing the view that APD is a problem. The minister has quoted a study by York Aviation that was produced in October 2012, which claimed that £210 million less per annum would be spent in Scotland by visitors compared with what would have been the case if APD had remained at its 2007 level. Other members of the Government, including the former First Minister, have expressed a similar view.

The Scottish Conservatives agree. We have made it absolutely clear that we believe that the rate of APD is holding back the growth of tourism in Scotland. For that reason, we particularly welcome—as all members should—the fact that the Smith commission has recommended that APD be devolved, to which the Treasury has agreed. Now that we know that the devolution of APD will happen, we need to move on from discussing whether we should have the power to discussing what we will do with it when we get it. The Scottish Conservatives are clear in our view that APD needs to be reduced or eliminated as quickly as possible.

The Scottish Government's white paper said that, in the event of independence, APD would be reduced by 50 per cent in the next session of Parliament. The people of Scotland did not vote for independence, so that policy is no longer relevant, but even if the independence campaign had succeeded, the commitment on APD would have been fulfilled only at any point within the next six years. The current rate of APD could have continued to apply for another six years, despite all that we have heard about its deleterious effects.

Therefore, I call on the Scottish Government to set out its plans for APD. If APD is as pernicious as the minister has claimed that it is, I assume that the Government will want to set out its intentions at a very early stage. I listened carefully to what the minister said earlier, but it fell short of any firm

commitment. I appreciate that it has not been long since the publication of the Smith commission report, but we—and people in the industry—need to find out as soon as possible what the Government proposes to do and what the timetable will be. I know that Scottish National Party members who speak in the debate will join me in calling for an early announcement about APD reduction. They have claimed that APD is a huge problem for many years. It will now be in the Scottish Government's gift to act, and I hope that it will live up to its rhetoric of previous years.

I will end on a consensual note. I agree with the minister that 2014 has been a good year for Scotland. We have a springboard to build on for coming years, and we can be unanimous in supporting the Scottish Government's motion and the future of this vital industry.

The Deputy Presiding Officer: We come to the open debate.

15:29

Bruce Crawford (Stirling) (SNP): I am very pleased to take part in what I believe is a hugely important debate on tourism.

We have already heard a lot about why 2014 has been such a hugely successful and stunning year for Scotland and for our tourism industry in particular. The timing of the debate could not be more appropriate, given that we are in the middle of the budget process. I believe that the reality of the challenges that the industry faces might be about to bite, and it could bite hard. I will expand on what I mean later in my speech.

First, we should remind ourselves of the sheer scale and value of the Scottish tourism sector. There are 20,000 tourism businesses generating, per annum, 15 million overnight stays and £4.6 billion of value to the Scottish economy. The industry directly employs around 211,000 people, which is 8.1 per cent of Scotland's total workforce. The success of our tourism industry and its vital role in ensuring a successful Scottish economy cannot therefore be doubted. In terms of exposure on the world stage and domestically during 2014, our tourism product soared to new heights—of course, we might have to wait a bit to see the full-year impact on visitor numbers.

Members have already spoken well about highlights of 2014, including a stunningly successful Commonwealth games that presented Scotland on the world stage as an incredibly inclusive, friendly and hospitable place to visit. There were 690,000 games visitors, with 220,000 from outwith Scotland. There was also the marvellous sporting spectacle of the Ryder cup, with the media showing truly breathtaking backdrop shots of Gleneagles that showcased our

country's fantastic natural beauty. I have heard other attendance figures quoted, but my briefing tells me that there were 250,000 fans from 96 different countries. In addition, MTV's global award show in Glasgow attracted more than 700 million households as viewers on 9 November. Each of those events provided global marketing exposure that money simply cannot buy and demonstrated all that is best about our country.

In my constituency of Stirling, a signature event of the second year of homecoming was Bannockburn live. The event surpassed expectations and blew its critics out of the water, with 20,000 people—10 per cent from overseas—attending. There was a real buzz on the day and the event was an enormous success. It was part of a wide-ranging programme of events in Stirling that included national armed forces day, a whisky festival, a Stirling fringe, a paranormal festival and many other locally organised events. One of the real highlights was the amazing pipefest march through the ancient city, which thrilled locals and visitors from all around the globe.

I know that many of my MSP colleagues will also wish to highlight events in their areas; some have done so already. All those events helped Scotland have a champagne year for tourism that truly bubbled with excitement. The challenge now is keeping this crucial industry fizzing in future, because I believe that it potentially faces significant challenges.

The minister is right that we need to look to the future by taking steps now to ensure that the Scottish tourism industry builds on its undoubted success in 2014. It is vital that we are well placed to weather any future economic downturn and squeeze on visitor spending power, particularly given the prevailing economic conditions in the European Union. We therefore need to increase efforts to boost visitor numbers from both traditionally strong markets and new and developing markets.

I will set out four challenges as my contribution to the tourism debate. The first is for the tourism industry to redouble its efforts to become as efficient and customer friendly as possible; look afresh at any potential new capital investments that it is considering and bring them forward now, if the balance sheet allows; and look again at its marketing and where best it can improve and strengthen performance.

Secondly, I challenge the UK Government because—like Murdo Fraser—I want it to accelerate the devolution of APD at this vital time, so that we can put the Scottish tourism product at a competitive advantage and enable the potential for more direct air routes into Scotland.

Thirdly, I challenge the Scottish Government to look again at the budget allocation for VisitScotland and examine whether additional financial resources can be found to enable VisitScotland to increase its marketing capacity. I also challenge the Scottish Government to direct Scottish Enterprise and Highlands and Islands Enterprise to focus more of their activity on the tourism sector. We know that we get a fantastic return from the public money that VisitScotland spends, but now is the time to strike and secure the greatest marketing dividend possible, building on the champagne year that was 2014.

Fourthly, I challenge all my MSP colleagues to join me in a new cross-party group on tourism, which I emailed them about on Friday. The group will be able to act as a political focal point for the industry. It was a surprise to me that such a group does not exist already. In drawing partners together at a parliamentary level, the group will be able to facilitate discussion and recommend action on how best this vital industry can keep its fizz and rise to the challenges of the future.

15:35

Alex Rowley (Cowdenbeath) (Lab): I, too, welcome the debate and acknowledge the hard work and commitment that the minister, Fergus Ewing, puts into driving the tourism industry in Scotland. When I was a council leader, he wrote to me to ask for a meeting and came along with officials to try to impress on Fife Council the opportunities for business tourism. I was appreciative of his hard work.

A report by Deloitte in November 2013, "Tourism: jobs and growth", set out that tourism should play a fundamental role in job creation and economic growth in Scotland over the next decade. It stated that Scotland could grow tourism by 53.4 per cent by 2025, and set out that Scotland's tourism economy was worth about £11.6 billion in 2013, which is equivalent to 10.3 per cent of Scotland's gross domestic product, and that Scotland could have a tourism industry worth £23.1 billion by 2025. I highlight those figures because I agree with Bruce Crawford that more work needs to be done. Tourism has grown, but there is still real opportunity here, and to me that raises a number of questions about how we move forward.

I enjoy holidaying in Scotland, and I spend most of my holidays in the Highlands. I note the point that Jenny Marra made about costs. A lot of Scots would enjoy spending more time in Scotland and seeing what our beautiful country is like, but we need to look at provision and encourage people who can invest in different provision so that cost is not a barrier to people holidaying in Scotland. People often say to me, "You're mad—it'd be

cheaper for you to go abroad to the sun.” We need to address that.

I repeat a point that Murdo Fraser made about the opportunities that are available to Scotland from tourism. Particularly in relation to jobs, skills and training, we need to tackle a perception that exists. I remember speaking a couple of years ago to the manager of the Old Course Hotel in St Andrews about opportunities to get younger people to see where the industry is going. He told me about the real opportunities in the industry. Queen Margaret University, along with Scottish Enterprise, was running a course with hotels in the Edinburgh area, where young people were getting the opportunity of part-time work while they were still at school, which enabled them to see what the industry is like. It is an industry of hard work, but there are opportunities.

We need to maximise the opportunities so that people in communities across Scotland can get the real advantages that come from tourism. That is not to take away from workers from elsewhere. Murdo Fraser made the point that, as people tour round the Highlands and use different facilities, they see that there are a lot of people from Europe and elsewhere who get jobs in Scotland. They are hard workers and they make a valuable contribution, but we need to try to impress on people in our schools and so on that there are opportunities for them, given our unacceptably high levels of unemployment, including youth unemployment.

We also need to look at how we plan. That is not just about VisitScotland, although it plays an important role. It is also about looking at how we work with local authorities, community planning partnerships and the city region agenda. At certain points in the year, Edinburgh cannot accommodate the number of tourists who are on the streets here, but we also have Fife, the Lothians and other tourist destinations. By working together in the summer months, when Edinburgh is absolutely packed, we can encourage people to get across to Fife—to Dunfermline, which is the ancient capital—and to other areas. In that way, we can spread the wealth rather than its being focused on specific areas such as the massive attraction that is Edinburgh.

I was fairly critical of VisitScotland over a number of years, because it thought that Fife was St Andrews, or that St Andrews was Fife. My argument was always that St Andrews can market itself in many ways, but what about the rest of Fife? Fife has outdoor activities and among the highest number of outdoor visitor attractions in the whole of Scotland. If people have not tried the coastal path that goes right around Fife, they should certainly do so.

That raises further questions, such as how we can support the growth of small and medium-sized enterprises. If people come to enjoy areas such as Fife, how can we support local business so that more facilities can be established and more visitors can be encouraged to come—and, more important, to come back because of the experience that they have had? There are major opportunities that could be taken if the growth of the tourism sector was supported in areas that are perhaps not normally seen as ones that most tourists would go to.

Murdo Fraser mentioned air passenger duty. I agree that the Government needs to say what it will do with that power.

I ask the minister to look at other opportunities. The passenger ferry service that ran from the port of Rosyth, which is in my constituency, to Europe could not be sustained. I would very much welcome minister looking at all transport links into and out of Scotland to see whether there are opportunities for the port of Rosyth, for example. I have raised that matter in the European and External Relations Committee.

I see that my time is up. There are real opportunities, but let us look at how we can work in partnership with local authorities to ensure that our communities can take advantage of them, with everybody sharing the wealth that can come from tourism.

15:42

Joan McAlpine (South Scotland) (SNP): I welcome the debate on such an important aspect of the Scottish economy and am delighted to take part in it.

As members have noted, 2014 has indeed been the year in which Scotland welcomed the world. Our largest city hosted the most successful Commonwealth games ever and Gleneagles welcomed the Ryder cup. In addition, we have had a fantastic programme of year of homecoming events that have highlighted the country's great cultural offerings in places as far apart as Newton Stewart and Stromness.

The minister mentioned the plaudits that have been given to our country by the Lonely Planet guide. Rough Guides, which is, of course, Lonely Planet's rival, matched those plaudits by comparing Glasgow to the carnival capital of the world, Rio de Janeiro.

Of course 2014 continues to be a fantastic year for Scottish tourism. It is particularly important to pay tribute, as other members have, to the swathes of volunteers as well as the people of Glasgow who made the Commonwealth games such a tremendous success and really did

Scotland proud. An equally impressive Ryder cup leaves us with absolutely no doubt that Scotland raised the bar in delivering major sporting events. We now have the capacity to deliver and the credibility that comes with success. That means that we can continue to be ambitious and bid for such events in future.

We spoke about the Smith commission earlier, and it is appropriate to welcome some of the powers that are linked to tourism that the Smith commission has proposed.

The allocation of VAT has not been mentioned. I would have liked to have seen the full allocation of VAT; nevertheless, I welcome its partial allocation. In relation to tourism in particular, through VAT revenues, we would reap the benefit of the investment that we make to attract people to this country.

The Economy, Energy and Tourism Committee had a very pleasant session when the Parliament sat in August and we took evidence on the Edinburgh festivals. That included going out to see some of the performances on offer. In the evidence session, Festivals Edinburgh talked about increasing revenue for the festivals by putting additional taxes on hotel rooms, which is a matter that has been looked at in the past. I made the point that a far better solution would be for the festivals to benefit directly from the money raised through taxes that come in in response to them. It is worth while pointing out that, in terms of the revenue generated, the Edinburgh festival is like having a Commonwealth games every year.

I also welcome the Smith commission's recommendations to devolve responsibility for air passenger duty to the Scottish Parliament. That has been a long time coming—and still we wait; it cannot come quickly enough. By reducing APD, we will be able to incentivise more direct travel both to and from Scotland, where, at the moment, passengers face some of the highest taxation levels in Europe.

That said, I would encourage the development of transport links in Scotland, as well as those that bring an increased number of people to Scotland. Dumfries and Galloway in my South Scotland region depends greatly on tourism for its income. About 5,300 people are employed in the sector across Dumfries and Galloway, and tourism contributes an estimated £68 million gross value added to the local authority area. However, it is often said that the area remains a hidden gem, because of the difficulties with the transport links that connect Dumfries and Galloway to central Scotland. We can only look enviously to the east at the dualling of the A9 and at the Borders rail link and hope that our turn will eventually come.

When he gave evidence to the Economy, Energy and Tourism Committee in October, Malcolm Roughead, VisitScotland's chief executive officer, agreed with me that Dumfries and Galloway suffers due to its geographical location. In particular, the lack of electrified train lines and poor road links mean that the region does not attract the number of visitors that it deserves. Notwithstanding that, the figures show that, in 2013, Gretna Green's famous blacksmith shop hosted a staggering 761,000 visitors and Galloway forest park attracted more than 423,000 visitors.

The area is a leader in cultural tourism, which I have always tried to encourage. Each year in May, across Dumfries and Galloway, the spring fling, Scotland's premier arts and craft tourism festival, invites people into artists' studios—including those of big-name artists and recent graduates. It is widely acknowledged as one of the leading events of its kind.

As well as cultural tourism, I was pleased to be told at a recent visit to Scottish Enterprise that the region is looking to develop agri-tourism, which has been very successful in other parts of Europe. Given our food and drink successes, that could be another great success in the south-west and other areas of Scotland.

I again welcome the debate. I hope that tourism in future years is as successful as it has been in the one that we are celebrating today.

15:49

John Mason (Glasgow Shettleston) (SNP): There is a huge amount of good news around tourism this year.

Those of us in the east end of Glasgow had the Commonwealth games—although I accept that they went slightly beyond that area. I volunteered at the Scottish exhibition and conference centre as a Clyde-sider, as did Patricia Ferguson, from whom I am sure we will hear.

According to the official reports the games went extremely well—that was my experience, too—and any complaints that I heard tended to come from Glaswegians who were unable to use their usual routes around the SECC and elsewhere. People from further afield seemed to be entirely positive about the games.

In the east end, the venues and athletes village are now available for wider use. I understand that the village will start to receive permanent residents in January. The venues continue to be used by communities and for spectator events—for example, Glasgow Rocks basketball games are taking place in the Emirates arena.

Less directly linked to the games are infrastructure improvements throughout the Clyde gateway area, which covers part of my constituency and the Rutherglen constituency. Projects such as the M74 completion, Dalmarnock station and the east end regeneration route benefit tourists as well as everyone else.

The decontamination of land is hugely important for the longer term, although it is expensive. Work is currently about halfway through. On Friday I attended Clyde Gateway urban regeneration company's annual meeting. It was good to hear that the Scottish Government, Glasgow City Council and South Lanarkshire Council are working together to fund work. I hope that that commitment will continue.

There is a need for more hotels and restaurants in the east end of Glasgow. I think that there is a market there, not least because Celtic Park and other sports facilities attract a sizeable number of visitors from a wide area. The west and south of Glasgow have quality hotels and restaurants, and I would like there to be such development in the east end, too.

An aspect of Glasgow tourism that we have not cracked is camping. It might not be everyone's cup of tea, but some holiday makers want to spend less money on accommodation so that more is available for meals, drinks and visits to attractions. The last time I was in Dublin, I stayed at an excellent campsite that was served by a regular bus service into the city centre. I think that there is a demand for that kind of facility in our cities, too. I mentioned camping, so I will also say what a good holiday I had this year on Coll and Tiree. I suspect that I was meant to be out campaigning rather than having a holiday, but I felt reassured when I met John Swinney and his family on the ferry between the islands. Both islands have very acceptable campsites, although it has to be said that Coll's campsite was extremely quiet.

That leads me to ask whether we could do more to encourage people in Scotland to take holidays in Scotland. I still meet people who have never been north of Perth and who have never been to an island. At the end of my secondary 1 year, a couple of our schoolteachers took a group of us on a trip round the Highlands. I remember one of them repeatedly saying beforehand, "This will be the best 10 days of your little lives." Well, even if it was not the best 10 days of my life, it was certainly extremely good. Surely we should try to ensure that every youngster gets a school trip in Scotland during their time at secondary school.

The Finance Committee had an excellent meeting on Arran yesterday, and it was not surprising that tourism came up strongly in our workshops with local business leaders, HIE, council representatives and other people. A few

points struck me from my 24 hours on the island, and they might be relevant for Scotland as a whole.

First, it struck me that local organisations there seem to be working well together. For example, the shower gel in our hotel was from local company Arran Aromatics. Secondly, organisations are targeting the top end of the market, in the knowledge that they cannot compete at the cheap and cheerful end. Thirdly, Arran has managed to expand its tourist season to up to 40 weeks. Operators offer cheaper accommodation at this time of year while still making money from food, drink and other sales. Fourthly, most visitors to Arran are from the south and west of Scotland, but it is envisaged that there are growth areas overseas, which are being targeted. Fifthly, people are looking at areas of weakness, such as the lack of marinas. Yachts are popular on the Clyde and the west coast of Scotland, but there are very few places in Arran where yachts can be brought alongside. Visitors from yachts spend considerably more money than most other visitors spend.

I was struck by VisitScotland's study for European tourism day, which suggests that people from different countries find different things attractive about Scotland. As *The Herald* put it yesterday:

"Germans enjoy hillwalking, while the French like our food. The Spanish are keen to explore Scotland's cultural landmarks, the Italians like the cool climate and most Dutch visitors simply enjoy the atmosphere."

We do not want to be too stereotypical; if we are going down that route a certain amount of humour is probably needed. However, the study suggests that our cooler, damper climate is actually attractive to Italians and others who find their own summers a bit too hot.

Finally, the food and drink sector deserves a particular mention. As I think Bruce Crawford said, it represents some 18 per cent of our overseas exports. It is also an attraction for tourists coming to Scotland, because they get to visit production sites and to sample goods near their place of origin. The drink sector has tended to be rather dominated by whisky. I accept that it is extremely important, but I personally do not like whisky. However, we have a very good range of beers, so perhaps we should get a little bit more excited about them. On Sunday evening in Arran, I was drinking Arran Blonde, and in the east end of Glasgow we have the excellent West microbrewery. However, here in the Parliament, we insist on providing wines that come from elsewhere—as do some hotels—at our receptions. We could try a bit harder to promote our own products. That is what both tourists and other visitors would like.

15:55

Hanzala Malik (Glasgow) (Lab): Glaswegians have earned a reputation for being the friendliest people in the world, and the Labour city council, led by Councillor Gordon Matheson, has succeeded in putting Glasgow on the world map as the first tourism destination in Scotland.

Glasgow's hotel sector continues its unprecedented growth, driven by major events and conferences that attract business to the city. Average hotel occupancy in Glasgow for the financial year to date, from April to October, stands at more than 88 per cent, which is a 4 per cent increase from the previous financial year. Hotel occupation in Scotland is strongest in Glasgow. The city is also on a par with London, and it is strong in Europe—it outperforms Amsterdam, Barcelona, Copenhagen, Hamburg, Paris, Prague, Rome and Vienna, which is saying something, given those cities.

As a result of that constant growth, interest has grown in Glasgow because it is seen as a safe city. Hotel developers have shown continuing confidence in Glasgow and will add more than 800 new hotel rooms to Glasgow's stock in 2015. During the Commonwealth games, Glasgow's hotels achieved average occupancy of 95.3 per cent, which represents an increase of 11.2 per cent over the same period in 2013.

As regards major events in 2014 and thereafter, Glasgow has hosted numerous high-profile events in 2014, including the best-ever Commonwealth games, BBC Radio 1's big weekend—which is the largest free ticketed music festival in Europe—the MTV Europe music awards, and the opening concert for the Ryder cup. Later this month, the city will host the BBC sports personality of the year awards and the gymnastics world cup.

The global spotlight has been on Glasgow this year and never before have we attracted so much attention. A television audience of more than 2 billion people provided an unprecedented opportunity to showcase Glasgow to the world. The Commonwealth games has cemented a lasting legacy in the shape of a number of high-profile major events and conferences coming to Glasgow up to 2021, including the European judo championships, the Turner prize and the world Irish dancing championships. From 2016 to 2021, we will have the world pipe band championships and the European swimming championships. Those are just some examples of the events that Glasgow is attracting.

The success of the games has also reaffirmed Glasgow's position at number eight in the world's top 10 destinations. Glasgow is one of the best-equipped and most successful conference destinations in Europe, with an award-winning

convention bureau that has claimed the title of the UK's best convention bureau for a record-breaking eight consecutive years. It has also been shortlisted in the sports cities awards. Business tourism that has been secured by Glasgow City Marketing Bureau since its inception in 2005 has been worth more than £1 billion to the city's economy. GCMB is currently led by chief executive Scott Taylor, who has done a marvellous job so far.

More than 2,200 domestic and international conferences have been brought to the city in the past eight years, with more than 800,000 conference delegates spending 3.3 million nights in the city's hotels during that time. In the previous financial year, from April 2013 to March 2014, Glasgow hosted 435 conferences, which delivered £180 million to the local economy. That is a tremendous record that clearly demonstrates that Glasgow has shown the way for the rest of Scotland. I hope that it will continue to do so.

Many future conferences have been attracted to the city, such as the International Bible Students Association conference, which hopes to have 8,500 delegates, with an anticipated £13 million impact on the economy. There is also the all-energy exhibition and conference, with an expected 7,000 delegates and an anticipated £4.7 million economic impact, as well as the European Association for International Education conference, which will have 4,500 delegates and an impact of £7.3 million on the city. I could go on; the list is very favourable.

All I really want to say is this. Is there a lasting legacy? It is more than that. It is a legacy that we will continue to build on. Was it a successful year? It was more than that. We intend to continue to build on it.

Most of all, I thank the various community groups, organisations and agencies, local authorities and everybody else who played an important role in this success story. We also need to recognise the captains whom I mentioned and who played a successful role.

16:01

Chic Brodie (South Scotland) (SNP): As I tried to say to the Presiding Officer at the end of a speech in the chamber last week, it was Chekhov who said:

"If you cry 'Forward!', you must without fail make plain in what direction to go."

That, of course, applies to almost everything, but especially to that key sector of the Scottish economy—tourism. We need to consider in what direction we wish to travel and in what direction we wish to take our friends and visitors.

Before I come on to that, let us look back briefly. My love of and commitment to the game of golf would allow me to wax lyrical for days—I will not—about not just the amphitheatre that was Gleneagles, the artistry, the greenery of the surrounding hills and the course, but much more than that: there was the colour and life that Americans and Europeans alike brought to that golfing coliseum. That is a golfing legacy that I believe will live for a long time—that is, until the Ryder cup returns to the home of golf, which I hope will be in the short term rather than the longer term. Of course, in the meantime, the open championships will compensate for that.

The Optimal Economics and Taylor Nelson Sofres visitor impact study that was produced at the end of last month underlined the impact of the legacy that the Commonwealth games brought to Scotland. It is right to pay tribute, as I do, to VisitScotland, the Glasgow City Marketing Bureau, Glasgow City Council, the Scottish Tourism Alliance and all the others that were involved in managing and contributing to that massive success.

There is a great marketing adage that a brand that has a story to tell has meaning, and a brand that has meaning has impact and resonance. We all know about the impact and resonance that the games had, so we must have told a very good story. About 690,000 unique visitors attended events related to Glasgow 2014 and festival 2014. That is almost 0.7 million people, which is equivalent to 15 per cent of Scotland's population. Of the visitors, 93 per cent rated Scotland as a good place to visit. On average, each visitor spent £98 per day, which was a total spend of £282 million that in three weeks alone was equivalent to 10 per cent of tourism spend in Scotland one year previously.

The homecoming and the Bannockburn live event represented more than financial spend: there was emotional spend and investment. Those of us who attended Bannockburn were overwhelmed by the warmth and the easy and cosy relationship not just with the locals but with the kinsmen who came from across the globe.

However, we cannot rest on our laurels. Global tourism competition is fierce and the roles of the professionals in VisitScotland and the Scottish Tourism Alliance are key, as is the role of the vast range of related tourism organisations, such as ABBA—the Ayrshire Bed and Breakfast Association—in Ayr.

In accepting all those points, we accept the comment that Murdo Fraser made about APD, but it is not only about APD. Our global communications and global marketing must continually be better than those of our competition and our customer service and quality must be

better than those of our competition. I pay tribute to some of our younger European immigrant colleagues, who have contributed to that success.

Our food and drink are better than those of the competition and their quality is recognised for its richness, but we have to unlock even more of that richness through innovation and creativity. I draw attention to the work that is done at Queen Margaret University in particular. Our great hotels and bars must accept that we are in this endeavour for the longer-term gains, which provide greater aggregate returns than the short-term gains.

The study that VisitScotland reported yesterday was wide ranging and appropriate in that it defined and highlighted the many needs of visitors. John Mason referred to tourists from Germany, France and Holland who like the atmosphere and the sun. The Italians like the cool climate and no sun. So it goes on.

From food to climate, from drink to history, heritage and literature and even—yes—from sun to rain, Scotland has a lot to offer, especially the efforts of its people. As Denise Hill, who is the head of international marketing at VisitScotland, said of tourism success:

“Overall, it is the rich traditions, the landscapes and the warm welcome of the Scottish people which remain the key.”

We have a great brand. We have a great story to tell. We have to keep telling it. When it is aligned with strong global cultural and sporting events, we are in the right place. As Chekhov said, let us go forward and make it plain in what direction we want our tourism industry to go. It can only be onwards and upwards.

16:07

Anne McTaggart (Glasgow) (Lab): I thank Fergus Ewing for securing time in the chamber to discuss the issue, as there is not much disagreement that 2014 has been a great year for tourism in Scotland and particularly my city of Glasgow.

In my contribution to this interesting debate, I will highlight a few facts. I am well aware that members mentioned some of the events, but some of them are so important that I will mention them again. They have been of great benefit and value not only to Glasgow but to Scotland.

During the Commonwealth games, 690,000 people came to Scotland to attend the games. Those guests spent a total of £282 million, which went directly into not only Glasgow's economy but all of Scotland's economy. In addition, one visitor in 10 intended to combine visiting the games with an extended trip throughout Scotland afterwards,

with 40 per cent of them saying that Edinburgh was their top destination—although I still think that Glasgow is better.

From those facts alone, it could be said that Glasgow and Scotland had a good year for tourism but, fortunately, they are only part of the picture. With the Ryder cup, we saw a continued pattern of success for the Scottish tourism industry. More than 250,000 people came out to watch the competition. That crowd comprised people from more than 75 countries.

As part of the successful year of events, Glasgow kept up the momentum from the Commonwealth games by hosting the MTV Europe music awards. By hosting that event, Glasgow promoted Scotland and the city to more than 700 million viewers throughout the world. In the process, the city was expected to experience an economic boost of up to £10 million.

It is easy to see from that information that Scotland, and particularly my home—Glasgow—had a good year for tourism. That highlights the increasing role of tourism as a means of benefiting business and the economy in Scotland.

A report from Deloitte in 2013 noted that tourism should play a “fundamental role” in creating jobs and helping to grow the economy in Scotland in the near future. Under its predictions, tourism in Scotland stands to grow by about 53 per cent by 2025, and the value of our industry could go from £11.6 billion in 2013 to £23.1 billion in 2025. From that alone, we should know just how important it is to continue to support the growth of tourism. As a result, we should be working in all the ways that we can to make Scotland a place that people from around the world visit.

Working to help our tourism industry goes far beyond economic gains for the cities of Scotland; it also directly benefits the people of Scotland by creating jobs and putting money into the businesses that are essential to the average person.

When a place such as Glasgow hosts a major event, the money that comes into the city goes to a diverse range of businesses, from the construction company that builds the new facilities to the pub that attendees go to after a long day. Bearing in mind the benefits that come from tourism to our national economy and to the wallet of the average Scottish person, we must move into 2015 with the same determination that brought the massive success of 2014.

Scotland is set to host the 2015 world gymnastics championships. I am sure that my daughter has booked me in for something this weekend to start that off but, if anybody wants to, I am more than willing to swap the tickets. Athletes from 80 countries will be here and will compete for

10 days. The event is expected to bring £5 million of direct economic benefit to our economy. To replicate the success of 2014, we must hope to have the same level of commitment in the future as was demonstrated by the amazing staff and volunteers in the events, hospitality and transport sectors throughout 2014.

On the basis of the successes of 2014 and the great prospects, I am happy to support the Government’s motion, which recognises a phenomenal year for tourism in Scotland and particularly the city of Glasgow. I have no doubts that our future efforts will be as successful as those in the past, and I hope that we may work together in Parliament to make the most of the amazing opportunities. It would also be remiss of me not to mention that people make Glasgow.

16:13

Stuart McMillan (West Scotland) (SNP): I welcome the opportunity to express my thoughts about Scotland’s tourism offering this year. I add my congratulations to everyone who has been involved in making that offering a spectacular success.

Outside the chamber—I am surprised that we have not heard it much inside the chamber today—we have heard the phrase, “The eyes of the world are upon us,” which they clearly were this year. Millions of people around the globe were transfixed by events that were taking place in Scotland, from the Commonwealth games, the Ryder cup and the homecoming 2014 events to the independence referendum. Many people were attracted to visit Scotland and those who live here were encouraged to explore different parts of their country.

Murdo Fraser touched on the referendum campaign. Many people—not just from the media—came to Scotland to find out a bit more about what was going on. The initial surge of people coming was excellent, but there will be a longer-term economic return from that, which can only be a good thing. As for our country’s international image, people’s engagement in the referendum debate will spark off even more interest in the country and will leave a positive image of Scotland elsewhere in the world.

I will focus on marine tourism. Unfortunately, there was no sailing or canoeing in the Commonwealth games. As members know, I chair the Parliament’s cross-party group on recreational boating and marine tourism. I plug our meeting tonight at 6 o’clock, if anyone wants to come along. Since the cross-party group started in 2009, various organisations have published reports on the economic impact on Scotland of marine tourism—including cruise tourism and sailing

tourism—as well as wildlife tourism and sea angling.

Since the cross-party group's marine tourism symposium last year, we have been attempting to get a better understanding of and a more robust set of statistics on recreational boating and marine tourism. Thankfully, with the help of public agencies, we managed to get the finance for a piece of work on that issue. The contract for that has now been let, and the data collection project, which is being managed by the Firth of Clyde forum and the Scottish Government, will be able to utilise the statistics from this year, among others. I am sure that that will help to plan the marine tourism industry. I firmly believe that that industry will prove to be a great success.

I want marine tourism to be added to Scotland's already impressive list of global brands, such as bagpipes, whisky, golf and tartan. When people around the world think of marine tourism, I want them to think of Scotland, and particularly the west coast of Scotland and its iconic scenes and vistas. Marine tourism in Scotland can become a global brand. The Commonwealth flotilla on 26 July, which sailed from Greenock to Glasgow, provided a huge platform to build on. The legacy is that the pontoons will stay in Greenock. Dundee has been showing an interest in pontoons, too. The event contributed to the development of an event strategy in the context of the emerging marine tourism strategy.

It was estimated that, of the 1,900 people on the 284 boats, more than 23 per cent came from elsewhere in the UK. The economic impact on the Scottish economy—particularly on the west coast—over a couple of days was estimated to be more than £260,000. That is a huge amount of money. It was estimated that as many as 120,000 spectators lined the banks of the Clyde, with an economic impact of some £962,000. Those are tremendous figures for an event that lasted only one weekend.

The flotilla was first discussed in our cross-party group a number of years ago and we were happy to support it. The many people who were involved in making it happen—from the Royal Yachting Association of Scotland to the local authorities that put the money in—deserve tremendous credit and I put on record my thanks to them.

I have run out of time to discuss passport checks in the cruise industry, which the minister touched on. That has been an issue for more than a year and I wish that the UK Government would get involved in the discussions about it. There is a disproportionate effect on Scotland because, proportionally, more people come to Scotland through the cruise industry than to places elsewhere in the UK.

I am happy to support the motion. Scotland's tourism offering is in a good place and can only go on to greater things. I look forward to 2015.

16:20

Jean Urquhart (Highlands and Islands) (Ind): We can indeed celebrate what has been—to use BBC Scotland's soundbite—

“a year like no other”.

It has been exceptional and, perhaps understandably, it has been the busiest year for Scottish tourism businesses, certainly in my lifetime. I have been involved in the tourism industry for many years, so I am pleased to have the opportunity to acknowledge that.

Fergus Ewing talked about the international conference market. Although that is welcome, I will make a pitch for much smaller events that are also important and are as important to the communities that host them. There are many small conferences. The Islands Book Trust, in the Western Isles, holds an annual conference of international stature, often with international speakers in venues that perhaps hold no more than 150 or 200 people.

A few years ago I declared Berneray to be the conference capital of the world because of the quality of the whole experience. I have never been better looked after. I doubt that any conference in any country, no matter how many delegates it had, could have competed with the quality of the food, the hall, the accommodation and, most of all, the hospitality. We were taken into the community whole-heartedly and celebrated for being visitors. We received the extraordinary welcome that we know that we can give—when we do it well, we do it so well.

I was pleased to hear about the bid fund for conferences. Perhaps there will be an attempt to recognise that organisations that hold conferences in small places such as Berneray play as important a part as other organisations do.

The Highlands and Islands region, which I represent, is on the cultural map with its music festivals. Hebcelt is repeatedly hailed across the UK as the best festival of its kind. Rock Ness did not happen last year, but we hope that it will come back. The Royal National Mod has been going for years. Loopallu is in its 10th year. Orkney and Shetland have folk festivals, jazz festivals, fiddle festivals and film festivals.

Book festivals are definitely a growing market for people who want to take part in what are often much smaller events. The experience for both reader and author can sometimes be extraordinarily special. We do such events incredibly well. Small is beautiful and Scotland

makes events of a scale and quality that challenge any other, anywhere in the world, and befit the world-class title that they deserve.

That is not always recognised by EventScotland or VisitScotland when they consider their funding of such events. They once asked me what was international about the self-called international arts festival in Nairn. I said, “Well, it’s in the title and certainly some of the speakers and performers are international.” For me, when something is called international that does not necessarily mean that it will involve hundreds of thousands, or even thousands, of people. Sometimes it just means that it is a really good international event, and it should be recognised in Scotland as being so.

I was amazed that this year, for the first time ever, the sheepdog trials were held in Tain in Easter Ross—I thought that surely they would have taken place there before. By all accounts they were a massive success. The trials took place on some of the finest days that we had. They looked stunning and the dogs, which came from all around the world, looked great.

International surfing championships have been held in Caithness and on Tiree. The list goes on.

Sometimes tourism is about not just organised events but those that happen because that is the way we live. What makes Scotland an attractive country for people to visit is how we live. It might be hard for us to think that the agricultural show in Barra is a tourist attraction and we might not even want to give it that label but, for visitors to the country, that is exactly what it is. It is part of their experience of being in Scotland to see how people live, work and play in a part of the world that they might be visiting for the first time.

As for talking about people visiting for the first time, we have one of the highest figures for people who visit for a first time coming back to visit for a second time, a third time and a fourth time. We know how that goes. We must recognise that we get many of these things right just because of who we are.

Alex Rowley made the point that tourism is not set apart from the rest of Scotland. Infrastructure such as the A9, railways and public lavatories, whether they are open or shut, should be of as much interest to us when we think about tourism and people visiting Scotland. Praise is needed for the local authorities that are just managing to keep our towns, villages and countryside looking good and providing bins where they are needed. They make a structure that shows a pride in our country that encourages people to come and share it with us.

Murdo Fraser mentioned the workforce and I will finish by making a plea that we have to look at the wage structure. One of the disappointments of the

Smith commission is that we will not have control of the minimum wage in an industry that is necessary in this country. We need to start recognising the worth of the people who work in it.

16:27

Graeme Dey (Angus South) (SNP): This tends to be a time of year for reflection and, in the context of this debate, that is entirely appropriate. As everyone has acknowledged, 2014 has been exceptional for Scotland. How could it have been otherwise, containing as it did a Commonwealth games, a Ryder cup and another homecoming event?

However, I want to focus on the future and how we seize the opportunity before us. By “we” I do not simply mean the Government and its agencies. The motion that we are debating

“urges the Scottish Government to renew its efforts for the years ahead.”

That is as it should be: the Government bears the responsibility for providing leadership in this as in other areas. However, realising the full tourism potential of our country will require more than national funding and initiatives. It will require local buy-in and participation and it will require everyone to step up to the mark.

I am sure it will not surprise anyone that, in exploring that, I want to focus on the particular part of the country that I represent in Parliament. I do so with legitimate reason, given that the county of Angus was very much involved in two of the major tourism magnets of 2014: we hosted the shooting event of the Commonwealth games and three of the homecoming Scotland partner events.

It should be acknowledged, however, that unfortunately visitor numbers at the shooting at Barry Buddon did not match actual ticket sales. Anecdotal evidence gathered by Angus Council suggests that little immediate benefit was apparent to the accommodation provision sector in the area. However, the hope is that the considerable effort that was put into ensuring that visitors or potential visitors to southern Angus were aware of all that the wider county has to offer leading up to the games will pay dividends in future.

There are obvious areas for Angus to exploit: the golf open venue in Carnoustie, not to mention open qualifying courses such as Monifieth, Panmure, Barry and Montrose.

The year of food and drink in 2015 offers a great opportunity for the county. In previous food and drink debates in Parliament, I have highlighted the enormous contribution that Angus has made to that sector of our economy. It is worth recapping that contribution even if only to note its evolutionary nature.

Angus is about more than the world-famous smokie: we take to market a range of other renowned fish-based products. We have a multimillion-pound soft fruits sector; a vibrant farming sector; a highly respected preserves production sector; and a growing drinks sector, with two brand-new vodka distilleries that recently started up as farm diversification projects using locally produced potatoes. We are also home to a particular sector of tourism: agri-tourism, which I think the minister would agree has considerable potential.

There is one route being mapped out for Angus and future tourism promotion that unquestionably offers huge possibilities, and which I hope points the way forward for the kind of all-quarters buy-in that I touched on earlier. It relates to 2020, which is the 700th anniversary of the signing of the declaration of Arbroath.

At this point, I declare an interest: I am a member of the Arbroath abbey 2020 group, serving alongside representatives of Angus Council, VisitScotland, Historic Scotland and the local Arbroath abbey action group. The 2020 group is progressing plans for a year-by-year build-up to the anniversary and then a spectacular 2020, in keeping with the huge importance of the document.

We are working in partnership and engaging with the community. We are trying to achieve the goal of getting all the interested parties, including the local populace—who are being asked what kind of events they want to see leading up to 2020 and during the year itself—actively engaged in delivering something that will benefit the Angus economy and the wider Scottish economy.

It is a spectacular opportunity to tap into the north American tourism market, which we have not done to anything like the extent that we ought to with regard to the declaration of Arbroath, given its connection with the American declaration of independence. If we get this right, there is a real chance to encourage visitors from across the pond to Scotland, and specifically to Angus, leading up to and during 2020.

It was encouraging to see the recently published VisitBritain figures for north American visitors—

Stuart McMillan: Will the member take an intervention?

Graeme Dey: Do I have time, Presiding Officer?

The Deputy Presiding Officer (John Scott): Yes.

Graeme Dey: Okay.

Stuart McMillan: Would Graeme Dey encourage the Scottish Government to consider 2020 as another year of homecoming?

Graeme Dey: I was hoping that we could make 2020 the year of the declaration, but perhaps that is pushing it too much.

It was encouraging to see the recently published VisitBritain figures for north American visitors to these islands, which showed an increase in the first nine months of 2014 in comparison with the corresponding period in the previous year. Although the trend is encouraging, we in Scotland need to think about how we get better at enticing those US citizens who fly in to London to venture further north in greater numbers. The devolution of APD might offer an opportunity in that regard if cutting the tax leads to more or cheaper direct transatlantic flights, but we need to think beyond that and push Scotland as a destination for the American market, with—of course I would say this—Angus increasingly to the fore as we move towards 2020.

In conclusion, I return to a point that I touched on earlier about genuine local buy-in and stepping up to the mark. It is a constant source of frustration to me as a local MSP just how disjointed we are when it comes to pulling together our tourism offer in Angus and making our attractions as easy to access as they might be.

Glamis castle is one of the jewels in our crown, and it has a successful joint ticketing arrangement with Blair castle and Scone palace in Perthshire. However, there is no longer any tie-up with the National Trust-owned Angus folk museum, which is located a matter of yards from the gates of the castle. That is not to single Glamis castle out; it is simply an illustration of a wider issue.

In my constituency, we fail generally to promote complementary attractions that are under different ownership as well as we might do. If, for example, a rail traveller is coming to Arbroath to see the abbey, there is no readily accessible public transport to take them on to Glamis castle or Barrie's birthplace in Kirriemuir. That is not the fault of the national tourism body; it is the failure of local delivery on the ground.

I wonder whether the minister feels that we might find a better way to share examples of best practice. With regard to transportation, the Breadalbane bus scheme might be one example. We should encourage local authorities and others to grasp the thistle and to help to ensure that Scotland's tourism offer, and access to it, are all that they might be in every corner of our country.

16:33

Cameron Buchanan (Lothian) (Con): This afternoon, we have had a highly informative discussion, and we have heard a great deal of praise for Scotland and for the hugely successful year that our tourism industry has experienced in

2014. We all welcome the success of the spectacular events that were held this year—as many members have mentioned—including the Commonwealth games, the Ryder cup and the ever-present Edinburgh festival.

I have lived abroad and have therefore seen Scottish tourism from both the inside and the outside, so I know quite a lot about the industry. I have also led missions abroad for and on behalf of the Scottish Council for Development and Industry, so I am well aware of the potential of Scottish tourism.

Mr Rowley mentioned the Rosyth ferry. I took it many times and found it great. The problem with it was that, because of the speed limit in the Forth, it always took longer to get to Zeebrugge than it would take to travel from Hull, so it was not economic. We must do something about that. I am all in favour of having another ferry service direct to Scotland from the continent. We used to have ferry services from Scandinavia to Newcastle and from Esbjerg, but those services have stopped. I feel that we should have a ferry service from Scotland to the continent.

Angus MacDonald (Falkirk East) (SNP): The member will know that I have secured a members' business debate on the issue in January. Does he agree that the fact that there is currently no direct ferry service between the UK and Scandinavia is a missed opportunity to attract our Nordic friends with high disposable incomes to come to Scotland by car?

Cameron Buchanan: I agree that it is a missed opportunity, and it certainly does not help our tourism industry because the Scandinavians are very important to us.

All the recent events that have been mentioned have added to our tourism industry, and the Government needs to secure the legacy from them—we cannot simply await it. With that in mind, we have an opportunity to discuss how the Government can boost the industry and secure a lasting legacy. In that respect, my colleague Murdo Fraser's points on APD are most welcome.

It is important that the momentum from our success in 2014 is carried forward to the long-lasting benefit of all of Scotland. Programmes to encourage participation in sport, particularly among young people, are most welcome and will stand Scotland in good stead to achieve sporting success in the future. The Government would do well to make that a primary legacy of the Commonwealth games and to avoid legislation that would make participation in any sport harder for young people—or, indeed, anybody.

Another crucial point in the debate is that the Government should facilitate boosts to both sides of the tourism industry—supply as well as

demand. I am not saying that the Government should fund all tourism businesses but where help can be offered, we should offer it, and where it already exists, we should maintain it. Renewed domestic and international interest in our golf could be used to reinvest in Scotland's golf clubs and clubhouses, reinforcing our status as a golfing destination of choice. To achieve that, the Government could help by not stepping in but stepping back. Business rates cuts for golf clubs could help them to boost their memberships, and they could use their saved income to invest in and improve their facilities as well as to reduce membership fees. It would be useful to discuss the merits of such a move.

Unfortunately, the legislative programme that the First Minister set out for her Government has set a worrying precedent. Rural businesses that involve shooting or fishing, which are popular tourist pastimes both overseas and here, will be hit with a rating system that is to be introduced at a cost of some £7 million a year by 2016. This tax on rural businesses that depend on Scotland's worldwide fame as a place of natural beauty for outdoor sports will raise their costs and thereby lead to price increases for tourists. That is not what our clubs need to attract tourists; we want a legacy that supports all businesses in the tourism industry, and the Government should aim for that. We must remember that rural tourism is not just about tweed jackets and trips in Land Rovers but spans all manner of activities and supports a huge amount of rural employment.

Jean Urquhart: Would the member fight for business rates to be abolished for other businesses as well? They, too, have costs that must be reflected in their prices. Why would he exempt sporting estates?

Cameron Buchanan: The small business bonus scheme helps with that but I am not advocating a great reduction in all business rates, because we must fund them from somewhere.

The Government's initiative of the year of food and drink 2015 presents a super chance to broaden the tourism legacy of 2014 from sporting success on and off the field to another pillar of the Scottish tourism industry. We need more restaurants serving Scottish food. People often say to me, "I want to go to a good Scottish restaurant." There are many around, but I do not think that they are particularly advertised. The food and drink sector accounts for a huge proportion of our tourism industry, and 179,000 people are employed in accommodation and food services according to figures from June 2014. We should do all that we can to help them to tap into the momentum of our success this year.

A particularly potent point in that respect was raised in the Smith commission report, which

stated that the parties have agreed that the Scottish and UK Governments should work together to

“seek, with respect to food labelling, to agree changes to the European country of origin rules so that a ‘made in Scotland’ brand is recognised under EU law”.

I agree with that whole-heartedly and trust that all parties can come together to pursue that as firmly as we can.

Recognition of our brand would do so much more to boost the reputation of our food and drink businesses at home and abroad and would contribute to the appeal of visiting Scotland as a place of outstanding food and top-quality drink. We have all spoken about and all agree on Scotland’s status in that regard.

I reiterate my support for Murdo Fraser’s call for the Scottish Government to set out its plans to reduce or—preferably—eventually eradicate air passenger duty. We Scottish Conservatives have called for APD to be devolved for some time, and we warmly welcome the agreement of the Smith commission on that. I make the point that, in this area as in other areas of policy in which powers are to be devolved, what Scotland needs is a Government that is devoted to using its powers in Scotland’s best interests rather than one that focuses on blame games and demanding powers that we did not vote for.

What we and our tourism industry would like to see now is a commitment from the Government to use control of APD to relieve the hefty tax burden on air travel and thereby boost tourism to the benefit of the whole country. Accordingly, I hope that the Government goes beyond talking the talk on boosting tourism and that it actually walks the walk. We are agreed that the events of 2014 have given a lot of momentum to tourism in Scotland, but for that to turn into a lasting legacy the Government must deliver policies that support it. Such initiatives could come in many forms, and it seems clear that using the power to reduce or eradicate APD would have tangible and lasting benefits.

I support the motion.

16:41

Patricia Ferguson (Glasgow Maryhill and Springburn) (Lab): Next Sunday, Glasgow will host the BBC sports personality of the year awards. It will be the first time that that prestigious event has been held in Scotland, and it will provide an opportunity to mark the end of a marvellous year for tourism and a year in which Scotland has shone on the sporting stage. Some 12,000 people will attend the event, which will give another modest boost to our tourism numbers. Those who are present, whether they be athletes,

commentators or volunteers, will have the chance to reminisce with the viewing public on the amazing year of sport that we have all enjoyed and the pre-eminent role that Scotland has played in its delivery.

Since the idea of hosting the Commonwealth games was first mooted, the opportunity to secure the widest possible legacy was part of the planning process. It is early days, but initial evaluation suggests that the planning and preparation have paid off. Indeed, some of the early figures are quite remarkable: 250,000 unique visitors stayed in Scotland for at least one night—on average, they stayed for 5.8 nights, which equates to 1.7 million visitor days; 3.4 million people passed through Glasgow Central station; and Glasgow received more than 1 million mentions on social media. That is publicity that we could not afford to buy. In addition, as we have heard, 93 per cent of visitors rated Scotland a good place to visit.

Those are the official statistics, but the story that is told locally bears them out. I regard taxi drivers as good barometers of opinion, and the two I happened to speak to during the games reported a significant increase in business. One of them had benefited from a welcome return fare to Barry Buddon and the other reported that he had transported a couple from England, who had come for the weekend to experience the games and had found out, to their surprise, that Glasgow also had a magnificent civic art collection. They were already planning a return winter break to the city, which they had never previously considered.

We know that 9 per cent of the visitors came from overseas. I had the real pleasure of meeting up with one of my cousins, who had travelled back to his home city from Tasmania, where he now lives, for the first time in 25 years. He was in Glasgow to watch his sports of triathlon and judo, and he was taken aback by the transformation that he saw in the city. We also know that, during August, accommodation occupancy levels in Glasgow were at their highest for a very long time, if not ever. Occupancy rates exceeded 95 per cent and, for five nights of the month, they reached the astounding rate of 99 per cent. We know, too, that the spend was estimated to be around £282 million.

None of that would have been possible without a great deal of hard work and effort. The long-term commitment of VisitScotland, EventScotland and the Glasgow City Marketing Bureau must have contributed hugely to that success, as is the case with so much else that happens in Scotland. Of course, it was not just in Glasgow that we had great success, because the Commonwealth games brought a huge tourism impact to Angus, Edinburgh, Lanarkshire and Tayside, and the

Ryder Cup added to that sporting effect. It was not just about sport—it has also been festival 2014, with the Edinburgh festivals, the MTV awards and now the approaching winter festivals that many people look forward to.

I was very keen to hear what the minister would say about themed years. I recall that he and I were both at the opening of the first themed year in 2007 on a cold and wet night in Inverness, when the year of Highland culture was unveiled. I think that the themed years are contributing to the tourism offer in our country, because they tap into the individual interests of people who might want to come here. However, it is important that we herald such years well in advance.

My colleague Duncan McNeil intervened on the minister to talk about a subject that has been dear to his heart for a very long time: the cruise ships that go into Greenock. I suspect that the minister has had the experience of visiting Greenock, as I have, to see what is happening there. The efforts of the volunteers who greet the cruise ships and make the people who are embarking from them welcome have to be encouraged. I was very interested in the fact that, as I understand it from the minister, a Disney ship will visit Orkney. Mickey Mouse might be visiting the Orkney islands, but that is perhaps one ministerial photocall to be avoided.

Bruce Crawford was right to say that we all want to talk about individual events and issues in our local areas, which is a good thing to do. However, it is also good to bring together the impressive jigsaw that is Scotland by pulling together all the separate elements and talking about them in a debate like this.

Alex Rowley and Murdo Fraser brought to our attention a couple of issues—skills and pay—that have dogged the tourism industry for some time and which we have never managed to crack. I would add to those issues the profile and status of the tourism and catering industries, because without them we cannot encourage people to gain the skills; without the pay, we probably cannot attract people into the industry. We perhaps need to concentrate a bit more on that.

John Mason quite rightly identified that people come to Scotland for different reasons. For example, I once had a very good conversation with a gentleman in Marseille who told me that he loved Scotland. I asked him what he loved about Scotland and whether it was our castles or scenery; he said no, it was the fact that Scotland was really grey, which he found very romantic. That is not quite how I see our grey winter days, but it just shows that other people are looking for other things.

Hanzala Malik was right to identify the very real contribution of conferences and sports tourism. That kind of contribution suggests that different parts of the country should identify their niche areas and work hard to develop them to attract visitors.

My colleague Anne McTaggart said that people make Glasgow, and she was absolutely right to highlight that slogan. She also said that she thinks that Glasgow is still better than Edinburgh. I might have wanted to resist saying that I think that “Glasgow’s Miles Better” than Edinburgh—perhaps I should not have gone there.

For me, the Commonwealth games typified the partnership working that makes big events in Scotland and our tourism industry so successful. Graeme Dey was right to remark on partnership working. The games would not have been possible without the hard work and commitment of many people and organisations: Commonwealth Games Scotland, the Government, local government in Glasgow, Glasgow 2014, transport staff, hotel and catering staff, council workers and, of course, the 15,000-plus volunteers, many of whom were visitors to our country, who were such a successful part of the games.

I believe that tourism in Scotland is thriving and has the capacity to go further, but it needs support from us all to do that. On Sunday night, the sports personality of the year awards will identify and recognise the outstanding performances in their field. This might be a partisan point, but I think that there should be special recognition at those awards for the city of Glasgow for all that it achieved during the Commonwealth games.

The Deputy Presiding Officer: Thank you for that completely unbiased view.

I call Fergus Ewing to close the debate. Minister—you have until 5 o’clock.

16:50

Fergus Ewing: This has been an excellent debate. It has been full of thoughtful, stimulating and interesting contributions—more so than any other debate on tourism that I can recall, and I can recall quite a few.

I want to respond to some of the points that members have made, but first I want to make a serious point that I have made before about accessible tourism. All of us here perhaps take it for granted that we can enjoy an annual holiday or a break, but I have quoted before the startling statistic that only 2 million of the 11 million people in the UK who have a disability have a holiday or break each year. That means that four out of five do not, and they often say that that is because it is

too difficult. That is unacceptable, and it is something that we all wish to tackle.

I am therefore pleased that VisitScotland has been leading the way on that with its access statement and its online training kit. I exhort all members to use their substantial influence on their patches, to have a look at the online training kit and at what an access statement is, and to encourage businesses including transport providers, visitor attractions and anything else that is public facing to have a look at the kit and take it up. I have made the same challenge at every tourism conference that I have spoken at recently. I believe that access can be improved without enormous expenditure of money, because much of it is not about physical infrastructure but about attitudes, respect, courtesy and extending a welcome to everybody.

I pay tribute to a number of people who have been leading the quest to give people with disabilities the same opportunities to enjoy holidays as the rest of us. They include Euan MacDonald, a young man with motor neurone disease, who has set up a website that features impartial user-generated accessibility reviews—a sort of Tripadvisor for people with disabilities in Scotland. I ask members to have a look at Euan's guide; I think they will be fascinated by it. Others involved include Philip Biggs, who is profoundly deaf; author and public speaker Sally Hyder, who has multiple sclerosis and is a wheelchair user, with her assistance dog Harmony; and Moira Henderson, who is owner of the Rings in Fife, where I laid a cairn stone in August. Those individuals and others are driving the work forward and are giving of their time for free, to work along with VisitScotland's Chris McCoy and the team.

Let us set an objective of Scotland seeking to become a country that is famed and renowned for offering people with disabilities the same opportunity to enjoy a holiday as others. It is within our grasp if we actually do it and walk the walk.

Social tourism is about helping people who would not otherwise be able to do so to take holidays and take part in leisure activities. Increasing take-up in those is also important. I am delighted to say that we are providing a grant of £59,000, including £12,000 from the Scottish carers policy budget, to support a pilot to be run by Shared Care Scotland across four council areas, which will seek to link with the hospitality sector and carer support organisations. It is so difficult for carers to get a break: we all know that from our work in our constituencies. Some people spend their whole lives looking after one person in one house, and they can often be a bit isolated. That pilot is a worthy task, as I am sure all members will agree.

I will try to deal with some points that were made during the debate. We have won a huge number of business conferences. Jenny Marra asked me for details, so here goes. In Glasgow next year, we will see the European Atherosclerosis Society, the European Association for International Education, conferences on human genetics, dental implantology and cytometry, the British Pain Society, the European conference on operational research, the Commonwealth law conference, the Institute of Electrical and Electronics Engineers—IEEE—panel of conference organisers and the European Stroke Organisation.

We will see many more conferences, and each of those is the result not simply of the subvention fund but of a terrific team effort between the local authority—as Alex Rowley rightly said in his speech—the Scottish Government, the VisitScotland business tourism unit and, often, royal societies of medicine on which we have a Scottish representative who can advocate to bring a conference to one of Scotland's towns or cities.

To take up Jean Urquhart's point, we are also seeking to spread the benefit around islands, remote and rural communities, and rural areas in general. Fort William and Arran are two places that spring to mind. Jean Urquhart was absolutely correct, and we are committed to doing that.

Jenny Marra rightly highlighted the opportunities for extender holidays. If 84,000 people come to conferences, we want them to come back and bring their families; we want them to have pre and post-conference extender holidays. I have said repeatedly that we have not yet got that right. It is partly for business to make commercial arrangements to promote opportunities when people are at conferences, and for people to come back.

Murdo Fraser and other members highlighted training. There are, of course, many good things being done in training. Skills Development Scotland is doing a lot of work on it. In his capacity as convener of the Economy, Energy and Tourism Committee, Murdo Fraser may wish to seek more information about that. There is too much information to share now, but we are on the case, and some of the points that Murdo Fraser made were perfectly valid.

Great work is being done. There are things such as "Junior MasterChef" and the mentoring of expert chefs such as Andrew Fairlie and the redoubtable Albert Roux—whose love for Scotland is of the kind that only a French person could achieve—and the work that he does in Inverness. They are inspiring young people all around the country, which is terrific. Mentoring is great. The Springboard Consultancy works in the University of Strathclyde, and there is the work that Queen

Margaret University is doing with businesses in the east of Scotland. All those initiatives are excellent, but there is a feeling that more needs to be done and that we have not quite cracked it yet.

As has been said, without people coming to Scotland from countries in mainland Europe—from east Europe, northern Europe, and Spain and Portugal—where would a hotel be open in Scotland? There would be barely any hotels and restaurants in Scotland were it not for the fact that we are happy to have people from those countries coming and committing themselves to Scotland and making a determination to work here. We very much welcome that.

Bruce Crawford made an interesting speech. I very much hope that his recommendation on a cross-party group on tourism will be taken up. That was an excellent suggestion.

Alex Rowley highlighted the need for local authorities to play an increasing role. The development framework that we have brought forward this year seeks to work more effectively with local authorities, and there are signs that it is working already.

Joan McAlpine referred to agri-tourism and the need to cut VAT. I recently had the pleasure of speaking at a Farm Stay UK conference in Stephen Leckie's Crieff Hydro establishment. In fact, the conference delegates were staying so long in Crieff Hydro that I wondered whether they were making a bid to obtain security of tenure. The experience was certainly very enjoyable. Bodies such as Go Rural are making a big impact in the farming world, as the Deputy Presiding Officer, John Scott, perhaps knows better than anybody else in the chamber.

John Mason highlighted his interest in beer—several times, actually—camping and pleasant beaches on Tiree. I can share with members that at a business tourism conference this morning, Louise White from "Good Morning Scotland" said that she enjoys beach holidays when she dons her wet suit on beaches in Tiree. So there we are: I have just boosted tourism in Tiree.

Stuart McMillan highlighted the work that he does on cruise tourism. That was recognised by the European Union. I do not know whether he is aware of this, but after listening to a meeting that he chaired, the EU invited a Scottish representative to put forward the case in Venice. Many other members made interesting contributions to the debate.

One key point is that there is perhaps a lot more that we can do to encourage people in Scotland to enjoy holidays in Scotland. I have always thought that. I think that Mr Rowley made that point—I am not quite sure. The point was very well made. The same applies to our friends south of the border.

They are a key market, and we have to continue to focus on that market. Everyone from England is, of course, extremely welcome to come to Scotland, enjoy a holiday here, and spend a great deal of their money here.

Reference was made to the "Rough Guides", which have praised, for example, Lewis and Harris as being foremost among the best of all islands in Europe, as I can testify from a holiday that I enjoyed there.

I did not attend the MTV Europe music awards, but I believe it to be a showcase for popular music in the post-Frank Sinatra era. *[Laughter.]* I conclude by saying of tourism in Scotland, in the words of the late, great, Al Jolson:

"You ain't heard nothin' yet".

The Deputy Presiding Officer: He did it his way.

Business Motion

17:00

The Deputy Presiding Officer (John Scott):
The next item of business is consideration of business motion S4M-11767, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revision to tomorrow's business programme.

Motion moved,

That the Parliament agrees to the following revisions to the programme of business for Wednesday 3 December 2014—

(a) after

followed by Portfolio Questions
Education and Lifelong Learning

insert

followed by Ministerial Statement: NHS Grampian,
Health Improvement Scotland Reports

(b) delete

5.00 pm Decision Time

and insert

5.30 pm Decision Time—*[Joe FitzPatrick.]*

Motion agreed to.

Decision Time

17:01

The Deputy Presiding Officer (John Scott):
One question is to be put as a result of today's business. The question is that motion S4M-11756, in the name of Fergus Ewing, on tourism and the legacy from 2014, be agreed to.

Motion agreed to,

That the Parliament celebrates the success achieved for tourism in Scotland during 2014 and urges the Scottish Government to renew its efforts for the years ahead.

Fuel Poverty (Pre-1919 Residential Properties)

The Deputy Presiding Officer (Elaine Smith):

The final item of business today is a members' business debate on motion S4M-11466, in the name of Nigel Don, on fuel poverty in pre-1919 residential properties. The debate will be concluded without any question being put.

Motion debated,

That the Parliament understands that most residential properties built before 1919, including those in Angus North and Mearns, show significant disrepair and that a quarter have extensive disrepair; understands that residents in these dwellings are more likely to be in fuel poverty than those in more modern buildings; recognises the social consequences of poor housing conditions, and notes calls for those responsible for these properties to make a priority of effecting suitable repairs.

17:03

Nigel Don (Angus North and Mearns) (SNP):

I bring the motion to the Parliament because although fuel poverty occurs across all regions, housing tenures and ages of property, it is significantly higher in pre-1919 buildings and in those constructed from traditional materials. Those pre-1919 buildings are not just the byres, the bothies or our ancient castles; they are the cottages, houses and tenements that are at the centre of our cities, towns and villages. Those buildings are the heart of our built heritage. They were built to last; indeed, the ones that we are concerned about have, of course, lasted at least thus far. Unfortunately, condition surveys tell a sorry tale.

At the meeting of the cross-party group on construction that was held at lunch time, we heard from Chiara Ronchini from the international scientific committee on energy and sustainability, who spoke knowledgeably and interestingly about the situation in Edinburgh. We also heard from Jamie Baker from East Lothian Council, who reviewed work on buildings in Haddington and Tranent.

Without wanting to be in any way particular by picking statistics from particular places—that would not help—I can mention general numbers, which may come as a surprise.

Around 90 per cent of pre-1919 properties need repairs. Many problems are in roofs and walls, and 70 per cent of faults are in critical elements.

Who cares? It sounds like a daft question. Historic Scotland plainly understands the problem but it is responsible for relatively few of our pre-1919 buildings—albeit that it is responsible for many of the high-profile, big and public ones.

Public bodies are probably generally aware of the issues and are likely to be trying to do something about them; they are also quite likely to be putting off repairs, partly for obvious reasons to do with budgets but often because they are trying to get out of old buildings before the repair issues become critical.

I think that most members will have talked to their local council about its buildings while knowing that the council is trying to move out of a building and centralise. A lot of capital expenditure in the national health service, particularly on new hospitals, seems to be driven by the desire to pull out of other buildings and therefore not to have to deal with the maintenance backlog. As long as the service gets into its new building, that works, of course.

Owner-occupiers and landlords probably do not understand the problem. That is where the difficulty for the Government lies. What do owners of buildings need to understand? I am grateful to Emily Tracey of the British Geological Survey, who also spoke at the cross-party group's lunch time meeting. She reminded us that stone deteriorates in water, so roofs and fascias need to be waterproof and gutters and downpipes need to be kept clear and leak proof, so that they work.

I think that we have not got our heads round that, in general. The evidence around us suggests that most of us do not give much thought to those aspects of our homes. That might be because the issue is out of sight and out of mind—some of what we heard about at lunch time would be out of sight even for professionals; it might be because we are tenants and it is not our problem; or it might be because the issue is just too difficult.

We are much more likely to redo the kitchen or bathroom, perhaps inspired by popular television programmes, than we are to address the issue. According to Government figures, the £600 million that is spent each year on pre-1919 buildings has not reduced levels of disrepair.

It is perhaps necessary to say that homes that are not wind and watertight will waste huge amounts of heat. That is pretty obvious to members, to people in the gallery and to interested people who are listening to the debate, but I suspect that it is not obvious to the wider population.

Given the truth of that, it follows that there is little point in spending money on insulation if the escaping heat will bypass the insulation. Loft insulation that is soggy because it has been leaked on will just make matters worse. We absolutely must reduce energy use before we find ways of using renewable heat or microgeneration.

Fuel poverty is defined by reference to people's incomes, which can hide what is going on. That is

disturbing. Chiara Ronchini showed us in her presentation what is happening in the middle of Edinburgh—right here. The statistics show significant fuel poverty around the Parliament building but give the impression that there is no fuel poverty in the new town. The buildings in the new town are not significantly better or worse than the buildings round here; the statistics reflect the higher incomes in the new town.

It is clear that fuel poverty is more likely in rural communities that are off the gas grid. In general, oil and liquefied petroleum gas-fired boilers are more than 50 per cent more expensive to run than condensing gas boilers. Electricity is significantly more expensive still.

We need to put that in the context of climate change and global warming. It is clear that we must eliminate wasted heat, especially if it is generated from fossil fuels. We also need to make our houses more thermally efficient—the welfare, health and social benefits of doing so are obvious to us.

So, what is to be done? I appreciate that the Scottish Government is consulting on the issue and the more I researched what I was going to say in the debate, the more obvious it became to me that the issue is seriously complicated. However, I will finish with a couple of very specific points.

First, we know something about the size of the task. Survey work in Glasgow tells us that that city alone would need to employ about 300 masons for the next 20 years, using about 400,000 tonnes of stone, to deal with its traditional buildings. That gives us a glimpse of the financial challenge and the skills and materials that we need. I do not, of course, lay that challenge at the Government's door; nonetheless, that is what we are looking at.

Secondly, property owners need to understand that it is important to maintain their buildings. In that regard, we need to recognise that we are starting from a very low base.

I look forward to hearing the other speeches in the debate. I have certainly enjoyed researching the issue and I will be very interested to hear the minister's comments because I know that the Government is doing quite a lot of work on the issue as well.

17:10

Margaret McDougall (West Scotland) (Lab): I congratulate Nigel Don on securing this debate on fuel poverty in Scotland's traditional buildings. As the motion quite rightly observes, many of the buildings in Scotland that predate 1919, including residential properties, are in a state of disrepair. Indeed, a quarter of those residential properties are in a state of extensive disrepair.

The experience of living in inadequate housing can have long-lasting effects, so I welcome the opportunity to speak up for people who are living in homes, including those in traditional buildings, that are not up to standard.

The relationship between poor housing and the occupier's health, wellbeing and income is important to understand. According to the Chartered Institute of Housing,

"Evidence suggests that living in poor housing can lead to an increased risk of cardiovascular and respiratory disease as well as to anxiety and depression. Problems such as damp, mould, excess cold and structural defects which increase the risk of an accident also present hazards to health."

The Marmot review team, working for Friends of the Earth, has established that living in a cold home and experiencing fuel poverty have an adverse impact on the mental health of a property's occupiers. The team also found that

"Children living in cold homes are more than twice as likely to suffer from a variety of respiratory problems than children living in warm homes."

I believe that Parliament understands the factors that lead to fuel poverty: low incomes, high energy prices and a lack of energy efficiency. Much of our political debate in recent months has focused on how to tackle low pay and improve household incomes by rethinking welfare reform and promoting the living wage. There has also been a great deal of commentary on the price of gas and electricity, the cost of living crisis and the need to reform energy markets.

The focus of this debate is on energy efficiency and the physical improvements that are needed to make traditional buildings more economical to heat and preserve, and how to do those things well.

I believe that the nourishing of our built environment and the preservation of our landscape heritage and historic townscapes enhance and enrich Scotland. Our traditional buildings contribute to the identity of our communities and our shared history. However, from farmhouses to city flats, those buildings are not there just to be appreciated; for many people in Scotland, those properties are their homes. Indeed, homes built before 1919 account for about a fifth of all residential properties in Scotland.

As a nation, we must ensure that we are equipped with the skills, the knowledge and the capacity to heat those homes efficiently and maintain them sustainably. I therefore commend the Scottish Government and Historic Scotland for the importance that they placed on energy efficiency in their strategy for traditional building skills.

The strategy identified challenges with insulating and upgrading traditional buildings. It also found gaps in training provision and that conventional insulation techniques are not always appropriate for older buildings. It explained that Historic Scotland continues to support research into traditional buildings and materials and into new techniques that could improve energy efficiency with the minimum of risk to older buildings. Perhaps the minister will address the implementation of the strategy, which was published in 2011, in her closing remarks.

The Scottish Government is duty bound to do all that it can to eradicate fuel poverty in Scotland by 2016. To achieve that, we must invest in traditional building and maintenance skills, and we must bring the benefits of new apprenticeships, new research and new techniques to some of our oldest buildings. We must also encourage private landlords of hard-to-heat older buildings to take up the initiatives that are available to them to make their homes more energy efficient for their tenants.

17:15

Mike MacKenzie (Highlands and Islands) (SNP): I am pleased to speak in the debate because, as a Highlands and Islands member, I am acutely aware of fuel poverty, which runs at over 50 per cent on many of our islands and in many of our off-gas-grid areas on the mainland. Part of the explanation for that is, as we have heard, high fuel costs, part is low wages and part is the high proportion of housing stock across the Highlands and Islands that is in poor repair and is not energy efficient.

I will describe a typical scenario. The house that I will use as an example is a common one. It is a one and a half storey cottage with dormer windows. It is about 150 years old, with stone walls and a slate roof. The roof is nail sick, the old iron square-headed nails having finally rusted away, and the horse-hair felt is ineffective in preventing the ingress of rain when slates come off, as they do every winter. The mortar between the stones has degraded and is porous, so the walls now act as a giant wick, transporting dampness into the interior. It has two rooms on the ground floor, with two bedrooms and a small bathroom upstairs. It originally had a fireplace in each of the rooms. A lean-to corrugated iron kitchen was built at the back in the 1960s and, in the 1970s, some plasterboard wall linings were introduced inside and all but one of the fireplaces were boarded up.

The occupant is a single mother who has two jobs, neither of which pays a living wage. She runs an old car that almost always manages to take her to work. Her cottage is heated by an open fire with a pan loaf back boiler that provides hot water,

which was the height of modernity when it was installed. Her mother blessed it daily, just as she blessed Tom Johnston, who provided hydroelectricity to houses right across the Highlands and Islands, as well as storage heating complete with a reasonably priced storage heating tariff, which was the fuel poverty solution of that era.

Her brother wants to put up a wind turbine close by on his croft. He says that he could provide her with free electricity, but the local planning officer just smiled and shook his head and talked about the views. Her brother then got excited about solar panels on the roof. That would have been free electricity, too, but the wee man from the planning office smiled, shook his head again and talked about how picturesque the cottage is.

A nice young fellow from the council came to see her, brimming full of green deals and acronyms like ECO and HEEPS, but it all sounded too complicated and too costly, especially after the local builder had talked to her about the roof, the rising damp and the rot in the floors. When she asked how much it would cost, the builder just scratched his head, looked at his feet and mumbled something that sounded very like, "A hundred grand."

It is going to be another long, cold winter. It is going to be wet and it is going to be windy but, every now and then, the sun will break through and the views will be breathtaking.

17:19

Alex Johnstone (North East Scotland) (Con): I apologise to you, Deputy Presiding Officer, Nigel Don and the minister for the fact that I will be unable to stay to the end of the debate. I have other parliamentary business that I require to attend to.

I thank Nigel Don for bringing the motion before the Parliament. We should all concern ourselves with the issue, but the mention of properties built before 1919 in Angus North and Mearns attracted me to the motion because I have personal experience of those properties. I spent my early years in a freezing farmhouse a couple of miles north of Drumlithie with our backs to the hills. When the wind blew down off those hills, it seemed to have the strange ability to blow straight through a stone wall and along the lobby. I remember the rare occasion when we had to hang coats on the back of the outside door to stop the snow blowing through the planks. Those were, perhaps, extreme measures.

The housing that was built in that area, mostly in the 19th century, was, in its day, of surprisingly high quality. That is why many of the houses still stand firmly to this day. However, they are not of

the standard that we would wish them to be. The house in which I was brought up was subject to grant-aided modernisation—in fact, the job was completed about 40 years ago this year. It still stands—in fact, my son occupies it—and is in good condition. However, we know that, when it comes to energy efficiency, such houses are not of the standard that we would like.

The advantage that a previous generation had of being able to use grants that were administered by local government to modernise older properties gives us a lesson about what we must consider now.

It is surprising that, when it comes to home insulation, money is not the problem. Many grant schemes are available and there are also opportunities for money that is raised through energy charging to be used to insulate and modernise some of the houses that we are talking about and bring them up to the higher energy efficiency standard. However, I have spoken to people—Government employees, in many cases—who find themselves in the strange situation of almost not being able to give the money away. They are trying to persuade people to take the opportunities but they will not take them up.

The challenge that we have is, first, to let people know what modern technology can do: how proper insulation of an old property can massively reduce the energy costs that are associated with the property. We need people to understand the benefits that they will get from a little investment.

Next, we need to make sure that the available resource is targeted at those people who understand the need and that we expand the knowledge of what can be achieved. Only by ensuring that people believe the stories that they are told about energy efficiency and the possibilities that it brings will we be able to get them involved in making their homes more energy efficient. The challenge is education about not only what is available but what returns can be obtained.

Many people in communities such as the one in which I was brought up still find themselves in the situation that I have spoken about in the past minute or two. Many of them are owner-occupiers and many of them have limited resources. The challenge for us is to not limit the scope of our ambition and to ensure that the opportunities that I have spoken about are made available to all and made available as soon as possible.

17:24

The Minister for Housing and Welfare (Margaret Burgess): As others have done, I congratulate Nigel Don on securing time for the

debate. I thank all those who have contributed to it.

Tackling fuel poverty is a key part of the Scottish Government's focus on building a fairer Scotland and tackling inequality. As Nigel Don pointed out, pre-1919 homes have higher fuel poverty levels than the national average and typically have lower energy efficiency ratings than newer houses. It is a cause for concern that, since 2009, we have seen reductions in fuel poverty across houses in every age band except those that were constructed before 1919.

As I believe was pointed out by Margaret McDougall, fuel poverty has a complex mix of causes, including major factors such as fuel costs and welfare rules, over which the Scottish Government has little control. Nevertheless, there are things that we can do, such as actions to encourage energy efficiency improvements and address disrepair in our housing stock.

Nigel Don is right to highlight the disrepair in our older housing stock and its capacity to exacerbate fuel poverty. Energy efficiency improvements can be undermined by disrepair. Homes that are not wind and watertight are likely to be inefficient, and some types of disrepair such as roofs and windows in poor condition can make homes more expensive to heat; most members have alluded to that. The Scottish house condition survey indicates that homes built before 1919 remain among those that are most likely to suffer from extensive disrepair.

Responsibility for looking after homes lies in the first instance with home owners, so owners need to be responsible and keep their homes in good condition. As many members have mentioned, there is a behavioural lesson to be learned. I think that it was Nigel Don who pointed out that people think more about their kitchens and bathrooms than about the overall fabric of their house. However, we have to encourage home owners to be responsible and to keep their homes in good condition.

Local authorities, as strategic housing authorities, have a wide range of discretionary powers to deal with disrepair in private homes. I believe that they are best placed to develop and co-ordinate an appropriate response, including advice and financial assistance where it is most needed. I recognise that, as Mike MacKenzie mentioned, some home owners need additional support to look after their homes. Not everyone can afford to do what is required to be done.

The Housing (Scotland) Act 2014 strengthened the powers that are available to local authorities to manage disrepair. As part of our sustainable housing strategy, the Scottish Government is developing proposals on common housing

standards across all tenures, in collaboration with stakeholders. Where the owner is a landlord, we expect them to meet additional responsibilities. Social landlords are working towards achieving the Scottish housing quality standard by April 2015. Part of that standard is to ensure that their homes are energy efficient. Private landlords must ensure that the homes that they let meet a statutory repairing standard, which, among other things, requires homes to be wind and watertight. The energy efficiency standard for social housing, which was published in March 2014, aims to further improve the energy efficiency of the social housing stock in Scotland. Social landlords are expected to meet the first milestones by December 2020.

The Scottish Government is working with a group of key stakeholders to develop proposals on the regulation of energy efficiency in private sector homes, which will be published for public consultation in Spring 2015. I think that it was Nigel Don who pointed out that there are complexities around that, because private home owners as well as private landlords will have to meet the standards.

We know that the most sustainable way of tackling fuel poverty is by raising the energy efficiency of homes. That is why, over the past three years, the Scottish Government has invested more than £220 million in a range of fuel poverty and energy efficiency programmes, which Alex Johnstone spoke about. Those measures have an estimated net gain in household income of more than £1 billion, and more than 600,000 households in Scotland have benefited from the measures. We must encourage people to take up the measures that are available and ensure that they know what is out there.

Our commitment to tackling fuel poverty is strengthened by our budget of £79 million in this financial year and next. That funds our area-based schemes, our energy assistance scheme and our energy advice centres. In October, the First Minister announced a new national fuel poverty scheme that is potentially worth up to £224 million over seven years.

The Scottish Government has taken significant action to help address fuel poverty within the constraints that we face. Our actions have been hampered by the changes to the United Kingdom Government's energy company obligation. The uncertainty that has been caused by those changes has led to a number of planned schemes that are focused on areas of fuel poverty in Scotland being unable to proceed. In light of those changes, we are working closely with councils and registered social landlords on how best to support the delivery of energy efficiency measures.

As part of the Smith commission process, we called for increased powers to tailor fuel poverty policies to the specific needs of Scottish households, which includes houses built before 1919. Lord Smith of Kelvin has now published his recommendations. The First Minister has welcomed the transfer of those powers and we await further clarity on their scope in relation to energy efficiency.

Members may wish to note that their constituents can get impartial advice on energy efficiency and find out exactly what support they are eligible for by calling the Scottish Government's home energy Scotland hotline on 0808 808 2282 or by visiting www.greenerscotland.org—the home energy Scotland website. Around a third of Scottish households have already had advice from the hotline since it started.

I commend Nigel Don for securing the debate and members for their contributions. Fuel poverty is an important issue, which the Government is committed to addressing. As part of that, we recognise the importance of tackling disrepair in pre-1919 homes.

Meeting closed at 17:31.

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